

**KEMP**

**KEMP & COMPANY LIMITED**

134<sup>th</sup> Annual Report 2014-15



# 134<sup>th</sup> Annual Report

## **BOARD OF DIRECTORS**

Mrs. Shalini D. Piramal (w.e.f. 26/03/2015)

Mr. Ranjan Sanghi

Mr. Shekhar Shah

Mr. M. K. Arora

Mr. Maneck Davar (till 29/07/2015)

Mr. Rajkumar Kataria (w.e.f. 14/08/2015)

## **CHIEF FINANCIAL OFFICER**

Mr. Sunil Gupta

## **COMPANY SECRETARY**

Mr. Kunal Chhatwani

## **STATUTORY AUDITORS**

M/s. Kalyaniwalla & Mistry

Chartered Accountants

## **INTERNAL AUDITORS**

M/s. Suresh Surana & Associates LLP

## **BANKERS**

Central Bank of India

## **REGISTERED OFFICE**

78-A, MIDC Estate, Satpur,

Nashik – 422 007, Maharashtra.

Tel.: +91-253-240 6700 Fax: +91-253-235 0756

**CIN : L24239MH1982PLC000047**

## **INVESTORS' SERVICES DEPARTMENT**

DGP House, 5<sup>th</sup> Floor, 88-C, Old Prabhadevi Road, Mumbai – 400 025, Maharashtra.

Tel.: +91-22-6653 9000 Fax: +91-22-6660 8393

## **REGISTRAR & SHARE TRANSFER AGENT**

Link intime India Private Limited,

C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai – 400 078, Maharashtra.

Tel.: +91-22-2596 3838, +91-22-2594 6969. Email: [helpline@linkintime.co.in](mailto:helpline@linkintime.co.in)

## NOTICE

NOTICE is hereby given that the 134<sup>th</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 Wednesday, the 30<sup>th</sup> September 2015 at 11.30 a.m. to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March 2015 together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on equity shares for the financial year 2014-15.
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 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 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013, and the Rules made thereunder and pursuant to the recommendations of the Audit Committee, M/s. 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 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 authorized to fix their remuneration for the financial year ending 31<sup>st</sup> March 2016 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 Mrs. Shalini D. Piramal, who was appointed by the Board of Directors of the Company as an Additional Director with effect from 26<sup>th</sup> March 2015 in terms of Section 161 of the Companies Act, 2013 read with Article 159 of the Articles of Association of the Company and who holds office till the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company.”
6. To consider & if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:  
“RESOLVED THAT in accordance with the provisions of sections 2(78), (94) and 197 of the of the Companies Act, 2013 (the Act) read with Schedule V to the Act, the approval of the Company be and is hereby accorded to the appointment of Mrs. Shalini D. Piramal as a Whole time Director designated as Managing Director of the Company for a period of 5 years from 26<sup>th</sup> March, 2015 to 25<sup>th</sup> March 2020 (both days inclusive) on the terms and conditions, including remuneration and perquisites as mentioned herein below and set out more particularly in the Agreement to be entered into between the Company and Mrs. Shalini D. Piramal, a draft of which is placed before this Meeting

**SALARY** Basic Salary of Rs. 1,40,000/- per month in the scale of Rs. 1,40,000/- - Rs. 4,00,000/-.

Increments within the salary scale will be decided by the Board of Directors from time to time as it may deem fit.

**PERQUISITES** Following perquisites on a monthly basis in addition to salary not exceeding three times the monthly basic salary shall be allowed as per the rules of the Company within the overall ceiling fixed by the Company. For the purpose of calculating the ceiling, the perquisites and allowances shall be evaluated as per Income-tax Rules, wherever applicable. In the absence of any such Rules, they shall be evaluated at actual cost.

#### **Housing**

Residential accommodation with furnishings or house rent allowance in lieu thereof as per the policy of the Company.

#### **Medical Reimbursement**

Reimbursement of actual expenses incurred for self and family as per the rules of the Company.

#### **Leave Travel Allowance**

For self and family once in a year as per the rules of the Company.

#### **Other Allowances and Contributions**

As per the policy of the Company.

#### **Earned / Privilege leave**

On full pay and allowance as per the policy of the Company. Encashment of leave accumulated but not availed during the tenure or at the end of tenure of office, as the case may be, in accordance with the policy of the Company.

**Conveyance & Telephones**

As per the policy of the Company

**Sitting Fees**

The Managing Director shall not be paid any sitting fees for attending any meetings of the Board / Committee(s) / General Meeting(s) etc.

**General**

The Managing Director shall be subject to the other service conditions, rules and regulations of the Company as may be prescribed from time to time.

**Minimum  
Remuneration**

In the event of absence or inadequacy of profits of the Company in any financial year, the remuneration as mentioned herein above shall not be reduced but shall be payable subject to the approval of the Central Government. In the event of the Central Government providing its approval subject to any modification(s) / alteration(s), the remuneration of Mrs. Shalini D. Piramal shall be such as may be approved by the Central Government. However, in the event of the Central Government not Providing its approval, Mrs. Shalini D. Piramal shall be entitled to receive such amount as minimum remuneration as is permissible under Section II of Part II of Schedule V to the Act.

7. To consider & if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:  
"RESOLVED THAT Mr. Rajkumar Kataria (DIN 01960956), who was appointed by the Board of Directors of the Company as an Additional Director with effect from 14th August 2015 in terms of Section 161 of the Companies Act, 2013 read with Article 159 of the Articles of Association of the Company and who holds office till the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company;  
RESOLVED FURTHER THAT pursuant to the provisions of Section 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) Mr. Rajkumar Kataria, who is 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 30<sup>th</sup> September 2015 up to 29<sup>th</sup> September 2020."
8. To consider and, if thought fit, to pass with or without modification, the following Resolution as a SPECIAL RESOLUTION:  
"RESOLVED THAT pursuant to Section 94 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, the Registers and Returns required to be maintained by the Company under Section 88 and 92 of the Companies Act, 2013, may be maintained at the Company's Corporate Office at DGP House, 88 C, Old Prabhadevi Road, Mumbai - 400025 with effect from 1<sup>st</sup> October 2015."
9. To consider and, if thought fit, to pass with or without modification, the following Resolution as a SPECIAL RESOLUTION:  
"RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 and relevant rules made thereto including any statutory modifications or re-enactments thereof, consent of the Company be and is hereby accorded to the arrangement entered into with Vibhuti Investments Co. Ltd. regarding monthly tenancy in respect of Company's commercial premises located at 88 C, Old Prabhadevi Road, Mumbai – 400 025 and that the transactions entered into during the year be and are hereby approved.  
FURTHER RESOLVED THAT the Board of Directors be and is hereby authorized to sign and to execute agreement and any other deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

By the order of the Board of Directors

Kunal Chhatwani  
Company Secretary

Registered Office:  
78-A, MIDC Estate, Satpur  
Nashik – 422 007

Date: 14<sup>th</sup> August 2015

CIN : L24239MH1982PLC000047

## KEMP & COMPANY LIMITED

### NOTES:

(a) The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the business under item Nos. 5 to 7 as set out under special business of the 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(s) where the shares of the Company are listed is 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 a 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. However, a person may act as a proxy for a member holding more than 10% (ten percent) of the total share capital of the Company provided that such person shall not act as a proxy for any other person.

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 i.e. by 11.30 a.m. on the 28<sup>th</sup> September 2015. A Proxy form is sent herewith.

(c) Corporate members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the resolution to the Company, authorizing their representative to attend and vote on behalf of the Company.

(d) 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 22<sup>nd</sup> September 2015 to Wednesday, the 30<sup>th</sup> September 2015 (both days inclusive) for the purpose of payment of final dividend.

(e) The dividend as recommended by the Board of Directors if approved by Members at the ensuing Annual General Meeting will be paid on or before 5<sup>th</sup> October 2015 as under:

i) To those Members holding shares in physical form, whose names appear in the Company's Register of Members as on the 30<sup>th</sup> September 2015.

ii) To those 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 the 21<sup>st</sup> September 2015.

(f) 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.

(g) 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 their 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 (RTA).

(h) The Company is concerned about the environment and utilizes natural resources in a sustainable way. The Ministry of Corporate Affairs (MCA) has allowed companies to send official documents to their shareholders electronically. The Company has already started sending documents like Notice convening the general meetings, Directors' Report, Auditors' Report, Financial Statements etc to the email address provided by Members with their depositories or to the Company or the Company's RTA.

The Company requests the Members to expeditiously update their email address with their respective depository participant or to the Company or the Company's RTA to ensure that the annual report and other documents reach them on their preferred email.

Those members who have shares in physical form are requested to expeditiously inform their email address to the Company at DGP House, 5th Floor, 88-C, Old Prabhadevi Road, Mumbai – 400025, Tel.: +91-022-66539000 Fax: +91-022-66608393 Email: kemp-investor-help@vipbags.com or the Company's RTA.

(i) Electronic copy of the Annual Report for the year 2014-15 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For Members who have not registered their email address, physical copies of the Annual Report for the year 2014-15 is being sent in the permitted mode.

(j) In case of joint shareholders attending the meeting, only such joint shareholder whose name appears higher in order of names as mentioned in the Register of Members of the Company will be entitled to vote.

- (k) Members are requested to notify immediately, any change in their address registered with the Company or to the RTA for equity shares held in physical form and to their respective Depository Participants (DPs) in respect of equity shares held in electronic form.
- (l) 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 RTA and those Members who are holding share(s) in electronic form, are requested to write to their respective Depository Participants (DPs).
- (m) 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 lying with the Company upto the financial year ended 31<sup>st</sup> March 2014 updated till the date of 133<sup>rd</sup> Annual General Meeting i.e. 26<sup>th</sup> September 2014. Members who have not yet encashed their dividend warrants for the years 2007-2008 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 2007-2008 is due for transfer to the Fund on 30<sup>th</sup> September 2015.
- (n) 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 RTA.
- (o) Members may also note that the Notice of the 134<sup>th</sup> Annual General Meeting and the Annual Report for the Financial Year 2014-15 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 day, except Saturdays, up to the date of the Annual General Meeting of the Company.
- (p) In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, substituted by the Companies (Management and Administration) Rules, 2015 and clause 35B of the Listing Agreement, the Company has provided a facility to its Members to exercise their votes electronically through the electronic voting service facility arranged by Central Depository Services Limited (CDSL). The facility for voting through ballot paper will be made available at the Annual General Meeting and the members attending the Annual General Meeting who have not already cast their votes by remote e-voting shall exercise their right to vote at the Annual General Meeting through ballot paper. Members who have cast their votes by remote e-voting prior to the Annual General Meeting may attend the Annual General Meeting but shall not be entitled to cast their votes again. The instructions for e-voting are given below.

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on 27<sup>th</sup> September 2015 at 9.00 a.m. and ends on 29<sup>th</sup> September 2015 at 5.00 p.m. The e-voting module shall be disabled by CDSL for voting thereafter. 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 16<sup>th</sup> September 2015, may cast their vote electronically. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently. In case the shareholder(s) cast their votes through both the modes, votes casted by remote e-voting shall prevail and votes casted through Ballot form shall be treated as invalid.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.

## KEMP & COMPANY LIMITED

(vii) If you are a first time user, follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on the Address Sticker of this Annual Report.</li> </ul>
Date of Birth	Enter the Date of Birth as recorded in your demat account or in the Company's records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the Company's records for the said demat account or folio. <ul style="list-style-type: none"> <li>Please enter the Date of Birth or Dividend Bank Details in order to login. If the details are not recorded with the depository or the Company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that the Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).



- (q) The voting rights of shareholders shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date (record date) of 23<sup>rd</sup> September 2015.
- (r) Those shareholders who have become the shareholders after 1<sup>st</sup> September 2015 the cut-off date for sending the Annual Report may refer to the Notice which is available on the Company's website [www.kempnco.com](http://www.kempnco.com) and also on the website of CDSL i.e. [www.evotingindia.com](http://www.evotingindia.com).
- (s) 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.
- (t) 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.
- (u) The Results shall be declared on or after the Annual General Meeting 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 CDSL within two(2) days of passing of the resolutions at the Annual General Meeting of the Company and communicated to the Stock Exchanges.
- (v) 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.
- (w) 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 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

### **Items Nos. 5 & 6**

The Board of Directors ("the Board") at its meeting held on 26<sup>th</sup> March 2015 appointed Mrs. Shalini D. Piramal, as an Additional Director of the Company with effect from 26<sup>th</sup> March 2015 in terms of Section 161 of the Companies Act, 2013 (the Act) read with Article 159 of the Articles of Association of the Company. Mrs. Piramal holds office upto the date of this Meeting. The Company has received a notice in writing along with the requisite deposit of Rs. 1,00,000/- under Section 160 of the Companies Act, 2013 from a shareholder intimating his/her intention to propose Mrs. Shalini D. Piramal as a candidate for the office of Director.

Mrs. Shalini D. Piramal, 50, is a Graduate and is in the employment of the Company since 2007. She has over 10 years of experience in Business activities.

Considering her qualification and experience, the Board at its aforesaid meeting also appointed Mrs. Shalini D. Piramal as a Whole-time Director of the Company designated as Managing Director for a period of five years with effect from 26<sup>th</sup> March, 2015 to 25<sup>th</sup> March 2020 (both days inclusive) upon the terms & conditions including the remuneration as detailed in the Agreement to be entered into between the Company and the Managing Director and also as set out in the Ordinary Resolution at Item No. 6 of the accompanying Notice.

Mrs. Shalini D. Piramal is not disqualified from being appointed as Director in terms of Section 164 and 184 of the Act and has given her consent to act as Director.

Inspection by Members:

The draft of the Agreement to be entered into between the Company and Mrs. Shalini D. Piramal, as 'Managing Director' of the Company is open for inspection by the Members during the normal working hours of the Company at its Registered Office upto the date of the Meeting.

The Board of Directors recommend passing of the Resolutions as set out in Item Nos. 5 & 6 of the accompanying Notice.

None of the Directors, other than Mrs. Shalini D. Piramal are, in any way, concerned or interested or deemed to be concerned or interested in passing of the said resolution.

### **Item No. 7**

The Board of Directors ("the Board") at its meeting held on 14<sup>th</sup> August 2015 appointed Mr. Rajkumar Kataria, as an Additional Director of the Company with effect from 14<sup>th</sup> August 2015 in terms of Section 161 of the Companies Act, 2013 (the Act) read with Article 159 of the Articles of Association of the Company. Mr. Kataria holds office upto the date of this Meeting. The Company has received a notice in writing along

## KEMP & COMPANY LIMITED

with the requisite deposit of Rs. 1,00,000/- under Section 160 of the Companies Act, 2013 from a shareholder intimating his/her intention to propose Mr. Rajkumar Kataria as a candidate for the office of Director.

Mr. Rajkumar Kataria, 60, is a ACS and has done Masters in Commerce and obtained Bachelor's Degree in Law (Merit). Mr. Rajkumar Kataria is the Co-Founder & Director of Arpwood Holdings Pvt. Ltd. He is also presently on the Board of Arpwood Capital Pvt. Ltd., Thirumalai Chemicals Ltd., and Mumtaz Hotels Ltd. Mr. Raj Kataria has previously served with DSP Merrill Lynch Ltd., as Managing Director of Investment Banking Division, Head of FIG during 2006-2011. He has over 30 years of experience in Business activities.

It is proposed to appoint Mr. Rajkumar Kataria as an Independent Director under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for a period of 5 years commencing from 30<sup>th</sup> September 2015 upto 29<sup>th</sup> September 2020 (both days inclusive).

Mr. Rajkumar Kataria is not disqualified from being appointed as Director in terms of Section 164 and 184 of the Act and has given his consent to act as Director. The Company has also received declaration from Mr. Rajkumar Kataria that he meets 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. Rajkumar Kataria fulfills the conditions for appointment as Independent Director as specified in the Act and the Listing Agreement. Mr. Rajkumar Kataria is independent of the management of the Company.

The Board of Directors recommend passing of the Resolutions as set out in Item No. 7 of the accompanying Notice.

None of the Directors, other than Mr. Rajkumar Kataria, is in any way, concerned or interested or deemed to be concerned or interested in passing of the said resolution.

The Board recommends the Ordinary Resolutions set out at Item No.7 of the Notice for approval by the shareholders.

### Item No. 8

The Register of Members and other Registers/ Returns under Section 94 of the Companies Act, 2013 is presently required to be maintained in the Registered Office. In terms of proviso to Section 94(1) and Rule 5 (2) of Companies (Management and Administration) Rules, 2014, the Register of Members and other Registers/ Returns required to be maintained at the registered office can be maintained at any other place in India, in which more than one-tenth of total Members reside, if so authorised by way of a Special Resolution. It is proposed to maintain these registers at the Company's Corporate Office at DGP House, 88 C, Old Prabhadevi Road, Mumbai – 400 025, since more than 10% of the Members reside in Mumbai which needs the approval of Members by way of Special Resolution.

Your Directors recommend the resolution for your approval. None of the Directors, Key Managerial Personnel or their relatives are deemed to be interested in this Resolution.

### Item No. 9

For the convenience of operations and management of the property, Company has given on monthly tenancy its commercial premises located at 88 C, Old Prabhadevi Road, Mumbai – 400 025 to Vibhuti Investment Co. Ltd. which is the holding company of the Company and therefore is treated as a related party.

As per Section 188 of the Companies Act, 2013, all related party transactions needs the approval from the shareholders of the Company by way of a Special Resolution. During the year Company has entered into the following transactions aggregating to Rs. 1,06,38,088/- with Vibhuti Investment Co. Ltd. with regard to the aforesaid property of the Company:

Property Income – Tenancy Charges	Rs. 22,35,768
Maintenance Charges	Rs. 67,07,304
Property Tax	Rs. 16,95,016

The Directors recommend the resolution for members' approval as a Special Resolution.

Mr. M. K. Arora and Mr. Shekhar Shah, Directors are also the Directors of Vibhuti Investments Co. Ltd. and may be deemed to be concerned or interested in passing of the aforesaid resolution. None of the other Directors are concerned or interested in passing the resolution.

## KEMP & COMPANY LIMITED

### DETAILS OF THE DIRECTOR /WHOLE-TIME DIRECTOR (MANAGING DIRECTOR) SEEKING APPOINTMENT /RE-APPOINTMENT

(In pursuance to Clause 49 of the Listing Agreement)

	Director seeking re-appointment	Director seeking appointment	Director seeking appointment
Name of the Director	<b>Mr. M. K. Arora</b>	<b>Mrs. Shalini D. Piramal</b>	<b>Mr. Rajkumar Kataria</b>
Date of Birth	21.9.1943	1.3.1965	12.10.1955
DIN	00031777	01365328	01960956
Date of Appointment	30.5.2011	26.3.2015	14.8.2015
Qualification	ACS, M.Com, LLB	B. Com	ACS, M.Com, LLB
Experience in special functional area	Experience of more than 4 decades in the Corporate Law and general management.	Businesswoman with rich business experience	
Chairman / Director of other companies	<ol style="list-style-type: none"> <li>1. Vibhuti Investments Co. Ltd.</li> <li>2. Alcon Finance &amp; Investments Ltd.</li> <li>3. Priya Ltd.</li> <li>4. Kiddy Plast Ltd.</li> <li>5. Windsor Machines Ltd.</li> <li>6. DGP Enterprises Pvt. Ltd</li> <li>7. DGP Capital Management Ltd</li> <li>8. Trimurti Glass Containers Ltd.</li> <li>9. Blow Plast Retail Ltd.</li> </ol>	<ol style="list-style-type: none"> <li>1. DGP Securities Ltd.</li> <li>2. DGP Enterprises Pvt. Ltd</li> </ol>	<ol style="list-style-type: none"> <li>1. Arpwood Holdings Pvt. Ltd.</li> <li>2. Arpwood Capital Pvt. Ltd.</li> <li>3. Thirumalai Chemicals Ltd.</li> <li>4. Mumtaz Hotels Ltd.</li> </ol>
Chairman/ Member of Committees of other Companies	<ol style="list-style-type: none"> <li>1. Windsor Machines Ltd. Audit Committee – Member - Stakeholder Relationship Committee – Member - Nomination &amp; Remuneration Committee – Member</li> <li>2. Priya Ltd. - Audit Committee – Member</li> </ol>	Nil	<ol style="list-style-type: none"> <li>1. Thirumalai Chemicals Ltd. - Audit Committee – Member - Stakeholder Relationship Committee – Member - Nomination &amp; Remuneration Committee – Member</li> <li>3. Mumtaz Hotels Ltd. - Audit Committee – Chairman</li> </ol>
No. of shares held in the Company	Nil	Nil	Nil

# KEMP & COMPANY LIMITED

## DIRECTORS' REPORT

Your Directors have pleasure in presenting their 134<sup>th</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 2015:

### Financial Results

(Amount in Rupees)

	Year ended 31.3.2015	Year ended 31.3.2014
Sales & Other Income	79,015,904	84,109,785
Gross Profit	10,167,429	15,283,132
Depreciation	2,107,432	1,526,876
Interest	-	-
Profit before Tax	8,059,997	13,756,256
Provision for Tax (Net of Deferred Tax )	804,287	2,295,621
Profit / (Loss) after Tax	7,255,710	11,460,635
Prior year Adjustments	(61130)	45,000
Profit brought forward from previous year	65,878,293	60,726,438
Profit available for appropriation	73,195,133	72,142,073
APPROPRIATIONS:		
Proposed Dividend	1,080,200	1,080,200
Tax on Proposed Dividend	219,903	183,580
Transfer to General Reserve	5,000,000	5,000,000
Balance transferred to Balance Sheet	66,895,030	65,878,293
	73,195,133	72,142,073

### OVERALL PERFORMANCE AND OUTLOOK

During the year under review, the Sales and Other Income decreased by 6.05% from Rs. 84,109,785/- to Rs. 79,015,904/-. The profit after tax was down by 36.69% from Rs. 11,460,635/- to Rs. 7,255,710/-. The profit before tax for the year ended 31<sup>st</sup> March 2015 was at Rs. 8,059,997/- (previous year Rs. 13,756,256/-).

The Company is exploring various options to improve performance in the coming year.

Reserves of the Company was at Rs. 151,899,001/- as on 31<sup>st</sup> March 2015.

### 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 134(3)(c) of the Companies Act, 2013 (the Act) with respect to the Directors' Responsibility Statement, your Directors, based on their knowledge and belief and the information and explanations obtained, confirm that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- accounting policies are selected and applied consistently and judgments and estimates are made that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company for the financial year ended 31<sup>st</sup> March 2015 and of the profit and loss of your Company for the financial year ended 31<sup>st</sup> March 2015;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- annual accounts are prepared for the financial year ended 31<sup>st</sup> March 2015 on a 'Going Concern' basis;
- internal financial controls have been laid down and followed by your company and that such internal financial controls are adequate and were operating effectively;
- proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**DECLARATION OF INDEPENDENT DIRECTORS**

Pursuant to section 134(3)(d) of the Act, your Company confirms having received necessary declarations from all the Independent Directors under section 149(7) of the Companies Act, 2013 declaring that they meet the criteria of independence laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchanges.

**SECRETARIAL AUDIT REPORT**

Secretarial Audit Report issued by Ragini Chokshi & Associates, Practising Company Secretary (CP No. 1436) is annexed to this Report and forms part of this Annual Report.

**INSURANCE**

All the assets of your Company, including Plant & Machinery, Buildings, Equipment etc. have been adequately insured.

**DEPOSITORY**

Your Company's shares are tradable compulsorily in electronic form and your Company has established connectivity with both the depositories, i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

**ELECTRONIC VOTING**

Your Company has entered into an agreement with NSDL and CDSL for providing facility of e-voting to its shareholders. For the year 2014-15, your Company has availed services of CDSL for providing facility of remote e-voting to its shareholders for casting their vote electronically.

**PUBLIC DEPOSITS**

Your Company has not invited or accepted any Public Deposits during the financial year under report.

**DIRECTORS**

Pursuant to the provisions of the section 161 of the Companies Act, 2013 read with Article 107 of the Articles of Association of your Company, Mrs. Shalini D. Piramal is appointed as an Additional Director and Whole-time Director designated as Managing Director and she shall hold office only up to the date of this Annual General Meeting and being eligible offer herself for appointment as Director. Mrs. Shalini D. Piramal is proposed to be appointed as a whole-time Director of your Company for a period of 5 years with effect from 26<sup>th</sup> March 2015.

Pursuant to the provisions of the section 161 of the Companies Act, 2013 read with Article 107 of the Articles of Association of your Company, Mr. Rajkumar Kataria is appointed as an Additional Director and he shall hold office only up to the date of this Annual General Meeting and being eligible offer himself for appointment as Director. Mr. Rajkumar Kataria is proposed to be appointed as an Independent Director of your Company for a period of 5 years with effect from 14<sup>th</sup> August 2015.

Mr. Maneck Davar ceased to be the Director of your Company with effect from 29<sup>th</sup> July 2015. Your Directors wish to place on record their appreciation for the guidance and inputs provided by Mr. Maneck Davar during his tenure as a Director of your Company.

Mr. M. K. Arora, Director of your Company retires by rotation and being eligible offers himself for re-appointment.

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, information on the Directors seeking appointment/re-appointment is provided as a part of the Notice convening the ensuing Annual General Meeting.

**BOARD EVALUATION**

Pursuant to section 134(3) of the Act read with Schedule IV thereto and in terms of clause 49 of the Listing Agreement with the Stock Exchanges, your Company has set up a policy for the performance evaluation of all Directors.

Performance of each of your Directors is evaluated basis several factors by the entire Board excluding the Director being evaluated. Your Company has also set up Performance Evaluation Policy for its Independent Directors and Executive Directors interalia which include independent view on Key appointments and strategy formulation, safeguard of stakeholders interest, raising concerns, if any to the Board, update of skills and knowledge, strategic planning for finance and business related, operational performance level of the Company, qualification and leadership skills etc. The Board of Directors of your Company discusses and analyses its own performance on an annual basis, together with suggestion for improvements thereon based on the performance objectives set for the Board as a whole. The evaluation of all the Directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The Board approved the evaluation results. Your Company has formulated a separate Evaluation Policy for its Board members, which is available on the website of your Company.

None of the independent directors are due for re-appointment.

### TRAINING OF INDEPENDENT DIRECTORS

The Board members are provided with necessary documents/brochures, reports and internal policies to enable them to familiarise with your Company's procedures and practices. Periodic presentations are made at the Board Meetings and the Board Committee Meetings on business and performance updates of your Company, global business environment, business strategy and risks involved.

Quarterly updates on relevant statutory changes and landmark judicial pronouncements encompassing important laws are regularly circulated to your Directors.

Every new Independent Director of the Board attends an orientation program to familiarize the new inductees with the strategy, operations and functions of your Company. The Executive Directors / Senior Management Personnel make presentations to the inductees about your Company's strategy, operations, products, markets, finance, human resources, technology, quality, facilities and risk management.

Further at the time of appointment of an Independent Director, your Company issues a formal letter of appointment outlining his/her role, function, duties and responsibilities as a Director. The format of letter of appointment is available on the website of your Company. Your Company has set up a separate Familiarisation program for newly appointed Independent Directors and the same is available on the website of your Company.

### CODE OF BUSINESS CONDUCT AND ETHICS FOR DIRECTORS/ MANAGEMENT PERSONNEL

The Code of Business Conduct and Ethics for Directors/Management Personnel ('the Code'), as adopted by the Board, is a comprehensive Code applicable to Directors and Senior Management Personnel of your Company. The Code, while laying down in detail, the standards of business conduct and ethics also deals with governance aspects. A copy of the Code has been uploaded on your Company's website [www.kempnco.com](http://www.kempnco.com). The Code has been circulated to Directors and Management Personnel and its compliance is affirmed by them regularly on an annual basis.

### NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

Your Company's Board of Directors met five times during the financial year under review. A calendar of Meetings is prepared and circulated in advance to your Directors. During the year under report, five Board Meetings and four Audit Committee Meetings were convened and held. The intervening gap between the two Meetings was within the period prescribed under the Companies Act, 2013.

### KEY MANAGERIAL PERSONNEL

The Key Managerial Personnel of your Company are Mrs. Shalini D. Piramal, Managing Director (w.e.f. 26<sup>th</sup> March 2015), Mr. Sunil Kumar Gupta, Chief Financial Officer and Mr. Kunal Chhatwani, Company Secretary.

### AUDITORS

#### Statutory Auditors

M/s. Kalyaniwalla & Mistry, Chartered Accountants, Statutory Auditors hold office till the ensuing Annual General Meeting and being eligible, have expressed their willingness to continue, if so appointed. As required under the provisions of Section 139 and Section 141 of the Companies Act, 2013, your Company has received a written certificate from the Statutory 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.

The Report does not contain any qualifications, reservations or adverse remarks.

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

#### Internal Auditors

M/s. Suresh Surana & Associates LLP were the Internal Auditors of your Company for the financial year 2014-15. Based on the recommendation of the Audit Committee of your Company, the Board of Directors of your Company has appointed M/s. Suresh Surana & Associates LLP as the Internal Auditors of your Company for the financial year 2015-16.

#### Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company had appointed M/s. Ragini Chokshi & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of your Company. The Secretarial Audit Report for the financial year 2014-15 forms part of the Annual Report as Annexure A to the Board's report.

The Report does not contain any qualifications, reservations or adverse remarks.

The Board has appointed M/s. Ragini Chokshi & Associates, a firm of Company Secretaries in Practice, as the Secretarial Auditors of your Company for the financial year 2015-16.

**VIGIL MECHANISM**

Your Company has established a Vigil Mechanism Policy for your Directors and employees to safeguard against victimisation of persons who use vigil mechanism and report genuine concerns. The Audit Committee shall oversee the vigil mechanism.

**INTERNAL FINANCIAL CONTROL**

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial disclosures.

**MATERIAL SUBSIDIARIES**

Your Company does not have any subsidiary.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES**

Your Company has established a Policy for determining related party transactions. The Audit Committee oversees the related party transactions. The Related Party Transaction Policy is available on the website of your Company.

None of the transactions with any of related parties were in conflict with your Company's interest. Attention of members is drawn to the disclosure of transactions with related parties set out in Note No. 25 of the Financial Statements, forming part of the Annual Report.

Your Company's major related party transactions are generally with its holding company.

**PARTICULARS OF EMPLOYEES & EMPLOYEE STOCK OPTION SCHEME**

Your Company has no employee whose remuneration details are required to be provided under the purview of the provisions of Section 197(12) of the Companies Act, 2013 (the Act) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

During the year under review, no stock options have been granted by your Company. Accordingly, no new equity shares have been allotted under the Employee Stock Option Scheme. Hence, no disclosure under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 have been made during the year under review.

**SIGNIFICANT AND MATERIAL ORDERS**

Your Company has received an order from Delhi High Court to vacate the premises held by the Company on tenancy basis at Connaught Place, New Delhi. The said shop premises have been vacated on 30<sup>th</sup> July 2015. This will have an impact on the future operations of the Company in trading business.

**TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND**

In terms of Section 125 of the Companies Act, 2013, any unclaimed or unpaid Dividend relating to the financial year 2007-08 is due for remittance to the Investor Education and Protection Fund established by the Central Government on 30<sup>th</sup> September 2015.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

There were no loans, guarantees or investments made by your Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

**ANNUAL RETURN**

The extracts of Annual Return pursuant to the provisions of Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 in the prescribed Form MGT-9 is annexed herewith as Annexure B.

**REMUNERATION RATIO OF THE DIRECTORS / KEY MANAGERIAL PERSONNEL (KMP) / EMPLOYEES:**

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of your Company is furnished hereunder:

S. No.	Name	Designation	Remuneration paid for the Financial Year 2014-15 (in Rs.)
1.	Mrs. Shalini D. Piramal	Managing Director	-
2.	Mr. Sunil Kumar Gupta	Chief Financial Officer	1,984,959
3.	Mr. Kunal Chhatwani	Company Secretary	390,300

## KEMP & COMPANY LIMITED

1. A brief write up on the Human Resource Department and initiatives taken during the year 2014-15

Your Company is in the process of setting up a formal Human Resource Department for initiating various steps for induction and training of the employees.

The employee strength as on 31<sup>st</sup> March 2015 was 8.

2. Your Directors' Remuneration (without variable pay / commission) to the median remuneration of the employees of your Company for the year 2014-15 was as under:

Director's Name	Ratio of remuneration of each Director to the median employees' remuneration
Mrs. Shalini D. Piramal	-

3. The Percentage increase in remuneration of all Executive Directors, Chief Financial Officer and Company Secretary were as under:

Name	Designation	Increase
Mrs. Shalini D. Piramal	Managing Director	-
Mr. Sunil Kumar Gupta	Chief Financial Officer	14%
Mr. Kunal Chhatwani	Company Secretary	14%

4. The percentage increase in the median remuneration of employees for the financial year 2014-15 is at 10.06%. The percentage increase in the median remuneration is calculated for comparable employees and does not include employees who were not eligible.

5. Your Company considered the following factors while recommending the increase in compensations.

1. Financial performance of your Company
2. Sales growth of your Company during the year under review
3. Salary Benchmarking against peer companies
4. Industry benchmarks

6. Your Company provided an average increase in remuneration of 10% to Key Managerial Personnel against an overall average increase in median salaries of 10.06%.

7. The comparison of remuneration of each of the Key Managerial personnel against the performance of your Company is as below:

Managing Director: Nil% of net profits for the year 2014-15

Chief Financial Officer: 2.51% of net profits for the year 2014-15

Company Secretary: 0.49% of net profits for the year 2014-15

8. There is no variable payout for Directors.

9. There are no employees of your Company who received remuneration in excess of the highest paid Director of your Company.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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.

### INDUSTRIAL RELATIONS

Industrial relations remained cordial throughout the year under review.

### ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation for the dedicated services of the employees of your Company at all levels.

By Order of the Board of Directors

Place: Mumbai  
Dated: 14<sup>th</sup> August 2015

Rajan Sanghi  
Director  
DIN : 00275842

M. K. Arora  
Director  
DIN : 00031777



**FORM NO. MR-3****SECRETARIAL AUDIT REPORT**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

**FOR THE PERIOD 01-04-2014 TO 31-03-2015**

To,

The Members

**KEMP AND COMPANY LIMITED**

78-A, MIDC Estate Satpur,

Nasik-422007

Maharashtra

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **KEMP AND COMPANY LIMITED (CIN : L24239MH1982PLC000047)** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for to provide a basis for our opinion.

Based on our verification of the **KEMP AND COMPANY LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period **1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2015** ("the reporting period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period **1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2015** according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulation made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(NOT APPLICABLE)**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 **Not applicable as there was no Substantial Acquisition of Shares & Takeover made during the year**
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 **Complied**
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009- **Not applicable as the Company did not issue any security during the financial year under review**
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999- **Not applicable as the Company did not have any scheme for its employees during the financial year under review.**
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- **Not applicable as the Company has not issued any debt securities during the financial year under review.**
  - f. The securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the companies act and dealing with client- **Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review.**

## KEMP & COMPANY LIMITED

- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- **Not applicable as the Company has not delisted its equity shares from any stock exchange during the financial year under review.**
- h. Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2009- **Not applicable as the Company has not bought back any of its securities during the financial year under review.**
- (vi) We have relied on the certificates obtained by the Company from the Management Committee/Function heads and based on the report received, there has been due compliance of all laws, orders, regulations and other legal requirements of the central, state and other Government and Legal Authorities concerning the business and affairs of the company.

We are of the opinion that the management has complied with the following laws specifically applicable to the Company:-

1. Income tax Act, 1961
2. Employee State Insurance Act
3. The Employees' Provident Funds And Miscellaneous Provisions Act, 1952
4. Environment (Protection) Act.1986
5. Water (Prevention and Control of pollution) Act, 1981
6. MIDC, Nashik and other local municipal Authorities & Act framed thereunder

We have also examined compliance with applicable clauses of the following:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India. **Not applicable since these Secretarial Standards will come into effect from 1<sup>st</sup> July, 2015 hence not applicable to the Company during the audit period under review**
- b) Listing Agreement with The Bombay Stock Exchange.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

### **We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the company commensurate with size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulation and guidelines.

For Ragini Chokshi & Associates

Place : Mumbai  
Date : 28/05/2015

Mrs. Ragini Chokshi  
(Proprietor)  
C.P.No. 1436  
FCS No. 2390

**FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31<sup>st</sup> March 2015

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014.

**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	L24239MH1982PLC000047
2.	Registration Date	27 <sup>th</sup> June 1882
3.	Name of the Company	KEMP AND COMPANY LIMITED
4.	Category/Sub-category of the Company	PUBLIC COMPANY/ LIMITED BY SHARES
5.	Address of the Registered office & contact details	78 A, MIDC ESTATE, SATPUR, NASHIK – 422 007 TEL: 91-253-2406700 FAX: 91-253-2350756 Email: <a href="mailto:kemp-investor-help@vipbags.com">kemp-investor-help@vipbags.com</a>
6.	Whether listed company	YES
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	LINK INTIME INDIA PVT. LTD. C-13 PANNALAL SILK MILLS COMPOUND, L.B.S. MARG, BHANDUP (WEST) MUMBAI-400 078 TEL: 91-22-25963838 FAX: 91-22-25946969 EMAIL: <a href="mailto:helpline@linkintime.co.in">helpline@linkintime.co.in</a>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY** (All the business activities contributing 10% or more of the total turnover of the Company shall be stated):

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
1	Trading in Hard & Soft Luggage and Ladies Handbags	22205,15121 & 15122	77.08%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –**

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	Vibhuti Investments Company Limited - Investment & Property Management	-	-

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):**

**A) Category-wise Share Holding -**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Dematerialised	Physical	Total	% of Total Shares	Dematerialised	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	0	0	0	0	0	0	0	0	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	772480	0	772480	71.51	772480	0	772480	71.51	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A)	772480	0	772480	71.51	772480	0	772480	71.51	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	680	820	1500	0.14	680	820	1500	0.14	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0

## KEMP & COMPANY LIMITED

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Dematerialised	Physical	Total	% of Total Shares	Dematerialised	Physical	Total	% of Total Shares	
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	680	820	1500	0.14	680	820	1500	0.14	0
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	99345	6173	105518	9.77	99431	6173	105604	9.78	0.01
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto 1 lakh	17581	21072	38653	3.58	17636	20912	38548	3.57	0.01
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	161050	0	161050	14.91	161050	0	161050	14.91	0
c) Others (specify)									
Non Resident Indians (Repat)	27	690	717	0.07	27	690	717	0.07	0
Non Resident Indians (Non Repat)	202	0	202	0.02	202	0	202	0.02	0
Market Maker	0	0	0	0	0	0	0	0	0
Foreign Portfolio Investor (Corporate)	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	20	20	0	0	20	20	0	0
Clearing Members	40	0	40	0.01	59	0	59	0.01	0
Trusts	20	0	20	0	20	0	20	0	0
Directors/Relatives	0	0	0	0	0	0	0	0	0
Hindu Undivided Family	0	0	0	0	0	0	0	0	0
Foreign Bodies - D R	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	278265	27955	306220	28.35	278425	27795	306220	28.35	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	278945	28775	307720	28.49	279105	28615	307720	28.49	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	1051425	28775	1080200	100.00	1051585	28615	1080200	100.00	0

### B) Shareholding of Promoter-

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Vibhuti Investments Co. Ltd.	735870	68.12	0	735870	68.12	0	0
2	DGP Securities Ltd.	36260	3.36	0	36260	3.36	0	0
3	Alcon Finance & Investments Ltd.	350	0.03	0	350	0.03	0	0
Total		772480	71.51	0	0	71.51	0	0

### C) Change in Promoters' Shareholding (please specify, if there is no change)-

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	At the beginning of the year	Nil	Nil	Nil	Nil
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Nil	Nil	Nil	Nil
3	At the end of the year	Nil	Nil	Nil	Nil

**D) Shareholding Pattern of top ten Shareholders**

(Other than Directors, Promoters and Holders of GDRs and ADRs)-

Sr No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2014 to 31-03-2015)	
		No. of Shares at the beginning (01-04-2014)/ end of the year (31-03-2015)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Gita Piramal	161050 161050	14.91 14.91	1.4.2014 31.3.2015	0	No movement during the year	0	0
2	DGP Enterprises Pvt. Ltd.	53000 53000	4.91 4.91	1.4.2014 31.3.2015	0	No movement during the year	0	0
3	DGP Capital Management Ltd.	50013 50013	4.63 4.63	1.4.2014 31.3.2015	0	No movement during the year	0	0
4	Hitesh Ramji Javeri	2067    2300	0.19    0.21	1.4.2014 4.4.2014 18.4.2014 9.5.2014 25.7.2014 31.3.2015	    143 67 13 10	    Purchase Purchase Purchase Purchase	    2210 2277 2290 2300	    0.20 0.21 0.21 0.21
5	V.I.P. Industries Ltd.	1909 1909	0.18 0.18	1.4.2014 31.3.2015	0	No movement during the year	0	0
6	Ramesh Raghunandan Sanzgiri	1600 1600	0.15 0.15	1.4.2014 31.3.2015	0	No movement during the year	0	0
7	Ravindra Vithaldas Mehta	1300    900	0.12    0.08	1.4.2015 18.7.2015 12.9.2015 5.12.2015 31.3.2015	    -200 -62 -138	    Sale Sale Sale	    1100 1038 900 900	    0.10 0.10 0.08 0.08
8	The Oriental Insurance Co. Ltd.	580 580	0.05 0.05	1.4.2015 31.3.2015	0	No movement during the year	0	0
9	Shirin Ardeshir Vakil	560 560	0.05 0.05	1.4.2015 31.3.2015	0	No movement during the year	0	0
10	Sunil Kumar Jain HUF	530 530	0.05 0.05	1.4.2015 31.3.2015	0	No movement during the year	0	0

**E) Shareholding of Directors and Key Managerial Personnel-**

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	-	Nil	Nil	Nil	Nil
2	-	Nil	Nil	Nil	Nil

**V. INDEBTEDNESS:** Indebtedness of the Company including interest outstanding/accrued but not due for payment:

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	Nil	Nil	Nil	Nil
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				
Change in Indebtedness during the financial year	Nil	Nil	Nil	Nil
* Addition				
* Reduction				
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	Nil	Nil	Nil	Nil

# KEMP & COMPANY LIMITED

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

### A. Remuneration to Managing Director/Whole-time Directors

Sr. No.	Particulars of Remuneration	Name of MD/WTD			Total Amount (Rs.)
1	Gross salary	Nil	Nil	Nil	Nil
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission - as % of profit - others, specify...	Nil	Nil	Nil	Nil
5	Others (Company's Contribution to Provident Fund)	Nil	Nil	Nil	Nil
	Total (A)	Nil	Nil	Nil	Nil
	Ceiling as per the Act (@10% of profits calculated under section 198 of the Companies Act, 2013)	Nil	Nil	Nil	Nil

### B. Remuneration to other directors

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount (in Rs.)
1	Independent Directors	Mr. Shekhar Shah	Mr. Ranjan Sanghi	Mr. Maneck Dawar	
	Fee for attending board committee meetings	110,000	120,000	120,000	350,000
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	110,000	120,000	120,000	350,000
2	Other Non-Executive Directors/Promoters	Mr. M. K. Arora			
	Fee for attending board committee meetings	100,000			100,000
	Commission	-			-
	Others, please specify	-			-
	Total (2)	100,000			450,000

### C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD

Sr. No.	Particulars of Remuneration	CEO	CS	CFO	Total Amount (in Rs.)
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961	-	382,254	1,859,120	2,241,374
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	-	Nil	29,700	29,700
	(c) Profits in lieu of salary u/s 17(3) of Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit Others, specify .....	-	-	-	-
5	Others (Company's Contribution to Provident Fund)	-	8,046	96,139	104,185
	Total	-	390,300	1,984,959	2,375,259

## VI. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>B. DIRECTORS</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

**INDEPENDENT AUDITOR'S REPORT****TO THE MEMBERS OF KEMP AND COMPANY LIMITED****Report on the Financial Statements**

We have audited the accompanying financial statements of **KEMP AND COMPANY LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its profit and cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

## KEMP & COMPANY LIMITED

- c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 27 to the financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For KALYANIWALLA & MISTRY  
CHARTERED ACCOUNTANTS  
Firm Registration No. 104607W**

**Sai Venkata Ramana Damarla  
PARTNER  
Membership No. 107017**

Place: Mumbai

Dated: May 28, 2015

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### ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in Paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date on the financial statements of the Company for the year ended March 31, 2015:

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
(b) As explained to us, the Company has a program for physical verification of fixed assets at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies have been reported on such verification.
- 2) (a) The Management has conducted physical verification of inventory at reasonable intervals.  
(b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
(c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- 3) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Act. Therefore, the provisions of sub-clause (a) and (b) of paragraph 3(iii) of the Order are not applicable to the Company for the current year.
- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. In our opinion and according to the information and explanations given to us, there is no major weakness in the internal control system.
- 5) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public and hence the provisions of section 73 to 76 or any other relevant provisions of the Act are not applicable.



- 6) The maintenance of cost records has not been prescribed by the Central Government, under sub section (1) of section 148 of the Companies Act, 2013 in respect of the activities carried out by the Company.
- 7) (a) According to the information and explanations given to us and the records examined by us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value added tax, cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, there are no undisputed dues, payable in respect of the above as at 31st March, 2015 for a period of more than six months from the date on which they became payable.
- (b) According to information and explanations given to us and on the basis of our examination of the books of account and records, the Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value added tax, cess and any other statutory dues with the appropriate authorities except:

Sr No	Name of the Statute	Amount	Period to which the amount relates	Forum where dispute is pending
1	Central Excise Act, 1944.	Rs.11,18,000/-	1/03/1986 to 14/12/1986	Customs Excise Service Tax Appellate Tribunal

- (c) According to information and explanations given to us, the amount required to be transferred to investor education and protection fund has been transferred.
- 8) The Company does not have accumulated losses at the end of the financial year and has not incurred any cash losses in the current and immediately preceding financial year.
- 9) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not defaulted in repayment of dues to banks. The Company does not have dues to financial institutions or debenture holders.
- 10) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and other financial institutions.
- 11) There were no term loans raised during the year.
- 12) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

**For KALYANIWALLA & MISTRY  
CHARTERED ACCOUNTANTS  
Firm Registration No. 104607W**

**Sai Venkata Ramana Damarla  
PARTNER  
Membership No. 107017**

Place: Mumbai

Dated: May 28, 2015

# KEMP & COMPANY LIMITED

## BALANCE SHEET AS AT 31st MARCH 2015

	Note No.	As at 31st March, 2015 (Figures in Rupees)	As at 31st March, 2014 (Figures in Rupees)
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds</b>			
(a) Share Capital	2	10,802,000	10,802,000
(b) Reserves & Surplus	3	151,899,001	145,886,204
		<u>162,701,001</u>	<u>156,688,204</u>
<b>(2) Non Current liabilities</b>			
(a) Other Long Term Liabilities	4	220,278	220,278
(b) Long - Term Provisions	5	1,773,000	1,466,000
		<u>1,993,278</u>	<u>1,686,278</u>
<b>(3) Current liabilities</b>			
(a) Trade Payables	6	4,977,487	6,427,055
(b) Other Current Liabilities	7	4,917,318	6,039,959
(c) Short Term Provisions	8	1,918,103	1,659,780
		<u>11,812,908</u>	<u>14,126,794</u>
<b>TOTAL</b>		<u><u>176,507,187</u></u>	<u><u>172,501,276</u></u>
<b>II ASSETS</b>			
<b>(1) Non - current Assets</b>			
(a) Fixed assets	9		
(i) Tangible Assets		31,115,919	33,164,817
(ii) Intangible Assets		-	-
		<u>31,115,919</u>	<u>33,164,817</u>
(b) Non Current Investments	10	125,168,454	80,168,454
(c) Deferred tax assets (Net)	11	781,882	499,254
(d) Other Non - current Assets	12	3,665,841	2,829,397
		<u>160,732,096</u>	<u>116,661,922</u>
<b>(2) Current Assets</b>			
(a) Current Investments	13	-	42,410,515
(b) Inventories	14	7,714,851	6,177,340
(c) Trade Receivables	15	1,739,764	696,967
(d) Cash and cash equivalents	16	5,727,231	5,597,449
(e) Short term Loans and Advances	17	593,245	957,083
		<u>15,775,091</u>	<u>55,839,354</u>
<b>TOTAL</b>		<u><u>176,507,187</u></u>	<u><u>172,501,276</u></u>

**Statement of Significant Accounting Policies** 1  
The accompanying notes 1 to 32 form an integral part of the financial statements

As per our report of even date.

**For KALYANIWALLA & MISTRY  
CHARTERED ACCOUNTANTS**

Firm Registration No. 104607W

**Sai Venkata Ramana Damarla**

PARTNER

Membership No.: 107017

**FOR AND ON BEHALF OF THE BOARD**

**Ranjan Sanghi**

Director  
DIN No. 00275842

**Sunil Gupta**

Chief Financial Officer

**M. K. Arora**

Director  
DIN No. 00031777

**Kunal Chhatwani**

Company Secretary

Place : Mumbai

Dated : 28th May, 2015

Place : Mumbai

Dated : 28th May, 2015

**STATEMENT OF PROFIT AND LOSS  
FOR THE YEAR ENDED 31st MARCH 2015**

Particulars	Note No.	2014-2015 (Figures in Rupees)	2013-2014 (Figures in Rupees)
<b>INCOME</b>			
Revenue from Operations	18	72,252,834	76,351,824
Other Income	19	6,763,070	7,757,961
<b>Total Revenue</b>		<b>79,015,904</b>	<b>84,109,785</b>
<b>EXPENSES</b>			
Purchase of Stock-in-trade		44,680,606	46,326,454
Changes in Inventory of Stock-in-trade	20	(1,537,511)	(183,890)
Employee Benefits Expense	21	8,330,273	7,747,079
Depreciation & Amortization Expense	9	2,107,432	1,526,876
Other Expenses	22	17,375,108	14,937,010
<b>Total Expenses</b>		<b>70,955,908</b>	<b>70,353,529</b>
<b>Profit Before Tax</b>		<b>8,059,997</b>	<b>13,756,256</b>
<b>Tax Expense</b>			
(a) Current tax		1,085,000	2,350,000
(b) Deferred tax	11	(280,713)	(54,379)
(c) Prior Years Tax Adjustments		(61,130)	45,000
<b>Profit for the year</b>		<b>7,316,840</b>	<b>11,415,635</b>
Earning per equity share:			
Basic & Diluted	23	6.77	10.57
Statement of Significant Accounting Policies	1		
The accompanying notes 1 to 32 form an integral part of the financial statements			

As per our report of even date.

**For KALYANIWALLA & MISTRY  
CHARTERED ACCOUNTANTS**

Firm Registration No. 104607W

**Sai Venkata Ramana Damarla**

PARTNER

Membership No.: 107017

Place : Mumbai

Dated : 28th May, 2015

**FOR AND ON BEHALF OF THE BOARD**

**Ranjan Sanghi**

Director

DIN No. 00275842

**Sunil Gupta**

Chief Financial Officer

Place : Mumbai

Dated : 28th May, 2015

**M. K. Arora**

Director

DIN No. 00031777

**Kunal Chhatwani**

Company Secretary

## KEMP & COMPANY LIMITED

### CASH FLOW STATEMENT FOR THE YEAR 31st MARCH, 2015

(Figures in Rupees)

	2014-2015	2013-2014
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before taxes	8,059,997	13,756,256
Adjustment for:		
Dividend Received	(6,209,806)	(7,330,007)
Depreciation	2,107,430	1,526,876
Interest Received	(6,009)	(410,181)
Loss on sale of Fixed Assets	-	167,440
Profit on Sale of Investments	(546,255)	-
Sundry balance written off (Net)	(1,000)	(17,773)
	<u>(4,655,640)</u>	<u>(6,063,645)</u>
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>3,404,357</b>	<b>7,692,611</b>
<b>ADJUSTMENTS FOR WORKING CAPITAL CHANGES :</b>		
Short Term Loans & Advances and other Current assets	442,063	(642,144)
Trade Receivables	(1,042,797)	6,627,068
Inventories	(1,537,511)	(183,890)
Long Term Provisions and other Long Term Liabilities	307,000	71,000
Short Term Provisions and other Short Term Liabilities	(906,992)	(7,335,294)
Trade Payables	(1,449,568)	1,147,063
	<u>(4,187,805)</u>	<u>(316,197)</u>
Cash Generated from Operations	(783,448)	7,376,414
Direct Taxes paid	(1,938,539)	(1,839,191)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>(2,721,987)</b>	<b>5,537,223</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(64,389)	(2,004,597)
Sale of Fixed Assets	-	250,000
Purchase of Investments	(45,000,000)	(35,109,596)
Redemption / Sale of Investment	42,956,770	24,229,560
Interest Received	6,009	410,181
Dividend Received	6,209,806	7,330,007
<b>NET CASH FROM INVESTING ACTIVITY</b>	<b>4,108,196</b>	<b>(4,894,445)</b>

**KEMP & COMPANY LIMITED**

	2014-2015	(Figures in Rupees) 2013-2014
C) CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid	(1,072,847)	(1,087,944)
Dividend Tax Paid	(183,580)	(183,580)
NET CASH FROM FINANCING ACTIVITY	<u>(1,256,427)</u>	<u>(1,271,524)</u>
NET DECREASE IN CASH & CASH EQUIVALENTS(A+B+C)	<u>129,782</u>	<u>(628,746)</u>
OPENING BALANCE OF CASH & CASH EQUIVALENTS	5,597,449	6,226,195
CLOSING BALANCE OF CASH & CASH EQUIVALENTS	<u>5,727,231</u>	<u>5,597,449</u>
	<u>129,782</u>	<u>(628,746)</u>

**Notes**

- 1 Previous year's figures have been regrouped and rearranged wherever considered necessary to make them comparable with those of the current year.
- 2 Cash Flow Statement has been prepared by following Indirect Method.

As per our report of even date.

**For KALYANIWALLA & MISTRY  
CHARTERED ACCOUNTANTS**

Firm Registration No. 104607W

**Sai Venkata Ramana Damarla**

PARTNER

Membership No.: 107017

Place : Mumbai

Dated : 28th May, 2015

**FOR AND ON BEHALF OF THE BOARD****Ranjan Sanghi**

Director

DIN No. 00275842

**Sunil Gupta**

Chief Financial Officer

Place : Mumbai

Dated : 28th May, 2015

**M. K. Arora**

Director

DIN No. 00031777

**Kunal Chhatwani**

Company Secretary

**SIGNIFICANT ACCOUNTING POLICIES & NOTES TO FINANCIAL STATEMENTS****1 Significant Accounting Policies****1.1 Basis of Preparation of financial statements**

The financial statements of the Company have been prepared on accrual basis under the historical cost convention and on going concern basis in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards specified under section 133 of The Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of The Companies Act, 2013 ('the Act') / The Companies Act, 1956 as applicable.

**1.2 Use of Estimates**

The preparation and presentation of financial statements in conformity with the Generally Accepted Accounting Principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Differences between the actual result and the estimates are recognized in the period in which the results are known / materialized.

**1.3 Fixed Assets**

- (i) Fixed assets are stated at cost less accumulated depreciation
- (ii) Compensation paid to obtaining possession of the tenanted premises is capitalised under Buildings.
- (iii) Carrying amount of cash generating units/ assets are reviewed at the balance sheet date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount is estimated as the net selling price or value in use, whichever is higher. Impairment loss, if any, is recognized whenever carrying amount exceeds the recoverable amount.

**1.4 Depreciation / Amortisation**

Depreciation on cost of assets is provided on straight line method in accordance with the useful life prescribed under Schedule -II of the Companies Act, 2013. Intangible assets (Computer Software) is being amortized over a period of 3 years.

**1.5 Impairment of Assets**

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the management estimates the recoverable amount of the assets. If such recoverable amount of the assets is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit & Loss. If at the balance sheet date there is an indication that if previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum amount of depreciated historical cost.

**1.6 Lease**

Lease rentals in respect of assets acquired under operating lease are charged to the Statement of Profit & Loss as incurred.

**1.7 Foreign Currency Transactions**

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of transactions. Resulted exchange differences arising on payment or conversion of liabilities are recognised as income or expense in the year in which they arise. Foreign currency assets & liabilities outstanding at the close of the financial year are valued at the closing exchange rate and loss/gain due to foreign exchange fluctuation is charged to the Statement of Profit & Loss.

**1.8 Investments**

Long Term investments are valued at cost less provision for diminution in value, if the diminution is other than temporary. Short term investments are valued at cost or market value whichever is lower.

**1.9 Inventories**

Traded goods are valued at cost or realizable value whichever is lower. The cost is arrived on first in first out basis.

**1.10 Revenue Recognition**

- 1. Sales are recognised on delivery of goods to customer and are exclusive of value added tax.
- 2. Dividend is accounted for as and when received.

**1.11 Employee Benefits**

- (i) Short term employee benefits are recognised as expenses at the undiscounted amount in the Statement of Profit & Loss of the year in which the related service is rendered.

- (ii) Contribution payable to the recommended Provident Fund and Super Annuation Scheme which is Defined Contribution Scheme is charged to the Statement of Profit and Loss.
- (iii) Liabilities in respect of defined benefit plans are determined based on actuarial valuation made by an independent actuary as at the balance sheet date. The actuarial gains or losses are recognised immediately in the Statement of Profit and Loss.

**1.12 Borrowing Cost**

Borrowing costs incurred by the company on an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalized as part of the cost of that asset.

**1.13 Taxation**

- (i) Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the provisions of the Income Tax Act, 1961.
- (ii) Deferred Tax for timing differences between tax profit & book profit for the year is accounted for using the tax rate & laws that have been enacted or substantially enacted as of the Balance Sheet date. Deferred Tax assets arising from timing differences are recognised to the extent there is a virtual certainty that these assets would be realised in future and reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.

**1.14 Proposed Dividend**

Proposed Dividend, if any, subject to shareholders' approval at the Annual General Meeting, is provided in the books

**1.15 Provisions & Contingent Liabilities**

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for contingent liability is made when there is possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

**1.16 Earning Per Share**

The basic earning per share is computed using weighted number of common shares outstanding during the period. Diluted earning per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the period, except where the results would be anti-dilutive.

**Notes forming Part of the financial statements**

	As at 31st March, 2015 (Figures in Rupees)	As at 31st March, 2014 (Figures in Rupees)
<b>2 SHARE CAPITAL</b>		
(a) <b>Authorized</b>		
1,450,000 Equity shares, Rs. 10/- each	14,500,000	14,500,000
<b>TOTAL</b>	<b>14,500,000</b>	<b>14,500,000</b>
(b) <b>Issued, Subscribed and Paid Up</b>		
1,080,200 Equity shares, Rs. 10/- each fully paid up	10,802,000	10,802,000
<b>TOTAL</b>	<b>10,802,000</b>	<b>10,802,000</b>

- (1) The Company has only one class of equity shares. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend subject to the shareholders approval in the Annual General Meeting. The shareholders have rights in proportion to their shareholding for dividend as well as for assets, in case of liquidation.
- (2) The details of shareholders holding more than 5% shares is as below :

Name of the shareholders	As at 31st March, 2015		As at 31st March, 2014	
	No. of shares held	%	No. of shares held	%
Vibhuti Investments Company Limited	735,870	68.12%	735,870	68.12%
Dr Gita Piramal	161,050	14.91%	161,050	14.91%

- (3) There has been no movement in the number of shares outstanding at the beginning and at the end of the current and previous reporting period.

## KEMP & COMPANY LIMITED

	As at 31st March, 2015 (Figures in Rupees)	As at 31st March, 2014 (Figures in Rupees)
<b>3 RESERVES &amp; SURPLUS</b>		
(a) <b>Capital Redemption Reserve</b>		
Balance as per last Balance Sheet	4,500	4,500
(b) <b>Securities Premium Reserve</b>		
Balance as per last Balance Sheet	3,411	3,411
(c) <b>General Reserve</b>		
Balance as per last Balance Sheet	80,000,000	75,000,000
Less: Adjustment as per Schedule II of Companies Act, 2013 (Refer Note 3.1 below)	(3,940)	-
Add: Transfer from Surplus	5,000,000	5,000,000
	<u>84,996,060</u>	<u>80,000,000</u>
(d) <b>Surplus in the Statement of Profit &amp; Loss</b>		
Balance as per last Balance Sheet	65,878,293	60,726,438
Profit for the year	7,316,840	11,415,635
	<u>73,195,133</u>	<u>72,142,073</u>
(i) Less: Transfer to General Reserve	5,000,000	5,000,000
(ii) Less: Proposed Final Equity Dividend	1,080,200	1,080,200
(iii) Less: Tax on Distributed Profits	219,903	183,580
	<u>66,895,030</u>	<u>65,878,293</u>
<b>TOTAL</b>	<u>66,895,030</u>	<u>65,878,293</u>
<b>GRAND TOTAL</b>	<u>151,899,001</u>	<u>145,886,204</u>

3.1 The Company has revised the depreciation rate on certain fixed assets as per useful life specified in the Companies Act, 2013. Depreciation of Rs. 3,940 (net of deferred tax Rs 1,915) on account of assets whose useful life is already exhausted as on 1st April 2014 have been adjusted to General Reserve.

<b>4 OTHER LONG TERM LIABILITIES</b>		
(a) Security Deposits	215,500	215,500
(b) Others	4,778	4,778
<b>TOTAL</b>	<u>220,278</u>	<u>220,278</u>

<b>5 LONG TERM PROVISIONS</b>		
(a) Provision for Gratuity*	1,502,000	1,233,000
(b) Provision for Leave Encashment	271,000	233,000
<b>TOTAL</b>	<u>1,773,000</u>	<u>1,466,000</u>

\* Refer Note 21(b).

<b>6 TRADE PAYABLES</b>		
Sundry Creditors For Goods (Refer Note 6.1)	4,977,487	6,427,055
<b>TOTAL</b>	<u>4,977,487</u>	<u>6,427,055</u>

6.1 There are no dues to Micro or Small Enterprise under the Micro, Small and Medium Enterprises Development Act, 2006. The same is disclosed on the basis of information available with the Company and has been relied upon by the Auditors.



## KEMP & COMPANY LIMITED

	As at 31st March, 2015 (Figures in Rupees)	As at 31st March, 2014 (Figures in Rupees)
<b>7 OTHER CURRENT LIABILITIES</b>		
(a) Unclaimed Dividends*	86,072	78,719
(b) Outstanding Liabilities	4,043,187	5,514,137
(c) Advance received from customers	280,009	1,000
(d) Other Payables	508,050	446,103
<b>TOTAL</b>	<b>4,917,318</b>	<b>6,039,959</b>
* Amount due to Investor Education & Protection fund is Rs Nil.		
<b>8 SHORT TERM PROVISIONS</b>		
(a) Provision for Gratuity*	95,000	75,000
(b) Provision for Leave Encashment	23,000	21,000
(c) Provision for Other Employee Benefits	500,000	300,000
(d) Proposed Dividend	1,080,200	1,080,200
(e) Tax on proposed dividend	219,903	183,580
<b>TOTAL</b>	<b>1,918,103</b>	<b>1,659,780</b>
* Refer Note 21(b).		

### 9 FIXED ASSETS

(Figures in Rupees)

PARTICULARS	Gross Block				Depreciation / Amortisation					Net Block	
	As at 01.04.2014	Additions	Deductions/ Adjustments	As at 31.03.2015	As at 01.04.2014	Trf to Gen. Reserve for the year (Note 9.2)	For the year	Deductions/ Adjustments	Up to 31.03.2015	As at 31.03.2015	As at 31.03.2014
<b>TANGIBLE ASSETS :</b>											
Freehold Land	71,093	-	-	71,093	-		-	-	-	71,093	71,093
Building	52,276,322	-	-	52,276,322	23,451,073		992,280	-	24,443,353	27,832,969	28,825,249
Plant & Machinery	504,598	-	-	504,598	76,261		35,389	-	111,650	392,948	428,337
Furniture & Fixture	3,433,106	64,389	-	3,497,495	1,520,838		826,875	-	2,347,713	1,149,782	1,912,268
Motor Vehicle	2,085,623	-	-	2,085,623	165,636		252,888	-	418,524	1,667,099	1,919,987
Computer	89,763	-	-	89,763	81,880	5,855	-	-	87,735	2,028	7,883
<b>TOTAL TANGIBLE ASSETS</b>	<b>58,460,505</b>	<b>64,389</b>	<b>-</b>	<b>58,524,894</b>	<b>25,295,688</b>	<b>5,855</b>	<b>2,107,432</b>	<b>-</b>	<b>27,408,975</b>	<b>31,115,919</b>	<b>33,164,817</b>
<b>INTANGIBLE ASSETS :</b>											
Computer Software	98,072	-	-	98,072	98,072		-	-	98,072	-	-
<b>TOTAL INTANGIBLE ASSETS</b>	<b>98,072</b>	<b>-</b>	<b>-</b>	<b>98,072</b>	<b>98,072</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>98,072</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>58,558,577</b>	<b>64,389</b>	<b>-</b>	<b>58,622,966</b>	<b>25,393,760</b>	<b>5,855</b>	<b>2,107,432</b>	<b>-</b>	<b>27,507,047</b>	<b>31,115,919</b>	<b>33,164,817</b>
Previous Year	57,003,980	2,004,597	450,000	58,558,577	23,899,444	-	1,526,876	32,560	25,393,760	33,164,817	

9.1 Buildings are given on rent under Monthly Tenancy Agreement.

9.2 Consequent to the Schedule II of the Companies Act, 2013 becoming applicable w.e.f. 1/4/2014, depreciation of Rs. 3,940 (net of deferred tax Rs 1,915) on account of assets whose useful life is already exhausted as on 1st April 2014 have been adjusted to General Reserve.

9.3 The Company has revised the depreciation rate on certain fixed assets as per useful life specified in schedule II of the Companies Act, 2013. Accordingly, the Depreciation expenses for the year ended 31st March 2015 is higher by Rs 5,38,536.

## KEMP & COMPANY LIMITED

### 10 NON CURRENT INVESTMENTS

Non-Trade (At Cost)	Face Value	As at 31st March 2015		As at 31st March 2014	
		Qty	Amount (Rs.)	Qty	Amount (Rs.)
<b>1) Quoted</b>					
<b>a) In Equity Shares</b>					
VIP Industries Ltd	2/-	3,299,980	80,150,654	3,299,980	80,150,654
			<u>80,150,654</u>		<u>80,150,654</u>
Aggregate market value of quoted equity shares Rs. 307,558,136/- (Previous year Rs. 344,847,910/-)					
<b>b) In Equity Mutual funds</b>					
ICICI Prudential Value Discovery Fund- Regular Plan-Growth	10/-	112,474	9,000,000	-	-
Franklin India Bluechip fund-Growth	10/-	23,909	6,750,000	-	-
HDFC Mid-Cap opportunities Fund-Growth	10/-	265,151	6,750,000	-	-
HDFC Equity Fund-Growth	10/-	17,838	6,750,000	-	-
Reliance Equity Opportunities Fund -Growth plan	10/-	167,268	9,000,000	-	-
IDFC Sterling Equity Fund	10/-	260,403	6,750,000	-	-
			<u>45,000,000</u>		<u>-</u>
Aggregate market value of quoted equity mutual funds Rs. 61,646,924/- (Previous year Rs. Nil)					
<b>2) Unquoted</b>					
<b>in Equity shares of Holding Company</b>					
Vibhuti Investments Company Ltd	10/-	1,770	17,700	1,770	17,700
<b>in Equity shares in other Companies</b>					
Alcon Finance & Investments Ltd	10/-	10	100	10	100
Dynamic Fabrica Pvt Ltd	10/-	571,230	371,300	571,230	371,300
Less : Provision for Diminution of Investments			(371,300)		(371,300)
<b>Total Value of Unquoted Investments</b>			<u>17,800</u>		<u>17,800</u>
<b>TOTAL</b>			<u>125,168,454</u>		<u>80,168,454</u>

## KEMP & COMPANY LIMITED

	As at 31st March, 2015 (Figures in Rupees)	As at 31st March, 2014 (Figures in Rupees)
<b>11 DEFERRED TAX ASSETS</b>		
<b><u>Deferred tax assets</u></b>		
Gratuity provision	493,473	404,172
Leave encashment provision	90,846	78,486
Depreciation	82,831	-
Provision for Diminution in Investments	114,732	114,732
	781,882	597,390
<b><u>Deferred tax liabilities</u></b>		
Depreciation	-	98,136
<b>Net Deferred Tax Assets</b>	781,882	499,254
Deferred Tax Charge / (Credit) for the year	(282,628)	(54,379)
Less: Adjustment as per Schedule II of Companies Act, 2013 (Refer Note 11.1 below)	1,915	-
	(280,713)	(54,379)
11.1 Deferred tax Rs. 1,915 adjusted against General Reserve, on account of assets whose useful life is already exhausted as on 1st April 2014. (Refer Note 3.1 and Note 9.2)		
<b>12 OTHER NON CURRENT ASSETS</b>		
(Unsecured, considered good)		
Deposits*	1,400,569	1,398,794
Long Term Trade Receivables	1,121,983	1,121,983
Others	50,031	130,031
Advance tax	1,093,258	178,589
[Net of Provision for tax Rs 34,35,000/- (Previous year Rs 45,20,000/-)]		
	3,665,841	2,829,397
* Includes Rs 5,00,000/- (Previous year Rs 5,00,000/-) paid to Central Excise against demand of Rs 11,18,000/- ( Refer Note 27 (1)).		
<b>13 CURRENT INVESTMENT</b>		
<b>Non-Trade (At Cost)</b>	<b>As at 31st March 2015</b>	<b>As at 31st March 2014</b>
	Qty    Amount (Rs.)	Qty    Amount (Rs.)
In Mutual Funds (Un Quoted)		
Kotak Floater Short Term -Daily dividend	-	4,465    4,516,497
Kotak Banking & PSU Debt Fund	-	542,147    5,439,634
Birla Sunlife Short term- Monthly Dividend	-	2,789,364    32,454,384
<b>Total Value of Investments</b>	-	42,410,515
<b>14 INVENTORIES</b>		
Stock- in- Trade		
- Luggage & Accessories	7,714,851	6,177,340
<b>TOTAL</b>	7,714,851	6,177,340

## KEMP & COMPANY LIMITED

	As at 31st March, 2015 (Figures in Rupees)	As at 31st March, 2014 (Figures in Rupees)
<b>15 TRADE RECEIVABLES</b>		
(Unsecured, considered good)		
Outstanding For less than Six Months from the date payable	1,739,764	696,967
[Includes Rs 16,95,016/- (Previous year Rs. 4,03,949/-) from the the Holding Company]		
<b>TOTAL</b>	<u>1,739,764</u>	<u>696,967</u>
<b>16 CASH AND CASH EQUIVALENTS</b>		
Cash on Hand	19,990	190,072
Balance with Banks in current account	5,621,169	5,328,658
Earmarked balances with banks (Unpaid Dividend)	86,072	78,719
<b>TOTAL</b>	<u>5,727,231</u>	<u>5,597,449</u>
<b>17 SHORT TERM LOANS &amp; ADVANCES</b>		
(Unsecured, considered good)		
(a) Advances to Staff	92,000	122,350
(b) Prepaid Expenses	256,220	325,739
(c) Others	245,025	508,994
<b>TOTAL</b>	<u>593,245</u>	<u>957,083</u>
	2014-15 (Figures in Rupees)	2013-14 (Figures in Rupees)
<b>18 REVENUE FROM OPERATIONS</b>		
(a) Sale of Products*	60,909,762	65,008,752
(b) Property Income	4,635,768	4,635,768
(c) Other Operating Income		
- Maintenance Charges	6,707,304	6,707,304
<b>TOTAL</b>	<u>72,252,834</u>	<u>76,351,824</u>
* Sale of Products includes Sale of Luggage and Accessories		
<b>19 OTHER INCOME</b>		
<u>Dividend Income</u>		
From Current Investments	599,840	2,380,037
From Long term Investments	5,609,966	4,949,970
Profit on sale of Investments	546,255	-
Interest Income	6,009	410,181
Sundry Balance written back	1,000	17,773
<b>TOTAL</b>	<u>6,763,070</u>	<u>7,757,961</u>

## KEMP & COMPANY LIMITED

	As at 31st March, 2015 (Figures in Rupees)	As at 31st March, 2014 (Figures in Rupees)
<b>20 CHANGE IN INVENTORY OF STOCK -IN-TRADE</b>		
(a) Opening Stock	6,177,340	5,993,450
(b) Less: Closing Stock	7,714,851	6,177,340
<b>TOTAL</b>	<u>(1,537,511)</u>	<u>(183,890)</u>
 <b>21 EMPLOYEE BENEFITS EXPENSE</b>		
Salary & Wages	7,871,810	7,373,581
Contribution to Provident Fund & Other Funds	124,453	103,202
Staff Welfare Expenses	334,010	270,296
<b>TOTAL</b>	<u>8,330,273</u>	<u>7,747,079</u>
 a) Defined Contribution Plan - Provident Fund		
Amount contributed by the Company to the Employee's Provident Funds recognized as an expense and included under Employee Benefits Expense	90,725	90,218

b) Defined Benefit Plan - Gratuity

<b>Particulars</b>	<b>2014 - 2015</b>		<b>2013 - 2014</b>	
	<b>Gratuity (Non-Funded Plan)</b>		<b>Gratuity (Non-Funded Plan)</b>	
<b>I. Assumptions</b>				
Discount Rate	8.00%		8.00%	
Rate of increase in Compensation levels	5.00%		5.00%	
<b>II. Table Showing Change in Benefit Obligation :</b>				
Projected Benefit Obligatons (PBO) at the beginning of the year	1,308,000		1,188,000	
Interest Cost	104,640		95,040	
Service Cost	109,300		127,207	
Benefits paid	(200,876)		-	
Actuarial (gain) loss on obligations	275,936		(102,247)	
PBO at the end of the year	1,597,000		1,308,000	
<b>III. Tables of Fair value of Plan Assets :</b>				
Fair Value of Plan Assets at the beginning of the year	-		-	
Expected Return on Plan Assets	-		-	
Contributions/Transfers	-		-	
Benefits paid	-		-	
Gain / (loss) on Plan Assets	-		-	
Fair Value of Plan Assets at the end of the year	-		-	

## KEMP & COMPANY LIMITED

Particulars	2014 - 2015 Gratuity (Non-Funded Plan)		2013 - 2014 Gratuity (Non-Funded Plan)	
<b>IV. Tables of Change in Plan Assets :</b>				
Fair Value of Plan Assets at the beginning of the year		-		-
Actual return on Plan Assets		-		-
Contributions/Transfers		-		-
Benefits paid		-		-
Fair value of Plan Assets at the end of the year		-		-
Excess of actual over expected return on Plan Assets		-		-
<b>V. Funded Status</b>		<b>(1,597,000)</b>		<b>(1,308,000)</b>
<b>VI. Limits of Corridor not considered since total actuarial gain/loss is being recognised :</b>				
Actuarial gain/(loss) for the year - Obligation		<b>(275,936)</b>		102,247
Actuarial gain (loss) for the year - Plan Assets		-		-
Sub-Total		<b>(275,936)</b>		102,247
Actuarial (gain)/loss recognised		<b>275,936</b>		(102,247)
Unrecognised actuarial gains (losses) at the end of the year		-		-
<b>VII. The Amounts to be recognised in Balance Sheet and Income Statement and the related analysis :</b>				
Present Value of Obligation		<b>1,597,000</b>		1,308,000
Fair value of Plan Assets		-		-
Difference		<b>1,597,000</b>		1,308,000
Unrecognised Actuarial gains (losses)		-		-
Unrecognised Transitional Liability		-		-
Liability Recognised in Balance Sheet		<b>1,597,000</b>		1,308,000
<b>VIII. Net Periodic Cost :</b>				
Current Service Cost		<b>109,300</b>		127,207
Interest Cost		<b>104,640</b>		95,040
Expected Return on Plan Assets		-		-
Net Actuarial (gain)/ loss recognised in the year		<b>275,936</b>		(102,247)
Expenses Recognised in the Income Statement		<b>489,876</b>		120,000
<b>IX. Movements in the liability recognised in the Balance Sheet :</b>				
Opening Net Liability		<b>1,308,000</b>		1,188,000
Expense as above		<b>489,876</b>		120,000
Contributions/Transfers		<b>(200,876)</b>		-
Closing Net Liability		<b>1,597,000</b>		1,308,000

## KEMP & COMPANY LIMITED

	2014-15 (Figures in Rupees)	2013-14 (Figures in Rupees)
<b>22 OTHER EXPENSES</b>		
Electricity charges	972,631	833,467
Rent	43,396	41,448
Repairs & Maintenance		
Buildings	398,447	399,949
Others	122,531	104,926
Insurance	90,124	82,196
Rates and taxes (Refer Note 22.1 & 22.2)	5,295,911	3,545,290
Security charges	2,612,078	2,636,376
Housekeeping & Maintenance	946,786	848,501
Directors fees	450,000	210,000
Travelling Expenses	957,944	739,699
Human Resource Procurement	924,603	985,302
Loss on sale of Fixed Assets	-	167,440
Legal & Professional charges	1,786,744	1,670,703
<u>Payment to Auditors * :</u>		
Audit fees (including Limited Review)	153,392	146,068
Tax audit	22,472	22,472
Other Services	39,326	-
* Net of Service tax credit of Rs 2,789/-, (Previous year Rs Nil).	215,190	168,540
Miscellaneous Expenses	2,558,723	2,503,173
<b>TOTAL</b>	<b>17,375,108</b>	<b>14,937,010</b>

22.1 Net of Municipal Charges recovered Rs. 1,695,016/- (Previous Year Rs. 1,645,378/-).

22.2 Including arrears of Rs 854,076/- (Previous year Rs Nil).

<b>23 EARNING PER SHARE</b>		
Profit attributable to Equity Shareholders (Rs.)	7,316,840	11,415,635
No. of Equity Share outstanding during the year.	1,080,200	1,080,200
Face Value of each Equity Share ( Rs.)	10/-	10/-
Basic & Diluted earning per Share ( Rs.)	6.77	10.57

# KEMP & COMPANY LIMITED

## 24 Segment Information for the year ended 31st March, 2015

### (i) Information about primary business segment

(Figures in Rupees)

	31.03.2015			31.03.2014		
	TRADING ACTIVITY	REAL ESTATE	TOTAL	TRADING ACTIVITY	REAL ESTATE	TOTAL
<b>a) REVENUE FROM OPERATIONS</b>						
Gross Revenue	60,909,762	4,635,768	65,545,530	65,009,726	4,635,768	69,645,494
Other Income from Operations	-	6,707,304	6,707,304	-	6,707,304	6,707,304
<b>SEGMENT REVENUE</b>	<b>60,909,762</b>	<b>11,343,072</b>	<b>72,252,834</b>	<b>65,009,726</b>	<b>11,343,072</b>	<b>76,352,798</b>
Add : Other Unallocated Income			6,763,070			7,756,987
			79,015,904			84,109,785
Less : Inter Transfer Segment Revenue			-			-
<b>NET SALES / INCOME FROM OPERATIONS</b>			<b>79,015,904</b>			<b>84,109,785</b>
(As per Statement of Profit & Loss )						
<b>b) RESULTS FROM OPERATIONS</b>						
Profit before Corporate /Common Expenses	9,076,404	648,893	9,725,297	10,534,880	2,112,513	12,647,393
Interest , Depreciation and Amortization						
Less : Non cash expenses						
- Depreciation	204,988	1,767,788	1,972,776	23,968	1,367,755	1,391,723
<b>SEGMENT RESULTS (Profit before Corporate/ common expenses and interest)</b>	<b>8,871,416</b>	<b>(1,118,895)</b>	<b>7,752,521</b>	<b>10,510,912</b>	<b>744,758</b>	<b>11,255,670</b>
Less : Depreciation in respect of Common /						
Corporate Assets			134,654			135,153
Other Unallocated Corporate /			6,320,940			5,121,248
Common expenses						
			1,296,927			5,999,269
Add : Other Unallocated Income			6,763,070			7,756,987
<b>PROFIT / (LOSS) BEFORE TAX</b>			<b>8,059,997</b>			<b>13,756,256</b>
- Current Tax			1,085,000			2,350,000
- Deferred Tax			(280,713)			(54,379)
- Excess/ (Short) Provision for Tax			(61,130)			45,000
<b>PROFIT / (LOSS) AFTER TAX</b>			<b>7,316,840</b>			<b>11,415,635</b>
(As per Statement of Profit & Loss )						
<b>c) CAPITAL EMPLOYED (at the end of the year)</b>						
Segment Assets	9,170,159	37,527,349	46,697,508	8,335,047	37,393,077	45,728,124
Segment Liabilities	5,455,561	3,934,077	9,389,638	6,993,876	5,087,443	12,081,319
<b>SEGMENT CAPITAL EMPLOYED (Segment Assets - Segment Liabilities)</b>	<b>3,714,598</b>	<b>33,593,272</b>	<b>37,307,871</b>	<b>1,341,171</b>	<b>32,305,634</b>	<b>33,646,805</b>
<b>Unallocated corporate Assets</b>			<b>8,076,225</b>			<b>8,714,183</b>
<b>Unallocated corporate liabilities</b>			<b>(7,851,548)</b>			<b>(8,251,752)</b>
Investments			125,168,454			122,578,968
Deferred Revenue Expenditure			-			-
<b>TOTAL CAPITAL EMPLOYED (NET ASSETS)</b>			<b>162,701,001</b>			<b>156,688,204</b>
(as per Balance Sheet)						



1. The Company has identified the following segments:
  - a) The Real Estate segment, which includes letting out of properties.
  - b) The Trading segment which includes retailing of plastic moulded suit cases, brief cases & vanity cases and other travel goods & accessories.

These segments have been identified considering the organizational structure, internal financial reporting system, and the risk-return profiles of the business.
2. Segment results / assets & liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.
3. All the Company's operations are conducted in India. The Commercial risks and returns involved on the basis of geographic segmentation are relatively insignificant. Accordingly, secondary segment disclosures based on geographic segments are not considered relevant.

## 25 RELATED PARTY DISCLOSURES

Related party disclosures in accordance with Accounting Standard 18

Names of Related Parties	Nature of Relationship
Vibhuti Investments Company Ltd	Holding Company (Shareholder, having control)
Kiddy Plast Ltd	Fellow Subsidiary

Transactions that have taken place during the year with related parties by the Company

Name of Related Parties	Transactions during the year	2014-2015 (Figures in Rupees)	2013-2014 (Figures in Rupees)
Vibhuti Investments Co Ltd	Revenue from Operations:		
	- Property Income	2,235,768	2,235,768
	- Maintenance Charges	6,707,304	6,707,304
	Expenses:		
	- Recovery of Property Tax	(1,695,016)	(1,645,378)
	Amount Outstanding		
	- Receivable	1,695,016	403,949

## 26 Expenditure in foreign currency (Accrual Basis)

	2014-2015 (Figures in Rupees)	2013-2014 (Figures in Rupees)
Employees Foreign tour expenses	301,224	-

## 27 CONTINGENT LIABILITY NOT PROVIDED FOR IN RESPECT OF :

1. Central Excise Demand disputed by the Company and matter is pending with Custom Excise Service Tax Appellate Tribunal Rs 1,118,000/- (Previous Year Rs. 1,118,000/-)
  2. Company has given a surety in favour of Sales Tax for Rs. 100,000/- (Previous year Rs. 100,000/-) on behalf of VIP Industries Ltd.
- 28 Purchase of Stock -in-trade includes Purchase of Luggage and Accessories.
- 29 The Company does not have any subsidiary and there are no loans given to the parent company. Hence the disclosures under Clause 32 of the Listing Agreement are not given.
- 30 The Company derives income from real estate under monthly tenancy agreements. The Company contends that such agreements are not in the nature of lease agreements covered under Accounting Standard (AS) 19, "Leases", issued by the Institute of Chartered Accountants of India. Hence, the standard is not applicable.

- 31 The Company will be vacating premises held on tenancy basis at Connaught Place, Delhi w.e.f. 31st July, 2015 based on the verdict received from Delhi High Court . This will have a impact on the future operations of the Company in trading business.
- 32 Previous year's figures have been regrouped / reclassified wherever necessary.

**ATTENDANCE SLIP**

**KEMP & COMPANY LIMITED**

Registered Office: 78- A, MIDC Estate, Satpur, Nashik – 422 007, Maharashtra.

Tel.: +91-253-240 6700 Fax: +91-253-235 0756, CIN No. L24239MH1982PLC000047, Website: www.kempnco.com

**PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTERANCE OF THE MEETING HALL**

**Joint shareholders may obtain additional Slip at the venue of the meeting.**

DP Id*	
Client Id*	

Folio No.	
No. of Shares	

NAME AND ADDRESS OF THE SHAREHOLDER \_\_\_\_\_

I hereby record my presence at the 134<sup>th</sup> Annual General Meeting of the Company held on Wednesday, the 30<sup>th</sup> September 2015 at 11.30 a.m. at 78- A, MIDC Estate, Satpur, Nashik – 422 007, Maharashtra.

\*Applicable for investors holding shares in electronic form.

\_\_\_\_\_  
Signature of Shareholder/ proxy

**Proxy Form**

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

**KEMP & COMPANY LIMITED**

Registered Office: 78- A, MIDC Estate, Satpur, Nashik – 422 007, Maharashtra.

Tel.: +91-253-240 6700 Fax: +91-253-235 0756, CIN No. L24239MH1982PLC000047, Website: www.kempnco.com

Name of the Member(s):		e-mail Id:	
Registered Address:		Folio No. /*Client Id:	
		*DP Id:	

I/We, being the member (s): of \_\_\_\_\_ Shares of Kemp & Company Limited (the Company), hereby appoint:

- 1) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him
- 2) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him
- 3) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 134<sup>th</sup> Annual General Meeting of the Company, to be held on Wednesday, the 30<sup>th</sup> September 2015 at 11.30 a.m. at 78- A, MIDC Estate, Satpur, Nashik – 422 007, Maharashtra and at any adjournment thereof in respect of such resolutions as are indicated below:

\*\*I wish my above Proxy to vote in the manner as indicated in the box below:

Resolutions	For	Against
1. Consider and adopt the Audited Financial Statements of the Company for the financial year ended 31 <sup>st</sup> March 2015 together with the Reports of the Board of Directors and the Auditors thereon.		
2. To declare dividend on equity shares for the financial Year 2014-15.		
3. Appointment of Mr. M. K. Arora, Director, who retires by rotation and being eligible, seeks re-appointment.		
4. Re-appointment of Statutory Auditors of the Company for the financial Year 2015-16.		
5. Appointment of Mrs. Shalini D. Piramal (DIN 01365328) as a Director.		
6. Appointment of Mrs. Shalini D. Piramal as Managing Director.		
7. Appointment of Mr. Rajkumar Kataria (DIN 01960956) as an Independent Director.		
8. Keeping of Statutory Records at Corporate Office.		
9. Consent of the Company to the arrangement entered into with Related Parties.		

Signed this \_\_\_\_\_ day of September 2015

Signature of shareholder

Affix a  
Re.1  
Revenue  
Stamp

\_\_\_\_\_  
Signature of first proxy holder

\_\_\_\_\_  
Signature of second proxy holder

\_\_\_\_\_  
Signature of third proxy holder

**NOTES:**

1. This form of proxy In order to be effective should be duly completed and signed, deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. A Proxy need not be a member of the Company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- \*\*4 This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as proxyholder thinks appropriate.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he/she so wishes.
6. In the case of joint holders, the signature of anyone holder will be sufficient, but names of all the joint holders should be stated.

**COURIER / REGISTERED POST / SPEED POST**

If undelivered, please return to:

**KEMP & COMPANY LIMITED**  
INVESTORS' SERVICES DEPARTMENT  
DGP House, 88-C, Old Prabhadevi Road,  
Mumbai - 400 025, Maharashtra