



KEMP & COMPANY LIMITED

136th Annual Report 2016-17

136th Annual Report

BOARD OF DIRECTORS

Mrs. Shalini D. Piramal- Managing Director
Mr. Ranjan Sanghi
Mr. Shekhar Shah
Mr. M.K. Arora
Mr. Raj Kumar Kataria

CHIEF FINANCIAL OFFICER

Mr. Sunil Kumar Gupta

STATUTORY AUDITORS

M/s. Kalyaniwalla & Mistry
Chartered Accountants
(Up till Financial year 2016-17)

M/s. M L Bhuwania and Co. LLP
Chartered Accountants
(Proposed from Financial year 2017-18)

BANKERS

Central Bank of India

COMPANY SECRETARY

Mr. Kunal Chhatwani

INTERNAL AUDITORS

M/s. Suresh Surana & Associates LLP

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, 5th Floor, 88C, Old Prabhadevi Road, Mumbai- 400 025, Maharashtra
Tel: +91 22 6653 9000 , Fax: +91 22 6653 9089
Website- www.kempnco.com

REGISTRAR & SHARE TRANSFER AGENT

LINK INTIME INDIA PRIVATE LIMITED,
C-101, 247 Park, LBS Marg, Vikhroli West, Mumbai 400 083
Tel: + 91 22 49186270, Fax: + 91 22 49186060
Email: rnt.helpdesk@linkintime.co.in

NOTICE

NOTICE is hereby given that the 136th Annual General Meeting (AGM) of the Members of KEMP & COMPANY LIMITED will be held at 78A, MIDC Estate, Satpur, Nashik 422 007, Maharashtra on Friday, 4th August, 2017, at 12.30 pm 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 31st March, 2017 together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. M.K.Arora (DIN-00031777), who retires by rotation and being eligible, seeks re-appointment.
3. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder and pursuant to recommendations of the Audit Committee, M/s. M L Bhuwania and Co., LLP, Chartered Accountants, (Firm Registration No. 101484W/W100197) be and are hereby appointed as Statutory Auditors of the Company, for a term of five years from the conclusion of this meeting till the conclusion of 141st Annual General Meeting to be held for the financial year 2021-22, subject to ratification of their appointment by Members at every Annual General Meeting and that the Board of Directors of the Company be and are hereby authorized to fix their remuneration for the financial year 2017-18 in addition to the reimbursement of actual out of pocket expenses as may be incurred by them in performance of their duties.”

By Order of the Board of Directors

Place: Mumbai

Dated: 30th May, 2017

Kunal Chhatwani

Company Secretary

Registered Office:

78-A, MIDC Estate, Satpur, Nashik – 422007.

CIN: L24239MH1982PLC000047

NOTES:

- (a) 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.

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 (i.e. by 12:30 p.m. on 2nd August, 2017) before the commencement of the meeting. A Proxy form is annexed to this report.

- (b) Corporate members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board resolution to the Company, authorizing their representative to attend and vote on behalf of the Company.
- (c) Pursuant to Section 91 of the Companies Act, 2013, the Register of Members and the Share Transfer Books of the Company will be closed from Monday, 24th July, 2017 to Friday, 4th August, 2017 (both days inclusive).
- (d) Members desirous of obtaining any information in respect of Annual Financial Statements and operations of the Company are requested to write to the Company at least one week before the Meeting, to enable the Company to make available the required information at the Meeting.
- (e) 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 (RTA), Link Intime India Private Limited, (Unit – Kemp & Company Limited), C-101, 247 Park, LBS Marg, Vikroli (W), Mumbai-400083 Tel.: +91 22-49186270, Fax No. : +91 22-49186060.
- (f) 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. Accordingly, Annual Report for the financial

year 2016-17 along with Notice of the 136th AGM of the Company, Attendance slip and Proxy form 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 IDs, physical copies of the Annual Report for the year 2016-17 are being sent through the permitted mode. However, the Company requests the members to expeditiously update their e-mail id by writing to the Company at DGP House, 5th Floor, 88-C, Old Prabhadevi Road, Mumbai-400025, Tel.: +91-22-6653 9000 Fax: +91-22- 6653 9089 Email: kemp-investor@kempnco.com or the Company's RTA.

- (g) Members may also note that the Notice of the 136th AGM and the Annual Report for financial year 2016-17, in Portable Document Format (PDF), will also be available on the Company's website www.kempnco.com The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on any working day except Saturdays, upto the date of the 136th AGM of the Company.
- (h) 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.
- (i) 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.
- (j) 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).
- (k) In terms of the provisions of Section 124 and other applicable provisions of the Companies Act, 2013, the amount of dividend not encashed or claimed within 7 (seven) years from the date of its transfer to the unpaid dividend account, will be transferred to the Investor Education and Protection Fund established by the Central Government. Accordingly, the unclaimed Final dividend in respect of Financial Year 2009-10 is due for transfer to the said Fund on 23rd August, 2017. Members who have not yet encashed or claimed their dividend warrant(s) pertaining to the dividend for the Financial Year 2009-10 onwards, are requested to lodge their claims with the Company for the same.

Attention of Members is invited to the provisions of Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF rules) amended from time to time, which inter alia requires the Company to transfer the equity shares on which the dividend has remained unpaid or unclaimed for a continuous period of seven years, to a Demat account of the Authority to be opened by Investor Education and Protection Fund Authority ('IEPF Authority'). The said Shares, once transferred to the said Demat account of the IEPF Authority can be claimed only after following due procedure prescribed under the said IEPF rules.

The Company has intimated individually to all shareholders, dividend on whose shares has remained unpaid for a continuous period of seven years and a notice in this regard has also been published in the Free Press Journal (English) and Nav Shakti (Marathi) on 31st March, 2017. The Statement of Unclaimed Dividend amount for 7 consecutive years and shares due for transfer to Demat Account of IEPF Authority is placed on the website of the Company at www.kempnco.com

Members are therefore requested to approach the Company's RTA to claim their unpaid dividend, if any.

- (l) 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.
- (m) 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 Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 AGM and the members attending the AGM who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM 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 "cut-off-date" for determining the eligibility for voting either through electronic voting system or ballot is fixed as Friday the 28th July, 2017. The voting period begins on 1st August, 2017 at 9.00 a.m. and ends on 3rd August, 2017 at 5.00 p.m. The e-voting

module shall be disabled by CDSL for voting thereafter. 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.

The shareholders should log on to the e-voting website www.evotingindia.com.

- (ii) Click on Shareholders / Members
- (iii) Now Enter your User ID
 - a. For the shareholders holding shares with CDSL: 16 digits beneficiary ID,
 - b. For the shareholders holding shares with NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number as it is registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.

If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

- (v) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
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"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use sequence number (as printed on the label on the envelope) in the PAN Field.
Dividend Bank Details OR Date of Birth	Enter the Dividend Bank Details or DOB (dd/mm/yyyy) as recorded in your demat account or in the Company records in order to login. * If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) 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 company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with other person and take utmost care to keep your password confidential.
- (viii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) 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.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xv) If Demat account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xvii) 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 and register themselves as Corporate.

A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to 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 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.

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, under help section or write an email to helpdesk.evoting@cdslindia.com.

- (n) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 28th July, 2017.
- (o) Those shareholders who have become the shareholders after 30th June, 2017 i.e. 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 and also on the website of CDSL e-Voting i.e. www.evotingindia.com.
- (p) M/s. Ragini Chokshi & Co., Practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (q) 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 Managing Director of the Company.
- (r) The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer’s Report shall be placed on the Company’s website www.kempnco.com and on the website of CDSL e-Voting within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.
- (s) As an austerity measure, copies of Annual Report will not be distributed at the AGM. Members are requested to bring their own copies to the Meeting.
- (t) All documents referred to in the accompanying notice 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, Sundays and Public Holidays up to and including the date of the Annual General Meeting of the Company.

DETAILS OF THE DIRECTORS SEEKING RE-APPOINTMENT

Name of the Director	Mr. M.K. Arora
Date of Birth	21.09.1943
Date of Appointment	30.05.2011
Qualification	ACS, M.Com, LLB
Experience in special functional area	Experience of more than 4 decades in the Corporate Law and General Management.
Chairman / Director of other companies	<ol style="list-style-type: none"> 1. Vibhuti Investments Co. Ltd. 2. Alcon Finance & Investments Ltd. 3. Priya Ltd. 4. Priya International Ltd. 5. Kiddy Plast Ltd. 6. Windsor Machines Ltd. 7. DGP Enterprises Pvt. Ltd. 8. DGP Capital Management Ltd. 9. Trimuriti Glass Containers Limited 10. Blow Plast Retail Ltd.

KEMP & COMPANY LIMITED

Chairman/ Member of Committees of other Companies	<ol style="list-style-type: none"> 1. Windsor Machines Ltd. <ul style="list-style-type: none"> - Audit Committee- Member - Stakeholder Relationship Committee- Member - Nomination & Remuneration Committee- Member 2. Priya Ltd. <ul style="list-style-type: none"> - Audit Committee- Member - Stakeholder Relationship Committee- Chairman 3. Priya International Ltd. <ul style="list-style-type: none"> - Audit Committee- Member - Nomination & Remuneration Committee- Chairman
No. of shares held in the Company	Nil

By Order of the Board of Directors

Place: Mumbai

Kunal Chhatwani

Dated: 30th May, 2017

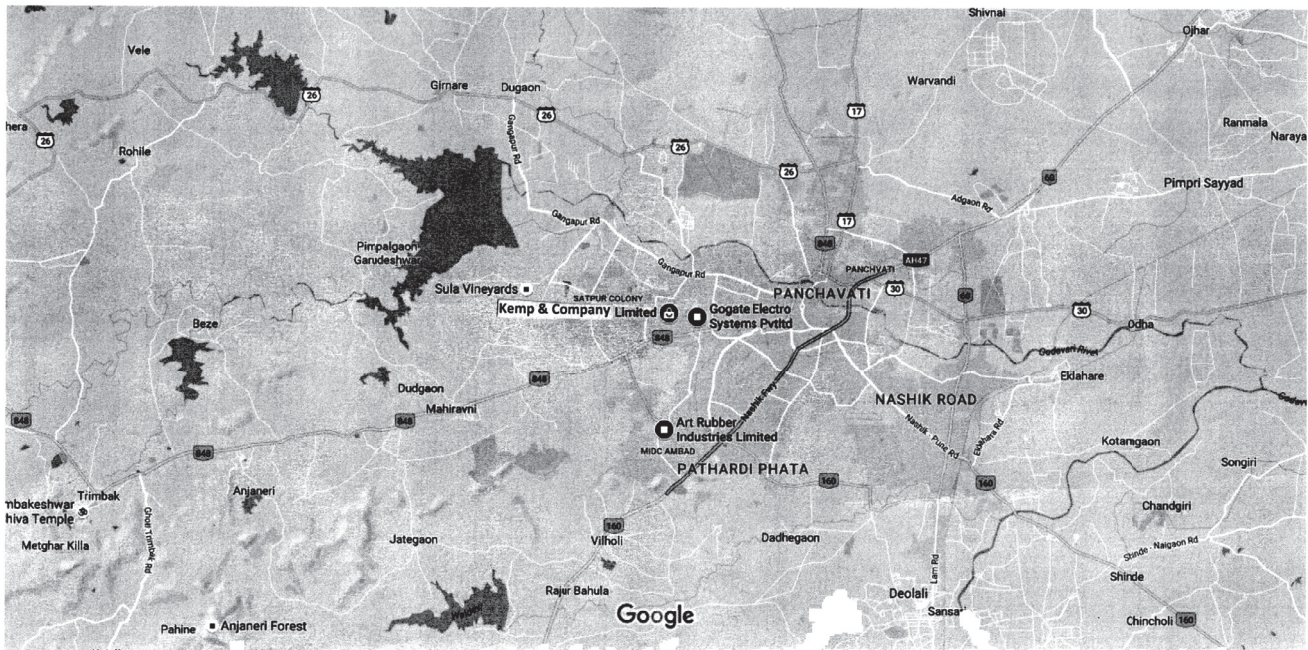
Company Secretary

Registered Office:

78-A, MIDC Estate, Satpur, Nashik – 422007.

CIN: L24239MH1982PLC000047

Route Map to venue of AGM as per the requirements of Secretarial Standards (SS-2)



DIRECTORS' REPORT

Your Directors are pleased to present the 136th Annual Report together with the Audited Financial Statements of your Company for the year ended 31st March, 2017.

FINANCIAL RESULTS

(Amount in Rupees)

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
Total Turnover	3,82,11,310	5,37,24,881
Profit before Depreciation, Interest and Tax	43,05,135	67,20,532
Finance cost	1,16,358	3,85,737
Depreciation and Amortization expenses	25,50,688	32,99,751
Profit before tax	16,38,089	30,35,044
Tax expenses	(41,171)	(96,841)
Profit for the year	16,79,260	31,31,885

OVERALL PERFORMANCE AND OUTLOOK

During the year under review, the Sales and Other Income decreased by 29% from Rs. 5,37,24,881/- to Rs. 3,82,11,310/-. The profit after tax has decreased from Rs. 31,31,855/- to Rs. 16,79,260/-. The profit before tax has decreased from Rs.30,35,044/- to Rs.16,38,089/-.

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

Reserves of the Company were Rs. 15,60,60,094/- as on 31st March 2017. During the year under review, the Company has not transferred any amount to the General Reserves.

DIVIDEND

With a view to conserve resources your Directors have not recommended any dividend for the financial year 2016-17. During previous year, the Company paid dividend @5% i.e. Rs. 0.50/- per equity share of face value of Rs.10/- each.

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 "A"**.

NUMBER OF MEETINGS OF THE BOARD

During the year under review, four Board Meetings and four Audit Committee Meetings were convened and held. A calendar of Meetings is prepared and circulated in advance to your Directors. The intervening gap between the two Meetings was within the period prescribed under the Companies Act, 2013. In addition, the Independent Directors had a meeting during the year under review.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 134(3)(c) of the Companies Act, 2013 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 for the year ended 31st March, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- such accounting policies selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the financial year ended 31st March, 2017 and of the profit and loss of your Company for that period;
- 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 the Company and for preventing and detecting fraud and other irregularities;
- annual accounts for the financial year ended 31st March, 2017 have been prepared on a going concern basis;
- internal financial controls had been laid down and followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- proper systems had 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 confirm 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 Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

NOMINATION AND REMUNERATION POLICY

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed a policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management Personnel and their remuneration. The Nomination and Remuneration policy is annexed herewith as **Annexure "B"** to this report.

AUDITORS

Statutory Auditors

The tenure of appointment of M/s. Kalyaniwalla & Mistry, Chartered Accountants, is completing at the forthcoming Annual General Meeting. The Board on the recommendation of Audit Committee, proposes to appoint M/s. M L Bhuwania and Co., LLP, Chartered Accountants (Firm Registration No. 101484W/W100197) as Statutory Auditors of your Company for a term of 5 years commencing from the conclusion of 136th Annual General Meeting till the conclusion of 141st Annual General Meeting subject to ratification by Members at every Annual General Meeting. As required under the provisions of Section 139 and Section 141 of the Companies Act, 2013, your Company has received written certificate from the Statutory Auditors proposed to be appointed, to the effect that their appointment, if made, would be in conformity with the limits specified in the said Section.

The Report received from M/s. Kalyaniwalla & Mistry, Chartered Accountants for the financial year 2016-17 does not contain any qualifications, reservations or adverse remarks.

A proposal seeking appointment of M/s. M L Bhuwania and Co., LLP, Chartered Accountants, as the Statutory Auditors of your Company 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 2016-17. Based on the recommendation of the Audit Committee of your Company, the Board of Directors of your Company has re-appointed M/s. Suresh Surana & Associates LLP as the Internal Auditors of your Company for the financial year 2017-18.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Board of Directors of your Company have re-appointed M/s. Ragini Chokshi & Co., a firm of Company Secretaries in Practice to undertake the Secretarial Audit of your Company for the financial year 2017-18. The Secretarial Audit Report for the financial year 2016-17 forms part of this Annual Report and is appended as **Annexure "C"** to the Board's report. The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks.

INSURANCE

All the assets of your Company, including 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).

KEY MANAGERIAL PERSONNEL

The Key Managerial Personnel (KMP) of your Company are Mrs. Shalini D. Piramal, Managing Director, Mr. Sunil Kumar Gupta, Chief Financial Officer and Mr. Kunal Chhatwani, Company Secretary. There is no change in KMP during the year under review.

BOARD EVALUATION

Pursuant to section 134(3) of the Act read and in terms of Regulation 17(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has set up a policy for the performance evaluation of all Directors, which is available on the website of your Company.

The Board of Directors has put in place a process to formally evaluate the effectiveness of the Board, its Committees along with performance evaluation of each Director to be carried out on an annual basis. Accordingly, the annual performance evaluation of the Board, its Committees and each Director was carried out during the financial year 2016-17.

Performance of each of your Directors is evaluated based on 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 inter-alia 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. 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 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 AND FAMILIARISATION PROGRAMME

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.

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. The Code has been circulated to Directors and Management Personnel and its compliance is affirmed by them regularly on an annual basis.

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

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

Your Company has established a Policy for determining related party transactions. The Audit Committee oversees the related party transactions. Related Party Transaction Policy of the Company has been displayed on the Company's website at the link – www.kempnco.com

All contracts or arrangements entered into by the Company with Related Parties have been done at arm's length and are in the ordinary course of business.

Pursuant to Section 134 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, the particulars of such transactions are provided in Form AOC-2 which is annexed herewith as **Annexure "D"** to this report. Related Party disclosures as per AS-18 have been provided in Note No. 26 of Financial Statements.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no adverse material changes or commitments occurred after 31st March, 2017 which may affect the financial position of the Company or may require disclosure.

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 Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 as regards conservation of energy or technology absorption. Further, during the year under review, the Company has neither earned nor spent any foreign exchange.

RISK MANAGEMENT

The Company has a risk management framework comprising risk governance structure and defined risk management process. The risk governance structure of the Company is a formal organization structure with defined roles and responsibilities for risk management. The processes and practices of risk management of the Company encompass risk identification, classification and evaluation.

DETAILS OF APPOINTMENT AND RESIGNATION OF DIRECTORS

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

NAME OF THE COMPANIES WHICH HAVE BECOME/CEASED TO BE SUBSIDIARIES, JOINT VENTURE OR ASSOCIATE COMPANIES DURING THE YEAR

Your Company does not have any subsidiary. During the year under review, no companies have become/ceased to be subsidiaries, joint venture or associate companies of the Company.

PUBLIC DEPOSITS

During the year under review your Company has not invited or accepted any deposits.

SIGNIFICANT AND MATERIAL ORDERS

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and your Company's operations in future.

INTERNAL FINANCIAL CONTROL

Your Company has put in place adequate internal financial controls with reference to the financial statements. 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, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures. During the year, such controls were tested and no reportable material weaknesses in design or operation were observed.

VIGIL MECHANISM

Your Company has established a Vigil Mechanism Policy for your Directors, employees and stakeholders to safeguard against victimization of persons who use vigil mechanism and report genuine concerns. The Audit Committee oversees the vigil mechanism complaints. The Vigil Mechanism Policy of the Company has been displayed on the Company's website – www.kempnco.com

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

In terms of provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, your Company has formulated a Policy to prevent Sexual Harassment of Women at workplace and constituted Internal Complaints Committees (ICC). During the year, no cases alleging sexual harassment of Women at workplace has been received by ICC.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Any unclaimed or unpaid Dividend relating to the financial year 2009-10 is due for remittance on 23rd August, 2017 to the Investor Education and Protection Fund established by the Central Government.

SHARE CAPITAL

The paid-up Equity Share Capital of the Company as on 31st March, 2017 stood at Rs. 1,08,02,000/-. During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity. As on 31st March, 2017, none of the Directors of the Company holds instruments convertible into equity shares of the Company.

AUDIT COMMITTEE

The Audit Committee comprises of Mrs. Shalini D. Piramal, Mr. Ranjan Sanghi and Mr. Shekhar Shah. All the recommendations made by the Audit Committee were deliberated and accepted by the Board. Mr. Ranjan Sanghi, Chairman of the Audit Committee, was present at the 135th Annual General Meeting of the Company held on 20th September, 2016 to answer the shareholders queries.

PARTICULARS OF EMPLOYEES

Your Company has no employee whose remuneration details are required to be provided as per 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.

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:

Sr. No	Name	Designation	Remuneration paid for the Financial Year 2016-17
1	Mrs. Shalini D. Piramal	Managing Director	Rs. 24,61,800/-
2	Mr. Sunil Kumar Gupta	Chief Financial Officer	Rs. 29,56,574/-
3.	Mr. Kunal Chhatwani	Company Secretary	Rs. 800,334/-

1. Your Directors' Remuneration (including commission and variable pay) to the median remuneration of the employees of your Company for the year 2016-17 was as under:

Director's Name	Ratio of remuneration of each Director to the median employees' remuneration
Mrs. Shalini D. Piramal	3.7X

2. The Percentage increase in remuneration of Managing Director, Chief Financial Officer and Company Secretary were as under:

Name	Designation	Increase
Mrs. Shalini D. Piramal	Managing Director	0%
Mr. Sunil Kumar Gupta	Chief Financial Officer	6%
Mr. Kunal Chhatwani	Company Secretary	18%

The percentage increase in the median remuneration of employees for the financial year 2016-17 is around 13%. The percentage increase in the median remuneration is calculated for comparable employees and does not include employees who were not eligible.

3. The number of permanent employees on the rolls of the Company - 7
4. The Percentage increase in salaries of the managerial personnel at 50th percentile is 5%. The Percentage increase in salaries of the non-managerial personnel at 50th percentile is 3%. The increase/decrease in remuneration is not solely based on the Company's performance but also includes various other factors like individual performance, experience, skill sets, academic background, industry trends, economic situation and future growth prospects etc. besides the Company performance. There are no exceptional circumstances for increase in the managerial remuneration.
5. The remuneration paid to the Directors is as per the Remuneration Policy of the Company.

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

SHAILINI D. PIRAMAL
Managing Director
(DIN No. 01365328)

RANJAN SANGHI
Director
(DIN No. 00275842)

Place: Mumbai

Dated: 30th May, 2017

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

As on financial year ended on 31st March, 2017

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

I. REGISTRATION & OTHER DETAILS:

CIN	L24239MH1982PLC000047
Registration Date	27 th June 1882
Name of the Company	KEMP & COMPANY LIMITED
Category/Sub-category of the Company	PUBLIC COMPANY/ LIMITED BY SHARES
Address of the Registered office & contact details	78 A, MIDC ESTATE, SATPUR, NASHIK – 422 007 TEL: 91-253-240 6700 FAX: 91-253-235 0756 Email: kemp-investor@kempnco.com
Whether listed company	YES- (BSE Limited)
Name, Address & contact details of the Registrar & Transfer Agent, if any.	LINK INTIME INDIA PVT. LTD. C-101, 247 PARK, LBS MARG, VIKROLI(W), MUMBAI-400083 TEL: 91-22-49186270 FAX: 91-22-49186060 EMAIL mt.helpdesk@linkintime.co.in

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.	Real Estate	68100	42.61%
2	Trading in Hard & Soft Luggage and Ladies Handbags	22205, 15121 & 15122	37.86%
3.	Investment Income	66309	19%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1	Name- VIBHUTI INVESTMENTS COMPANY LIMITED Add- 88-C, DGP House, Old Prabhadevi Road, Mumbai-400 025	U65923MH1982PLC026041	Holding	68.12	2(46)

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-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
a) Individual/ HUF	0	0	0	0	0	0	0	0	No change
b) Central Govt	0	0	0	0	0	0	0	0	No change
c) State Govt(s)	0	0	0	0	0	0	0	0	No change
d) Bodies Corp.	772480	0	772480	71.51	772480	0	772480	71.51	No change
e) Banks / FI	0	0	0	0	0	0	0	0	No change
f) Any other	0	0	0	0	0	0	0	0	No change
Total shareholding of Promoter (A)	772480	0	772480	71.51	772480	0	772480	71.51	No change
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	No change
b) Banks / FI	680	820	1500	0.14	680	820	1500	0.14	No change
c) Central Govt	0	0	0	0	0	0	0	0	No change
d) State Govt(s)	0	0	0	0	0	0	0	0	No change
e) Venture Capital Funds	0	0	0	0	0	0	0	0	No change

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
f) Insurance Companies	0	0	0	0	0	0	0	0	No change
g) FIs	0	0	0	0	0	0	0	0	No change
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	No change
i) Others (specify)	0	0	0	0	0	0	0	0	No change
Sub-total (B)(1):-	680	820	1500	0.14	680	820	1500	0.14	No change
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	99426	6173	105599	9.77	99426	6173	105599	9.77	No change
ii) Overseas	0	0	0	0	0	0	0	0	No change
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	16373	20829	37202	3.44	16414	20769	37183	3.44	No change
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	161050	0	161050	14.91	161050	0	161050	14.91	No change
c) Others (specify)									
Non Resident Indians (Repat)	27	690	717	0.07	27	690	717	0.07	No change
Non Resident Indians (Non Repat)	202	0	202	0.02	202	0	202	0.02	No change
Market Maker	0	0	0	0	0	0	0	0	No change
Foreign Portfolio Investor (Corporate)	0	0	0	0	0	0	0	0	No change
Foreign Nationals	0	20	20	0	0	20	20	0	No change
Clearing Members	58	0	58	0	8	0	8	0	No change
Trusts	20	0	20	0	20	0	20	0	No change
Directors/Relatives	0	0	0	0	0	0	0	0	No change
Hindu Undivided Family	1352	0	1352	0.14	1421	0	1421	0.14	No change
Foreign Bodies - D R	0	0	0	0	0	0	0	0	No change
Sub-total (B)(2):-	278508	27712	306220	28.35	278568	27652	306220	28.35	No change
Total Public Shareholding (B)=(B)(1)+ (B)(2)	279188	28532	307720	28.49	279248	28472	307720	28.49	No change
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	No change
Grand Total (A+B+C)	1051668	28532	1080200	100	1051728	28472	1080200	100	

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 Company Ltd	735870	68.12	0	735870	68.12	0	No change
2	DGP Securities Ltd	36260	3.36	0	36260	3.36	0	No change
3	Alcon Finance and Investments Ltd	350	0.03	0	350	0.03	0	No change
	TOTAL	772480	71.51	0	772480	71.51	0	

KEMP & COMPANY LIMITED

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 & Type of Transaction	Shareholding at the beginning of the year - 2016		Transactions during the year		Cumulative Shareholding at the end of the year - 2017	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	GITA PIRAMAL	161050	14.9093			161050	14.9093
	AT THE END OF THE YEAR			Nil	Nil	161050	14.9093
2	DGP ENTERPRISES PVT LTD	53000	4.9065			53000	4.9065
	AT THE END OF THE YEAR			Nil	Nil	53000	4.9065
3	DGP CAPITAL MANAGEMENT LTD.	50013	4.6299			50013	4.6299
	AT THE END OF THE YEAR			Nil	Nil	50013	4.6299
4	HITESH RAMJI JAVERI	2357	0.2182			2357	0.2182
	Purchase			29.4.2016	35		
	Purchase			21.10.2016	22		
	AT THE END OF THE YEAR					2414	0.2234
5	V.I.P. INDUSTRIES LTD	1909	0.1767			1909	0.1767
	AT THE END OF THE YEAR			Nil	Nil	1909	0.1767
6	RAMESH RAGHUNANDAN SANZGIRI	1600	0.1481			1600	0.1481
	AT THE END OF THE YEAR			Nil	Nil	1600	0.1481
7	HARSHA HITESH JAVERI	1525	0.1412			1525	0.1412
	AT THE END OF THE YEAR			Nil	Nil	1525	0.1412
8	RAVINDRA VITHALDAS MEHTA	900	0.0833			900	0.0833
	AT THE END OF THE YEAR			Nil	Nil	900	0.0833
9	THE ORIENTAL INSURANCE COMPANY LTD	580	0.0537			580	0.0537
	AT THE END OF THE YEAR			Nil	Nil	580	0.0537
10	SHIRIN ARDESHIR VAKIL	560	0.0518			560	0.0518
	AT THE END OF THE YEAR			Nil	Nil	560	0.0518

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	Mrs. Shalini D. Piramal	Nil	Nil	Nil	Nil
2	Mr. Ranjan Sanghi	Nil	Nil	Nil	Nil
3	Mr. Shekhar Shah	Nil	Nil	Nil	Nil
4	Mr. M.K. Arora	Nil	Nil	Nil	Nil
5	Mr. Raj Kumar Kataria	Nil	Nil	Nil	Nil
6	Mr. Sunil Kumar Gupta	Nil	Nil	Nil	Nil
7	Mr. Kunal Chhatwani	Nil	Nil	Nil	Nil

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

(Amount in Rs.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	20,00,000	0	0	20,00,000
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	20,00,000	0	0	20,00,000
Change in Indebtedness during the financial year				
* Addition	15,00,000	0	0	15,00,000
* Reduction	35,00,000	0	0	35,00,000
Net Change	20,00,000	0	0	20,00,000
Indebtedness at the end of the financial year				
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	0	0	0

VI. **REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**

A. **Remuneration to Managing Director/Whole-time Directors:**

Sr. No.	Particulars of Remuneration	(in Rs.)	
		Mrs. Shalini D. Piramal	Total Amount (In Rs.)
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	24,33,000	24,33,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	28,800	28,800
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify...	-	-
5	Others, please specify (Company Contribution to PF)	-	-
	Total (A)	24,61,800	24,61,800
	Ceiling as per the Act (@10% of profits calculated under section 198 of the Companies Act, 2013)		4,46,989

B. **Remuneration to other directors**

Sr. No.	Particulars of Remuneration	Name of Directors			
		Mr. Ranjan Sanghi	Mr. Shekhar Shah	Mr. Raj Kumar Kataria	Total Amount (In Rs.)
1	Independent Directors				
	Fee for attending Board, Committee and Independent Directors' meetings	90,000	1,20,000	70,000	2,80,000
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)				2,80,000
2	Other Non-Executive Directors/Promoters			Mr. M.K. Arora	-
	Fee for attending Board, Committee and Independent Directors' meetings			90,000	90,000
	Commission			-	-
	Others, please specify			-	-
	Total (2)			-	90,000
	Total B=(1+2)				3,70,000
	Ceiling as per the Act (@1% of profits calculated under section 198 of the Companies Act, 2013)				44,698

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C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MANAGING DIRECTOR/WHOLE-TIME DIRECTOR

Sr. No.	Particulars of Remuneration	Mr. Sunil Kumar Gupta, Chief Financial Officer	Mr. Kunal Chhatwani, Company Secretary	Total Amount (in Rs.)
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income- tax Act, 1961	27,83,414	763,303	35,46,717
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	32,400	0	32,400
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	others, specify...	-	-	-
5	Others, please specify (Company Contribution to PF)	1,40,760	37,031	177,791
	Total	29,56,574	800,334	37,56,908

VII. 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)
A. COMPANY					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. DIRECTORS					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

Nomination and Remuneration Policy

The Board of Directors of Kemp & Company Limited (“the Company”) constituted the “Nomination and Remuneration Committee” (“Committee”) consisting of two (2) Non-Executive Directors and one (1) Executive Director of which majority are Independent Directors.

1. OBJECTIVE

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013, as amended from time to time, read along with the applicable rules thereto. The Key Objectives of the Committee would be:

- 1.1. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel (hereinafter referred to as “KMP”) and Senior Management.
- 1.2. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- 1.3. To recommend to the Board on Remuneration payable to the Directors, KMP and Senior Management.
- 1.4. To provide to KMP and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company’s operations.
- 1.5. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- 1.6. To devise a policy on Board diversity.
- 1.7. To develop a succession plan for the Board and to regularly review the plan;

2. DEFINITIONS

- 2.1 **Act** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- 2.2 **Board** means Board of Directors of the Company.
- 2.3 **Directors** mean Directors of the Company.
- 2.4 **Key Managerial Personnel (KMP)** means
 - 2.4.1 The Chief Executive Officer or the Managing Director or the Manager
 - 2.4.2 Whole-time Directors;
 - 2.4.3 Chief Financial Officer; and
 - 2.4.4 Company Secretary;
- 2.5 **Senior Management** means personnel of the Company who are members of its core management team being functional heads not below grade of Vice President.

3. ROLE OF COMMITTEE

3.1. Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee

The Committee shall:

- 3.1.1. Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- 3.1.2. Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- 3.1.3. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.
- 3.1.4. Formulate the criteria for evaluation of performance of Independent Directors and Board of Directors.
- 3.1.5. Determine whether to extend or continue the term of appointment of Independent Directors, on the basis of the report of performance evaluation of Independent Directors.

3.2. Policy for appointment and removal of Director, KMP and Senior Management

3.2.1 Appointment criteria and qualifications

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

3.2.2 Term / Tenure

- a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

- b) Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

3.2.3. Evaluation

The Committee shall carry out yearly evaluation of performance of every Director, KMP and Senior Management Personnel.

3.2.4. Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

3.2.5. Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

3.3. Policy relating to the Remuneration for the Whole-time Director, KMP and Senior Management Personnel

3.3.1. General:

- a) The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- b) The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act.
- c) Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director.
- d) Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

- e) In case any difficulty or doubt arises in the interpretation or implementation of this Policy, the decision of the Chairman & Managing Director of the Company shall be final. In exceptional circumstances, the Chairman & Managing Director shall be authorized to exercise functions vested in the committee in so far as these relate to Key Managerial Personnel covered under Clauses 2.4.3, 2.4.4 and the Senior Management; provided however that such actions taken by the Chairman & Managing Director shall be placed before the Committee for ratification in the succeeding meeting.

3.3.2. Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:**a) Fixed pay:**

The Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

b) Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

c) Provisions for excess remuneration:

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

3.3.3. Remuneration to Non- Executive / Independent Director:**a) Remuneration / Commission:**

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Act.

b) Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. 1,00,000/- (Rupees One Lac Only) per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

c) Commission:

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

4. MEMBERSHIP

- 4.1 The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.
- 4.2 Minimum two (2) members shall constitute a quorum for the Committee meeting.
- 4.3 Membership of the Committee shall be disclosed in the Annual Report.
- 4.4 Term of the Committee shall be continued unless terminated by the Board of Directors.

5. CHAIRPERSON

- 5.1 Chairperson of the Committee shall be an Independent Director.
- 5.2 Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- 5.3 In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.

5.4 Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

6. FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at such regular intervals as may be required.

7. COMMITTEE MEMBERS' INTERESTS

7.1 A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

7.2 The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

8. SECRETARY

The Company Secretary of the Company shall act as Secretary of the Committee.

9. VOTING

9.1 Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

9.2 In the case of equality of votes, the Chairman of the meeting will have a casting vote.

10. NOMINATION DUTIES

The duties of the Committee in relation to nomination matters include:

10.1 Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;

10.2 Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;

10.3 Identifying and recommending Directors who are to be put forward for retirement by rotation;

10.4 Determining the appropriate size, diversity and composition of the Board;

10.5 Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;

10.6 Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;

10.7 Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;

10.8 Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.;

10.9 Delegating any of its powers to one or more of its members or the Secretary of the Committee;

10.10 Recommend any necessary changes to the Board; and

10.11 Considering any other matters, as may be requested by the Board.

11. REMUNERATION DUTIES

The duties of the Committee in relation to remuneration matters include:

11.1 to consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.

11.2 to approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.

11.3 to delegate any of its powers to one or more of its members or the Secretary of the Committee.

11.4 to consider any other matters as may be requested by the Board.

11.5 Professional indemnity and liability insurance for Directors and senior management.

12. MINUTES OF COMMITTEE MEETING

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

FORM NO MR-3
SECRETARIAL AUDIT REPORT
FOR THE PERIOD 01-04-2016 To 31-03-2017

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

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 our opinion thereon.

Based on our verification of the Company's 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 covering 1st April, 2016 to 31st March, 2017, 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 1st April, 2016 to 31st March, 2017 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 regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not Applicable during the audit period)
- (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 during the audit period)
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the Audit Period);
 - d. The Securities and Exchange Board of India (Share Based Employees Benefits) Regulations, 2014.(Not Applicable during the audit period)
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit Period);
 - 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.
 - g. The Securities and Exchange Board of India (Delisting of equity shares) Regulations, 2009 (Not applicable to the Company during the Audit Period); and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period).

We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations. 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
7. Rent Act, 2016
8. Real Estate Act, 2013

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

- a. Secretarial Standards issued by The Institute of Company Secretaries of India.
- b. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreements entered into by the Company with Stock Exchanges.

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 the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place: Mumbai
Date: 30th May, 2017

For Ragini Chokshi & Co.
Mr. Makarand Patwardhan
(Partner)
C.P.NO. 9031
ACS NO. 11872

FORM NO. AOC.2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. **Details of contracts or arrangements or transactions not at arm's length basis:**
 - (a) Name(s) of the related party and nature of relationship - Nil
 - (b) Nature of contracts/arrangements/transactions - Nil
 - (c) Duration of the contracts/arrangements/transactions - Nil
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any - Nil
 - (e) Justification for entering into such contracts or arrangements or transactions - Nil
 - (f) date(s) of approval by the Board - Nil
 - (g) Amount paid as advances, if any - Nil
 - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188 - Nil
2. **I. Details of material contracts or arrangement or transactions at arm's length basis**
 - (a) Name(s) of the related party and nature of relationship – Vibhuti Investments Company Limited-Holding Company
 - (b) Nature of contracts/arrangements/transactions – Arrangement entered with holding company regarding monthly tenancy
 - (c) Duration of the contracts/arrangements/transactions - Ongoing
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any - Monthly Tenancy of the premises situated at 88C, Old Prabhadevi Road, Mumbai 400 025
 - (e) Date(s) of approval by the Board, if any – 30.05.2016
 - (f) Amount paid as advances, if any – NA
- II. Details of material contracts or arrangement or transactions at arm's length basis**
 - (a) Name(s) of the related party and nature of relationship – VIP Industries Limited- Group Company
 - (b) Nature of contracts/arrangements/transactions – Purchase of Goods/Products for sell
 - (c) Duration of the contracts/arrangements/transactions - Ongoing
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any - Purchase of Goods/Products
 - (e) Date(s) of approval by the Board, if any – 30.05.2016
 - (f) Amount paid as advances, if any - NA

By Order of the Board of Directors

SHALINI D. PIRAMAL
Managing Director
(DIN No 01365328)

Place: Mumbai
Dated: 30th May, 2017

CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

**The Board of Directors
Kemp & Company Limited**

Dear Sirs,

We, Shalini D Piramal, Managing Director and Sunil Gupta, Chief Financial Officer of Kemp & Company Limited to the best of our knowledge and belief, certify that:

- A. We have reviewed financial statements and the cash flow statement of Kemp & Company Limited for the financial year ended 31st March, 2017 and that to the best of our knowledge and belief; we state that:
- these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. To the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or in violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit committee that:
- there are no significant changes in internal control over financial reporting during the year;
 - there are no significant changes in accounting policies made during the year and that the same have been disclosed suitably in the notes to the financial statements; and
 - there are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting

For **KEMP & COMPANY LIMITED**

SHALINI D PIRAMAL
MANAGING DIRECTOR
DIN-01365328

SUNIL GUPTA
CHIEF FINANCIAL OFFICER

Place : Mumbai
Date : 30.05.2017

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 comprises the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters 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 provision 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 thereunder.

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. 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, 2017, and its profit and its 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, 2016 ("the Order") 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**", a statement on the matters specified in the paragraph 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.

- 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, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “**Annexure B**”; and
- g) 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 28 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.
 - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. However, we are unable to obtain sufficient and appropriate audit evidence to report on whether the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 31 of the financial statement.

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration No. 104607W/W100166

Sai Venkata Ramana Damarla
PARTNER
Membership No. 107017

Place: Mumbai
Dated: May 30, 2017

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in Para 1 'Report on Other Legal and Regulatory Requirements' in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended March 31, 2017.

Statement on Matters specified in paragraphs 3 & 4 of the Companies (Auditor's Report) Order, 2016:

- i. (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 nature of its assets. No material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and on basis of examination of records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. As explained to us, physical verification of inventory has been conducted at reasonable intervals by management at reasonable intervals and no material discrepancies were noticed on physical verification and the same have been properly dealt with in books of accounts.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Therefore, the provisions of sub-clause (a), (b) and (c) of paragraph 3(iii) of the Order are not applicable.
- iv. In our opinion and according to the information and explanations given to us and the records examined by us, the Company has not advanced any loans or made any investments or provided any guarantees or security to the parties covered under Section 185. The Company has made investments in the securities of other body corporate within the limit specified by section 186 of the Act and details of such transactions have been disclosed in the financial statements.
- v. 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 directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Rules framed thereunder, with regard to deposits accepted from the public.
- vi. In our opinion and according to the information and explanations given to us, the maintenance of cost records under sub section (1) of Section 148 of the Act is not applicable to the Company under the Companies (Cost Record and Audit) Rules, 2014. Therefore, the provisions of Clause 3 (vi) of the Order are not applicable to the Company.
- vii. (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, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues with the appropriate authorities, wherever applicable and there are no such outstanding dues as at March 31, 2017, for a period of more than six months from the date they became payable.
 - (b) According to the information and explanation given to us and the records examined by us, there are no dues of Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise and Value added tax outstanding on account of any dispute except:

Sr. No.	Name of the Statute	Nature of Dues	Amount (In Rs.)	Period to which the amount relates	Forum where dispute is pending
1.	Central Excise Act, 1944	Excise Duty	1,118,000/-	01/03/1986 to 14/12/1986	Customs, Excise and Service Tax Appellate Tribunal

- viii. 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 loans or borrowings to financial institution. The Company does not have dues to banks, government or debenture holders.
- ix. The Company has not raised money through initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us and based on the documents and records examined by us on an overall basis, the term loans obtained by the Company were applied for the purpose for which the loans were obtained
- x. During the course of our examination of the books of account and records of the Company, and according to the information and explanation given to us and representations made by the Management, no material fraud by or on the Company, has been noticed or reported during the year.

- xi. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has paid Managerial Remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with schedule V to the Companies Act.
- xii. In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company. Accordingly, provisions of paragraph 3(xii) of the Order are not applicable.
- xiii. According to the information and explanation given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv. According to the information and explanation given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanation given to us and based on our examination of the records, the Company has not entered into non-cash transactions with the directors or persons connected with him. Hence the provisions of Section 192 of the Act are not applicable.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 hence the provisions of paragraph 3 (xvi) of the Order are not applicable.

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration No. 104607W/W100166

Sai Venkata Ramana Damarla
PARTNER
Membership No. 107017

Place: Mumbai

Date: May 30, 2017

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in Para 2 (f) 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report to the members of the Company on the financial statements for the year ended March 31, 2017.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **KEMP AND COMPANY LIMITED** ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Notes and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration No. 104607W/W100166

Sai Venkata Ramana Damarla
PARTNER
Membership No. 107017

Place: Mumbai

Date: May 30, 2017

BALANCE SHEET
AS AT MARCH 31, 2017

	Note No.	As at March 31, 2017 (Rs.)	As at March 31, 2016 (Rs.)
I EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share Capital	2	10,802,000	10,802,000
(b) Reserves & Surplus	3	156,060,094	154,380,834
		<u>166,862,094</u>	<u>165,182,834</u>
(2) Non Current liabilities			
(a) Other Long Term Liabilities	4	219,278	220,278
(b) Long - Term Provisions	5	3,163,627	2,486,031
		<u>3,382,905</u>	<u>2,706,309</u>
(3) Current liabilities			
(a) Short Term Borrowings	6	-	2,000,000
(b) Trade Payables	7	-	-
(i) Total outstanding dues of micro enterprises and small enterprises;		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		3,410,745	3,420,289
		<u>3,410,745</u>	<u>3,420,289</u>
(c) Other Current Liabilities	8	1,756,082	1,687,429
(d) Short Term Provisions	9	574,126	1,196,643
		<u>5,740,953</u>	<u>8,304,361</u>
TOTAL		<u>175,985,952</u>	<u>176,193,504</u>
II ASSETS			
(1) Non - current Assets			
(a) Fixed Assets	10	36,052,124	38,072,653
(i) Properties, Plant and Equipments		-	-
(ii) Intangible Assets		-	-
		<u>36,052,124</u>	<u>38,072,653</u>
(b) Non Current Investments	11	125,168,454	125,168,454
(c) Deferred tax assets (Net)	12	1,167,642	1,073,642
(d) Other Non - current Assets	13	4,142,792	4,636,391
		<u>166,531,012</u>	<u>168,951,140</u>
(2) Current Assets			
(a) Inventories	14	3,234,763	2,912,057
(b) Trade Receivables	15	3,517,622	2,269,274
(c) Cash and bank balance	16	2,247,188	1,440,835
(d) Short term Loans and Advances	17	455,367	620,198
		<u>9,454,940</u>	<u>7,242,364</u>
TOTAL		<u>175,985,952</u>	<u>176,193,504</u>

Statement of Significant Accounting Policies

The accompanying notes 1 to 32 form an integral part of the financial statements

As per our report of even date.

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS

Firm Registration No. 104607W/ W100166

Sai Venkata Ramana Damarla
 PARTNER
 Membership No.: 107017

 Place : Mumbai
 Dated : 30th May 2017

FOR AND ON BEHALF OF THE BOARD
Shalini D. Piramal
 Managing Director
 DIN: 01365328

Sunil Gupta
 Chief Financial Officer

 Place : Mumbai
 Dated : 30th May 2017

Ranjan Sanghi
 Director
 DIN: 00275842

Kunal Chhatwani
 Company Secretary

STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED MARCH 31, 2017

Particulars	Note No.	For the year ended March 31, 2017 (Rs.)	For the year ended March 31, 2016 (Rs.)
INCOME			
Revenue from Operations	18	30,751,245	48,166,521
Other Income	19	7,460,065	5,558,360
Total Revenue		38,211,310	53,724,881
EXPENSES			
Purchase of Stock-in-trade		10,913,849	17,201,957
Changes in Inventory of Stock-in-trade	20	(322,706)	4,802,794
Employee Benefits Expense	21	9,464,563	8,971,207
Finance Cost	22	116,358	385,737
Depreciation & Amortization Expense	10	2,550,688	3,299,751
Other Expenses	23	13,850,469	16,028,391
Total Expenses		36,573,221	50,689,837
Profit Before Tax		1,638,089	3,035,044
Less: Tax Expense			
(a) Current tax		-	-
(b) Deferred tax	12	(94,000)	(291,760)
(c) Prior Years Tax Adjustments		52,829	194,919
		(41,171)	(96,841)
Profit after tax for the year		1,679,260	3,131,885
Earning per equity share:			
Basic & Diluted	24	1.55	2.90
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 LLP
CHARTERED ACCOUNTANTS
 Firm Registration No. 104607W/ W100166

Sai Venkata Ramana Damarla
 PARTNER
 Membership No.: 107017

Place : Mumbai
 Dated : 30th May 2017

FOR AND ON BEHALF OF THE BOARD

Shalini D. Piramal
 Managing Director
 DIN: 01365328

Sunil Gupta
 Chief Financial Officer

Place : Mumbai
 Dated : 30th May 2017

Ranjan Sanghi
 Director
 DIN: 00275842

Kunal Chhatwani
 Company Secretary

CASH FLOW STATEMENT
FOR THE YEAR ENDED MARCH 31, 2017

	<u>2016-2017</u> (Rs.)	<u>2015-2016</u> (Rs.)
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before taxes	1,638,089	3,035,044
<u>Adjustment for:</u>		
Dividend Received	(7,259,956)	(5,279,968)
Depreciation	2,550,688	3,299,751
Interest Received	(83,089)	(278,392)
Sundry balance written off/(back) (Net)	<u>82,847</u>	<u>-</u>
	<u>(4,709,510)</u>	<u>(2,258,609)</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(3,071,421)	776,435
ADJUSTMENTS FOR WORKING CAPITAL CHANGES :		
Other Non-current Assets	3,281	50,031
Short Term Loans & Advances and other Current assets	164,831	(26,953)
Trade Receivables	(1,248,348)	(529,510)
Inventories	(322,706)	4,802,794
Long Term Provisions and other Long Term Liabilities	676,596	713,031
Short Term Provisions and other Short Term Liabilities	100,337	(3,304,532)
Trade Payables	<u>(9,544)</u>	<u>(1,557,198)</u>
	<u>(635,553)</u>	<u>147,663</u>
Cash Generated from Operations	(3,706,974)	924,098
Direct Taxes paid	<u>354,642</u>	<u>(1,156,224)</u>
NET CASH FROM OPERATING ACTIVITIES	(3,352,332)	<u>(232,126)</u>
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(530,159)	(10,256,485)
Interest Received	83,089	219,116
Dividend Received	<u>7,259,956</u>	<u>5,279,968</u>
NET CASH FROM INVESTING ACTIVITY	6,812,886	<u>(4,757,401)</u>

	<u>2016-2017</u> (Rs.)	<u>2015-2016</u> (Rs.)
C) CASH FLOW FROM FINANCING ACTIVITIES		
Borrowings from Holding Company	-	10,000,000
Other Borrowings (net of repayments)	(2,000,000)	2,000,000
Repayment to Holding Company	-	(10,000,000)
Dividend Paid	(544,249)	(1,076,966)
Dividend Tax Paid	(109,952)	(219,903)
NET CASH FROM FINANCING ACTIVITY	<u>(2,654,201)</u>	<u>703,131</u>
NET DECREASE IN CASH & CASH EQUIVALENTS(A+B+C)	<u>806,353</u>	<u>(4,286,396)</u>
OPENING BALANCE OF CASH & CASH EQUIVALENTS	1,440,835	5,727,231
CLOSING BALANCE OF CASH & CASH EQUIVALENTS (Refer Note 16)	<u>2,247,188</u>	1,440,835
	<u>806,353</u>	<u>(4,286,396)</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 LLP
CHARTERED ACCOUNTANTS
Firm Registration No. 104607W/ W100166

Sai Venkata Ramana Damarla
PARTNER
Membership No.: 107017

Place : Mumbai
Dated : 30th May 2017

FOR AND ON BEHALF OF THE BOARD

Shalini D. Piralal
Managing Director
DIN: 01365328

Sunil Gupta
Chief Financial Officer

Place : Mumbai
Dated : 30th May 2017

Ranjan Sanghi
Director
DIN: 00275842

Kunal Chhatwani
Company Secretary

Notes forming Part of the financial statements for the year ended March 31, 2017**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 Properties, Plant & Equipments

- (i) Properties, Plant & Equipments 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 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.

1.15 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 for the year ended March 31, 2017

	As at March 31, 2017 (Rs.)	As at March 31, 2016 (Rs.)
2 SHARE CAPITAL		
(a) Authorized		
1,450,000 Equity shares, Rs. 10/- each	14,500,000	14,500,000
TOTAL	<u>14,500,000</u>	<u>14,500,000</u>
(b) Issued, Subscribed and Paid Up		
1,080,200 Equity shares, Rs. 10/- each fully paid up	10,802,000	10,802,000
TOTAL	<u>10,802,000</u>	<u>10,802,000</u>

- (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 March 31, 2017		As at March 31, 2016	
	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.

	As at March 31, 2017 (Rs.)	As at March 31, 2016 (Rs.)
3 RESERVES & SURPLUS		
(a) Capital Redemption Reserve		
Balance as per last Balance Sheet	4,500	4,500
(b) Securities Premium Reserve		
Balance as per last Balance Sheet	3,411	3,411
(c) General Reserve		
Balance as per last Balance Sheet	84,996,060	84,996,060
(d) Surplus in the Statement of Profit & Loss		
Balance as per last Balance Sheet	69,376,863	66,895,030
Profit for the year	1,679,260	3,131,885
	<u>71,056,123</u>	<u>70,026,915</u>
(i) Less: Proposed Equity Dividend	-	540,100
[Dividend proposed (Previous Year Rs. 0.50)]		
(iii) Less: Tax on Distributed Profits	-	109,952
TOTAL	<u>71,056,123</u>	<u>69,376,863</u>
GRAND TOTAL	<u>156,060,094</u>	<u>154,380,834</u>

KEMP & COMPANY LIMITED

	As at March 31, 2017 (Rs.)	As at March 31, 2016 (Rs.)
4 OTHER LONG TERM LIABILITIES		
(a) Security Deposits	214,500	215,500
(b) Others	4,778	4,778
TOTAL	219,278	220,278
5 LONG TERM PROVISIONS		
(a) Provision for Gratuity (Refer Note 21(b))	2,777,892	2,174,115
(b) Provision for Leave Encashment	385,735	311,916
TOTAL	3,163,627	2,486,031
6 SHORT TERM BORROWINGS		
Loan from Aditya Birla finance Ltd (Note 6.1)	-	2,000,000
TOTAL	-	2,000,000

Note 6.1: The above loan was made available against Investment in equity mutual funds granted by Aditya Birla Finance Limited, which carried interest rates ranging 11% pa. to 11.25 % p.a.

7 TRADE PAYABLES		
- Total outstanding dues of micro enterprises and small enterprises (refer Note 7.1)	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	3,410,745	3,420,289
TOTAL	3,410,745	3,420,289

Note 7.1: Micro and Small Enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) have been identified by the Company on the basis of the information available with the Company. The disclosures pursuant to MSMED Act based on the books of account are as under:

Principal amount due and remaining unpaid	Nil	Nil
Interest due on above and the unpaid interest	Nil	Nil
Interest paid	Nil	Nil
Payment made beyond the appointed day during the year	Nil	Nil
Interest due and payable for the period of delay	Nil	Nil
Interest accrued and remaining period	Nil	Nil
Amount of further interest remaining due and payable in succeeding years	Nil	Nil

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2017. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company. The auditors have relied on the information provided by the management.

8 OTHER CURRENT LIABILITIES		
(a) Unclaimed Dividends*	85,157	89,306
(b) Statutory Liabilities	223,594	180,490
(c) Other payable	1,447,331	1,417,633
TOTAL	1,756,082	1,687,429

*There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 (2) of the Companies Act, 2013 as at the year end.

KEMP & COMPANY LIMITED

	As at March 31, 2017 (Rs.)	As at March 31, 2016 (Rs.)
9 SHORT TERM PROVISIONS		
(a) Provision for Gratuity (Refer Note 21 (b))	134,084	116,049
(b) Provision for Leave Encashment	40,042	30,542
(c) Provision for Other Employee Benefits	400,000	400,000
(d) Proposed Dividend	-	540,100
(e) Tax on proposed dividend	-	109,952
TOTAL	574,126	1,196,643

10. FIXED ASSETS

(Rs.)

PARTICULARS	Gross Block				Depreciation / Amortisation					Net Block	
	As at April 1, 2016	Additions	Deductions/ Adjustments	As at March 31, 2017	As at April 1, 2016	Trf to General Reserve for the year (Note 9.2)	For the year	Deductions/ Adjustments	Up to March 31, 2017	As at March 31, 2017	As at March 31, 2016
PROPERTIES, PLANT & EQUIPMENTS											
Freehold Land	71,093	-	-	71,093	-	-	-	-	-	71,093	71,093
Building	52,276,322	413,159	-	52,689,481	25,435,631	-	992,708	-	26,428,339	26,261,142	26,840,691
Plant & Machinery	504,598	-	-	504,598	147,039	-	35,389	-	182,428	322,170	357,559
Furniture & Fixture	3,497,495	117,000	-	3,614,495	3,148,950	-	51,743	-	3,200,693	413,802	348,545
Motor Vehicle	12,342,108	-	-	12,342,108	1,889,371	-	1,470,848	-	3,360,219	8,981,889	10,452,737
Computer	89,763	-	-	89,763	87,735	-	-	-	87,735	2,028	2,028
TOTAL	68,781,379	530,159	-	69,311,538	30,708,726	-	2,550,688	-	33,259,414	36,052,124	38,072,653
INTANGIBLE ASSETS :											
Computer Software	98,072	-	-	98,072	98,072	-	-	-	98,072	-	-
TOTAL	98,072	-	-	98,072	98,072	-	-	-	98,072	-	-
Total	68,879,451	530,159	-	69,409,610	30,806,798	-	2,550,688	-	33,357,486	36,052,124	38,072,653
Previous Year	58,622,966	10,256,485	-	68,879,451	27,507,047	-	3,299,751	-	30,806,798	38,072,653	

10.1 Buildings are given on rent under Monthly Tenancy Agreement.

11 NON CURRENT INVESTMENTS

	Face Value	As at March 31, 2017		As at March 31, 2016	
		Qty	Amount (Rs.)	Qty	Amount (Rs.)
Non-Trade (At Cost)					
1) Quoted					
a) In Equity Shares					
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. 64,97,66,062/- (Previous year Rs. 34,64,97,900/-)					
b) In Equity Mutual funds					
ICICI Prudential Value Discovery Fund-Regular Plan-Growth	10/-	112,474	9,000,000	112,474	9,000,000
Franklin India Bluechip fund-Growth	10/-	23,909	6,750,000	23,909	6,750,000
HDFC Mid-Cap opportunities Fund-Growth	10/-	265,151	6,750,000	265,151	6,750,000
HDFC Equity Fund-Growth	10/-	17,838	6,750,000	17,838	6,750,000
Reliance Equity Opportunities Fund -Growth plan	10/-	167,268	9,000,000	167,268	9,000,000
IDFC Sterling Equity Fund -Growth Fund	10/-	260,403	6,750,000	260,403	6,750,000
			<u>45,000,000</u>		<u>45,000,000</u>
Aggregate market value of quoted equity mutual funds Rs. 7,21,16,268/- (Previous year Rs. 5,70,15,819)					
2) Unquoted					
in Equity shares of Holding Company					
Vibhuti Investments Company Ltd	10/-	1,770	17,700	1,770	17,700
in Equity shares in other Companies					
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			<u>(371,300)</u>		<u>(371,300)</u>
Total Value of Unquoted Investments			<u>17,800</u>		<u>17,800</u>
TOTAL			<u>125,168,454</u>		<u>125,168,454</u>

KEMP & COMPANY LIMITED

	As at March 31, 2017 (Rs.)	As at March 31, 2016 (Rs.)
12 DEFERRED TAX ASSETS		
<u>Deferred tax assets</u>		
Gratuity provision	749,834	684,072
Leave encashment provision	109,638	102,292
Depreciation	212,560	176,371
Provision for Diminution in Investments	95,610	110,907
	<u>1,167,642</u>	<u>1,073,642</u>
<u>Deferred tax liabilities</u>	-	-
Net Deferred Tax Assets	<u>1,167,642</u>	<u>1,073,642</u>
Deferred Tax Charge / (Credit) for the year	(94,000)	(291,760)
	<u>(94,000)</u>	<u>(291,760)</u>
13 OTHER NON CURRENT ASSETS		
(Unsecured, considered good)		
Deposits*	1,314,441	1,400,569
Long Term Trade Receivables	1,121,983	1,121,983
Advance tax	1,706,368	2,113,839
[Net of Provision for tax Rs Nil (Previous year Rs Nil)]		
	<u>4,142,792</u>	<u>4,636,391</u>
* Includes Rs 500,000/- (Previous year Rs 500,000/-) paid to Central Excise against demand of Rs 1,118,000/- (Previous year Rs.1,118,000/-) (Refer Note 28 (1)).		
14 INVENTORIES		
Stock- in- Trade		
- Luggage & Accessories	3,234,763	2,912,057
(includes goods in transit amounting to Rs. NIL (Previous year Rs. 4,11,476/-))		
	<u>3,234,763</u>	<u>2,912,057</u>
TOTAL		
	<u>3,234,763</u>	<u>2,912,057</u>
15 TRADE RECEIVABLES		
(Unsecured, considered good)		
Outstanding for more than six months from the due date	-	-
Outstanding for less than six months from the due date	3,517,622	2,269,274
(Includes amount receivable from the Holding Company Rs 32,45,487/- (Previous year Rs. 15,67,555/-))		
	<u>3,517,622</u>	<u>2,269,274</u>
TOTAL		
	<u>3,517,622</u>	<u>2,269,274</u>

KEMP & COMPANY LIMITED

	As at March 31, 2017 (Rs.)	As at March 31, 2016 (Rs.)
16 CASH AND BANK BALANCE		
Cash and Cash Equivalent		
Cash on Hand	5,498	45,818
Balance with Banks in current account	2,156,533	1,305,711
	2,162,031	1,351,529
Other Bank Balance		
Earmarked balances with banks (Unpaid Dividend)	85,157	89,306
	85,157	89,306
TOTAL	2,247,188	1,440,835
17 SHORT TERM LOANS & ADVANCES		
(Unsecured, considered good)		
(a) Advances to Staff	25,001	-
(b) Prepaid Expenses	405,184	248,992
(c) Others	25,182	371,206
	455,367	620,198
TOTAL	455,367	620,198
	For the year ended March 31, 2017 (Rs.)	For the year ended March 31, 2016 (Rs.)
18 REVENUE FROM OPERATIONS		
(a) Sale of Products*	14,467,525	31,159,872
(b) Property Income	4,635,768	4,635,768
(c) Other Operating Income		
- Maintenance Charges	6,707,304	6,707,304
- Expenses Recovery	4,940,648	5,663,577
	30,751,245	48,166,521
TOTAL	30,751,245	48,166,521
* Sale of Products includes Sale of Luggage and Accessories		
19 OTHER INCOME		
<u>Dividend Income</u>		
From Current Investments	-	-
From Long term Investments	7,259,956	5,279,968
	7,259,956	5,279,968
Interest Income	83,089	278,392
Miscellaneous Receipts	117,020	-
	7,460,065	5,558,360
TOTAL	7,460,065	5,558,360
20 CHANGE IN INVENTORY OF STOCK -IN-TRADE		
(a) Opening Stock	2,912,057	7,714,851
(b) Less: Closing Stock	3,234,763	2,912,057
	(322,706)	4,802,794
TOTAL	(322,706)	4,802,794
21 EMPLOYEE BENEFITS EXPENSE		
Salary & Wages	9,024,537	8,546,462
Contribution to Provident Fund & Other Funds	194,583	168,249
Staff Welfare Expenses	245,443	256,496
	9,464,563	8,971,207
TOTAL	9,464,563	8,971,207

KEMP & COMPANY LIMITED

	For the year ended March 31, 2017 (Rs.)	For the year ended March 31, 2016 (Rs.)
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	147,789	117,972

b) Defined Benefit Plan - Gratuity

Particulars	2016-17	2015 - 2016
	Gratuity (Non-Funded Plan)	Gratuity (Non-Funded Plan)
I. Assumptions		
Discount Rate	7.27%	8.00%
Rate of increase in Compensation levels	5.00%	5.00%
Discount Rate	1.00%	1.00%
Mortality Rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
II. Table Showing Change in Benefit Obligation :		
Projected Benefit Obligations (PBO) at the beginning of the year	2,290,164	1,597,000
Interest Cost	182,984	127,760
Service Cost	164,754	119,520
Benefits paid	-	-
Actuarial (gain)/loss on Obligations - Due to change in Financial Assumptions	161,217	1,881
Actuarial (gain)/loss on Obligations - Due to Experience	112,857	444,003
PBO at the end of the year	2,911,976	2,290,164
III. Funded Status	(2,911,976)	(2,290,164)
IV. Actuarial (Gains) / Losses recognised in the statement of Profit or Loss for current period:		
Actuarial (gain) /loss on Obligation for the period	274,074	445,884
Actuarial (gain) / loss on Plan Assets for the period	-	-
Sub-Total	274,074	445,884
Actuarial (gain)/losses Recognized in the Statement of Profit & Loss	274,074	445,884
V. The Amounts recognised in Balance Sheet :		
(Present Value of Obligation at the end of the period)	(2,911,976)	(2,290,164)
Fair value of Plan Assets at the end of the period	-	-
Funded status (Surplus / (Deficit))	(2,911,976)	(2,290,164)
Unrecognised Actuarial gains (losses)	-	-
Unrecognised Transitional Liability	-	-
Liability Recognised in Balance Sheet	(2,911,976)	(2,290,164)
VI. Net Interest cost for Current period		
Present Value of Obligation at the Beginning of the period	2,290,164	1,597,000
(Fair value of Plan Assets at the Beginning of the period)	-	-
Net Liability / (Assets) at the Beginning	2,290,164	1,597,000
Interest Cost	182,984	127,760
(Expected Return on Plan Assets)	-	-
Net Interest cost for the current period	182,984	127,760

Particulars		2016-17	2015 - 2016
		Gratuity (Non-Funded Plan)	Gratuity (Non-Funded Plan)
VII. Expenses recognized in the statement of Profit & Loss			
Current Service Cost	164,754	119,520	
Net Interest Cost	182,984	127,760	
Acturial (Gain) / Loss	274,074	445,884	
Expenses recognized in the statement of Profit & Loss	621,812	693,164	
VIII. Balance Sheet Reconciliation			
Opening Net Liability	2,290,164	1,597,000	
Expenses recognized in the statmeent of Profit & Loss	621,812	693,164	
Net Liability/(Assets) Recongnized in the Balance Sheet	2,911,976	2,290,164	

IX. Amount for current and Previous Periods as per AS15 Para 120 (n) are as follows:

Particulars	2016-17	2015-16	2014-15	2013-14	2012-13
Obligations at year/period end	2,911,976	2,290,164	1,597,000	1,188,000	1,188,000
Plan Assets at year/period end at fair value\	-	-	-	-	-
Funded status	2,911,976	2,290,164	1,597,000	1,188,000	1,188,000
Experience adjustments :					
Experience adjustments on plan liabilities	112,857	444,003	275,936	(211,184)	8,056
Experience adjustments on plan assets	-	-	-	-	-

	For the year ended March 31, 2017 (Rs.)	For the year ended March 31, 2016 (Rs.)
22 FINANCE COST		
Interest paid on borrowings	116,358	385,737
TOTAL	116,358	385,737
23 OTHER EXPENSES		
Electricity charges	623,732	867,246
Rent	32,400	33,656
Repairs & Maintenance		
Buildings	600,451	504,126
Others	15,292	227,997
Insurance	276,498	98,734
Rates and taxes (Refer Note 23.1)	4,487,449	5,401,274
Security charges	3,141,243	3,114,118
Housekeeping & Maintenance	680,794	689,867
Directors fees	370,000	390,000
Travelling Expenses	249,688	847,059
Human Resource Procurement	2,959	206,214
Legal & Professional charges	820,489	763,604
<u>Payment to Auditors :</u>		
Audit fees	149,500	148,850
Tax audit	46,000	45,800
Other Services	69,850	44,853
	265,350	239,503
Miscellaneous Expenses	2,284,124	2,644,993
TOTAL	13,850,469	16,028,391

23.1 Net of Municipal Charges recovered Rs. 1,696,576 /- (Previous Year Rs. 1,696,576/-).

	2016-17	2015-16
24 EARNING PER SHARE		
Profit attributable to Equity Shareholders (Rs.)	1,679,260	3,131,885
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.)	1.55	2.90

25 Segment Information for the year ended March 31, 2017

(i) Information about primary business segment

(Figures in Rupees)

	March 31, 2017			March 31, 2016		
	TRADING ACTIVITY	REAL ESTATE	TOTAL	TRADING ACTIVITY	REAL ESTATE	TOTAL
a) REVENUE FROM OPERATIONS						
Gross Revenue	14,467,525	4,635,768	19,103,293	31,159,872	4,635,768	35,795,640
Other Income from Operations	-	11,764,972	11,764,972	-	12,589,997	12,589,997
SEGMENT REVENUE	14,467,525	16,400,740	30,868,265	31,159,872	17,225,765	48,385,637
Add : Other Unallocated Income			7,343,045			5,339,244
			38,211,310			53,724,881
Less : Inter Transfer Segment Revenue			-			-
NET SALES / INCOME FROM OPERATIONS (As per Statement of Profit & Loss)			38,211,310			53,724,881
b) RESULTS FROM OPERATIONS						
Profit before Corporate /Common Expenses	893,850	4,990,869	5,884,719	3,356,902	6,095,049	9,451,951
Interest , Depreciation and Amortization						
Less : Non cash expenses						
- Depreciation	35,389	1,297,339	1,332,728	1,109,307	2,072,278	3,181,585
SEGMENT RESULTS (Profit before Corporate/ common expenses and interest)	858,461	3,693,530	4,551,991	2,247,595	4,022,771	6,270,366
Less : Depreciation in respect of Common / Corporate Assets			1,217,960			118,166
Other Unallocated Corporate / Common expenses			9,038,987			8,456,400
			(5,704,956)			(2,304,200)
Add : Other Unallocated Income			7,343,045			5,339,244
PROFIT / (LOSS) BEFORE TAX			1,638,089			3,035,044
- Current Tax			-			-
- Deferred Tax			(94,000)			(291,760)
- Excess/ (Short) Provision for Tax			52,829			194,919
PROFIT / (LOSS) AFTER TAX (As per Statement of Profit & Loss)			1,679,260			3,131,885
c) CAPITAL EMPLOYED (at the end of the year)						
Segment Assets	3,580,128	32,300,970	35,881,098	4,140,667	32,209,684	36,350,351
Segment Liabilities	3,478,509	574,897	4,053,406	3,477,825	927,193	4,405,018
SEGMENT CAPITAL EMPLOYED (Segment Assets - Segment Liabilities)	101,619	31,726,073	31,827,692	662,842	31,282,491	31,945,333
Unallocated corporate Assets			14,936,424			14,674,699
Unallocated corporate liabilities			(5,070,476)			(6,605,652)
Investments			125,168,454			125,168,454
Deferred Revenue Expenditure			-			-
TOTAL CAPITAL EMPLOYED (NET ASSETS) (as per Balance Sheet)			166,862,094			165,182,834

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.

26 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
Mrs. Shalini Dilip Piramal	Managing Director
VIP Industries Ltd	Company where Director is interested

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

Name of Related Parties	Transactions during the year	2016-2017 (Figures in Rupees)	2015-2016 (Figures in Rupees)
Vibhuti Investments Co Ltd (Holding Company)	Revenue from Operations:		
	- Property Income	2,235,768	2,235,768
	- Maintenance Charges	6,707,304	6,707,304
	- Expenses Recovery	4,408,013	4,970,228
	Expenses:		
	-Recovery of Property Tax	(1,696,576)	(1,696,576)
	- Interest paid	-	84,329
	Loan taken & Repaid*	-	10,000,000
	Maximum Amount outstanding during the year*	-	10,000,000
	Amount Outstanding		
	- Receivable	3,245,487	1,567,555
Mrs. Shalini Dilip Piramal (Managing Director)	Managerial Remuneration	2,448,000	2,424,687
VIP Industries Ltd	Purchase of goods	10,913,848	5,439,066
	Amount Outstanding	3,410,745	3,420,289
	- Payable		

* Disclosures are made in compliance with Regulation 34 of SEBI (Listing Obligations & Disclosure Requirement) Regulation, 2015.

27 Expenditure in foreign currency (Accrual Basis)

	2016-2017 (Figures in Rupees)	2015-2016 (Figures in Rupees)
Employees Foreign tour expenses	25,088	144,114

28 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.

29 Purchase of Stock -in-trade includes Purchase of Luggage and Accessories.

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 Details of Specified Bank Notes held and transacted during the demonetization period (8th November, 2016 to 30th December, 2016) as provided in the table below:

Particulars	Specified Bank Notes (SBNs)	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	42,000	14,704	56,704
(+) Permitted receipts	-	1,119,768	1,119,768
(-) Permitted payments	-	130,572	130,572
(-) Amount deposited in Banks	42,000	948,560	990,560
Closing cash in hand as on 30.12.2016	-	55,340	55,340

32 Previous year's figures have been regrouped / reclassified wherever necessary.

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 / PROXY _____

I hereby record my presence at the 136th Annual General Meeting of the Company to be held on Friday, the 4th August 2017 at 12.30 pm 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): Registered Address:		e-mail Id: Folio No. /*Client Id: *DP Id:	
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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/her
- 2) _____ of _____ having e-mail id _____ or failing him/her
- 3) _____ of _____ having e-mail id _____

and whose signature(s) is/are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 136th Annual General Meeting of the Company, to be held on Friday, the 4th August 2017 at 12.30 pm 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/We wish my/our 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 st March, 2017 together with the reports of the Board of Directors and Auditors thereon.		
2. Re-appointment of Mr. M.K. Arora (DIN-00031777), Director, who retires by rotation and being eligible, offers himself for re-appointment		
3. Appointment of M/s. M L Bhuwania and Co. LLP, Chartered Accountants, as Statutory Auditors of the Company and to fix their remuneration.		

Affix a
Re.1
Revenue
Stamp

Signed this _____ day of September 2017

Signature of shareholder

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

NOTES:

- 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.
- A Proxy need not be a member of the Company.
- 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.
- Appointing a proxy does not prevent a member from attending the meeting in person if he/she so wishes.
- In the case of joint holders, the signature of any one 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, 5th Floor,
88-C, Old Prabhadevi Road,
Mumbai - 400 025, Maharashtra