

KEMP

KEMP & COMPANY LIMITED

138th Annual Report 2018-19

138th Annual Report

BOARD OF DIRECTORS

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

CHIEF FINANCIAL OFFICER

Mr. Sunil Kumar Gupta

STATUTORY AUDITORS

M/s. M L Bhuwania and Co. LLP
Chartered Accountants

BANKERS

Central Bank of India

INVESTORS' SERVICES DEPARTMENT

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

REGISTRAR & SHARE TRANSFER AGENT

LINK INTIME INDIA PRIVATE LIMITED,
C-101, 247 Park, LBS Marg,
Vikhroli West, Mumbai 400 083
Tel: + 91 22 491 86270
Fax: + 91 22 491 86060
Email: rnt.helpdesk@linkintime.co.in

COMPANY SECRETARY

Mr. Kunal Chhatwani

INTERNAL AUDITORS

M/s. Suresh Surana & Associates LLP
Chartered Accountants

REGISTERED OFFICE

5th Floor, DGP House,
88C, Old Prabhadevi Road,
Mumbai - 400 025, Maharashtra
Tel: +91 22 6653 9000, Fax: +91 22 6653 9089
CIN: L24239MH1982PLC000047

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 138th Annual General Meeting ("AGM") of the Members of **KEMP & COMPANY LIMITED** will be held at 5th Floor, DGP House, 88C, Old Prabhadevi Road, Mumbai 400 025, Maharashtra on Monday, 30th September, 2019, at 11:00 am 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, 2019 together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on equity shares for the financial year 2018-19.
3. To appoint a Director in place of Mr. M.K. Arora (DIN: 00031777), who retires by rotation and being eligible, seeks re-appointment.

SPECIAL BUSINESS:

4. Continuation of Directorship of Mr. M. K. Arora (DIN: 00031777) as Non-Executive Director of the Company

To consider & if thought fit, to pass, with or without modification(s), the following resolution as Special Resolution:

"RESOLVED THAT pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, as amended from time to time and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and Rules made there under including any statutory modification(s) or re-enactment thereof, consent of the members of the Company be and is hereby accorded for continuation of Directorship of Mr. M.K. Arora (DIN: 00031777), who has already attained 75 years of age, be and is hereby appointed as Non-Executive Director of the Company, liable to retire by rotation."

By the Order of the Board of Directors

Kunal Chhatwani
Company Secretary

Place: Mumbai

Date: 13th August, 2019

Registered Office:

5th Floor, DGP House,

88C, Old Prabhadevi Road, Mumbai 400 025

Maharashtra, India

CIN: L24239MH1982PLC000047

NOTES:

(a) The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the business under Item No. 4 as set out under ordinary/special business of the Notice and the details in respect of the Director proposed to be re-appointed at the Annual General Meeting is annexed hereto.

(b) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.

A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.

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 11:00 am on 28th September, 2019 before commencement of the meeting. A Proxy form is annexed to this report.

(c) 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.

(d) Pursuant to Section 91 of the Companies Act, 2013, the Register of Members and the Share Transfer Books of the Company will be closed from Tuesday, 24th September, 2019 up to Monday, 30th September, 2019 (both days inclusive) for the purpose of payment of dividend.

- (e) The dividend as recommended by the Board of Directors, if approved by the Members at the ensuing AGM will be paid on or after 3rd October, 2019 as under to:
- i) Members holding shares in physical form, whose name appear in the Company's Register of Members as on 30th September, 2019.
 - ii) Beneficial owners, whose name appears in the beneficial owners list to be furnished for this purpose by the National Securities Depository Limited and the Central Depository Services (India) Limited as on the close of business hours on 23rd September, 2019.
 - (f) 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 AGM, to enable the Company to make available the required information at the AGM.
 - (g) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts.
 - (h) The Company is concerned about the environment and utilizes natural resources in a sustainable way. The Ministry of Corporate Affairs (MCA) has allowed companies to send official documents to their shareholders electronically. Accordingly, Annual Report for the financial year 2018-19 along with Notice of the 138th AGM of the Company, inter-alia indicating the process and manner of e-voting, Attendance slip and Proxy form is being sent to all the members whose email IDs are registered with the Company/ Depository Participant(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 2018-19 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, 88C, Old Prabhadevi Road, Mumbai-400 025, Tel.: +91 22 6653 9000 Fax: +91 22 6653 9089 Email: kemp-investor@kempnco.com or the Company's RTA.
 - (i) Members may also note that the Notice of the 138th AGM and the Annual Report for financial year 2018-19, in Portable Document Format (PDF), will also be available on the Company's website www.kempnco.com. The physical copies of the aforesaid documents including any documents referred therein shall also be available at the Company's Registered Office for inspection during normal business hours (10.00 a.m. to 5.00 p.m.) on any working day except Saturdays, Sundays and Public Holidays, up to the date of the 138th AGM of the Company.
 - (j) In case of joint shareholders attending the meeting, only such joint shareholder whose name appears higher in order of names as mentioned in the Register of Members of the Company will be entitled to vote.
 - (k) Members are requested to notify immediately, any change in their address registered with the Company or to the RTA for equity shares held in physical form and to their respective Depository Participants (DPs) in respect of equity shares held in electronic form.
 - (l) Under the provisions of Section 72 of the Companies Act, 2013, shareholder(s) is/are entitled to nominate in the prescribed manner, a person to whom his/her/their share(s) in the Company, shall vest after his/ her/their lifetime. Members who are holding share(s) in physical form and are interested in availing this nomination facility are requested to write to the Company or the Company's RTA and those Members who are holding share(s) in electronic form, are requested to write to their respective Depository Participants (DPs).
 - (m) Transfer of Unclaimed Dividend Amounts to the Investor Education and Protection Fund (IEPF):
 - i) Pursuant to applicable provisions of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (hereinafter referred to as "IEPF Rules"), including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force, all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Central Government, after completion of 7(seven) years. Further, according to the said IEPF Rules, shares in respect of which dividend has not been claimed by the shareholders for 7(seven) consecutive years or more shall also be transferred to the demat account of the IEPF Authority.
 - ii) During the financial year 2018-19, the Company has transferred to the IEPF, the following unclaimed dividends and corresponding shares thereto:

| Particulars | Amount of Dividend | No. of Shares |
|---|--------------------|---------------|
| Dividend for the financial year 2010-11 | Rs. 7840/- | 784 |

- iii) The dividend amount and shares transferred to the IEPF can be claimed by the concerned members from the IEPF Authority after complying with the procedure prescribed under the IEPF Rules. The details of the unclaimed dividends are also available on the website of IEPF Authority and the same can be accessed through www.iepf.gov.in.
- (n) In order to render better and efficient services, Members are requested to consolidate the multiple folios which are in the same names and in identical order. Consolidation of folios does not amount to transfer of shares and therefore no stamp duty or other expenses are payable for the same. In case any Member(s) decide to consolidate his/her/their folios, he/ she/they is/are requested to forward his/her/their share certificates, along with a request letter, to the Company or the Company's RTA.
- (o) In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended 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 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 shareholders voting electronically are as under:

- (i) The voting period begins on Friday, 27th September, 2019 at 9.00 am and ends on Sunday, 29th September, 2019 at 5.00 pm. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Monday, 23rd September, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) 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 the sequence number which is printed on Postal Ballot /Attendance Slip indicated in the PAN field. |
| Dividend Bank Details OR Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • 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). |

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

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant company i.e. Kemp & Company Limited on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the 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.
- (xviii) 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. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) 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 linked in the login 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.
- (xx) 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.
- (p) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of Monday, 23rd September, 2019.
- (q) Those shareholders who have become the shareholders after 30th August, 2019 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.
- (r) 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.
- (s) The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman or any other Director authorised by him in writing.
- (t) 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 Exchange.
- (u) 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.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

ITEM NO. 4

Mr. M.K. Arora (DIN: 00031777) was appointed on the Board of the Company on 29th September, 2011 as Non-Executive Director of the Company. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) (Amendment) Regulations, 2018, as notified on 9th May, 2018 requires every listed company to pass a special resolution for appointing or to continue the directorship of Non-Executive Director on attaining the age of 75 years. This amendment has come into effect from 1st April, 2019.

Mr. M.K. Arora is a Non-Executive Director of the Company. Mr. M. K. Arora, is a qualified Company Secretary and Cost Accountant, he has completed his post- graduation in the stream of Commerce and graduation in the stream of Law. He has an experience of more than four decades in the Corporate Law and General Management. The Board considers that his continuation would benefit the Company.

Hence, to comply with the above regulatory requirement, it is proposed to continue the appointment of Mr. M.K. Arora as Non-Executive Director of the Company, who shall be liable to retire by rotation. Thus, Item No. 4 is placed for approval of Members by way of Special Resolution.

Details of Mr. M.K. Arora is annexed hereto. Save and except Mr. M.K. Arora and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

The Board recommends passing of Special Resolution set out at Item No. 4 of the Notice for approval by the members.

DETAILS OF THE DIRECTOR SEEKING APPOINTMENT / RE-APPOINTMENT

| | |
|---|--|
| Name of the Director | Mr. M.K. Arora |
| Date of Birth | 21.09.1943 |
| Date of First Appointment | 30.05.2011 |
| Qualification | ACS, ACWA, M.Com, LLB |
| Experience in special functional area | Experience of more than 4 decades in the Corporate Law and General Management. |
| Key terms and conditions of appointment/ reappointment | As per terms of appointment |
| No. of meetings of the board attended during the FY 2019-20 | 2 out of 2 |
| Directorship held in other companies | <ol style="list-style-type: none"> 1. Vibhuti Investments Co. Ltd. 2. Priya Ltd. 3. Priya International Ltd. 4. Kiddy Plast Ltd. 5. Windsor Machines Ltd. 6. DGP Enterprises Pvt. Ltd. 7. DGP Capital Management Ltd. 8. Trimuriti Glass Containers Ltd. 9. Blow Plast Retail Ltd. |
| 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 - Nomination & Remuneration 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 |
| Remuneration sought to be paid | Sitting Fees |
| Remuneration last drawn | Rs. 1,30,000/- |
| Relationship with other Directors/Managers/ KMP's | None |

By the Order of the Board of Directors

Kunal Chhatwani
Company Secretary

Place: Mumbai
Date: 13th August, 2019

Registered Office:
5th Floor, DGP House,
88C, Old Prabhadevi Road, Mumbai 400 025
Maharashtra, India
CIN: L24239MH1982PLC000047

KEMP & COMPANY LIMITED

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



DIRECTORS' REPORT

Your Directors are pleased to present the 138th Annual Report together with the Audited Financial Statements and Auditor's Report for the financial year ended 31st March, 2019.

FINANCIAL RESULTS

(₹ In Thousands)

| Particulars | Year Ended 31.03.2019 | Year Ended 31.03.2018 |
|--|-----------------------|-----------------------|
| Revenue from operations | 32,570 | 31,147 |
| Profit before Depreciation, Interest and Tax | 3,685 | 15,547 |
| Finance cost | - | - |
| Depreciation and Amortization expenses | 2,496 | 2,556 |
| Profit before tax | 1,189 | 12,991 |
| Tax expenses: | | |
| 1. Deferred Tax | (3,982) | (5,181) |
| 2. Excess provision for tax relating to prior year | (1) | (5) |
| Profit for the year | 5,172 | 18,177 |

OVERALL PERFORMANCE AND OUTLOOK

During the financial year ended 31st March, 2019, revenue from operations was ₹ 32,570 thousand as against ₹ 31,147 thousand during previous year, registering a increase of 4.56%. Profit before tax was at ₹ 1,189 thousand as against ₹ 12,991 thousand in the previous year. Profit after tax for the year under review was at ₹ 5,172 thousand against ₹ 18,177 thousand in the previous year.

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

RESERVES & DIVIDEND

During the year under review, as well as the previous year, the Company has not transferred any amount to the General Reserves. As on 31st March, 2019, Reserves and Surplus of the Company were at ₹ 17,49,873 thousand. An amount of ₹ 5,172 thousand is proposed to be retained as surplus in the statement of Profit & Loss.

Your Directors are pleased to recommend for your consideration, a dividend of ₹ 0.50/- (Fifty paise only) per equity share of ₹ 10/- each for the financial year 2018-19, (previous year ₹ 1/- per equity share of ₹ 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"** and copy of Annual Return is available on the Company's website at www.kempnco.com.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Directors state that applicable Secretarial Standards i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings' respectively have been duly followed by the Company.

NUMBER OF MEETINGS OF THE BOARD

During the financial year ended 31st March, 2019, 5(five) Board Meetings and 4(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, based on their knowledge and belief and the information and explanations obtained, your Directors confirm that:

- in the preparation of the annual accounts for the year ended 31st March, 2019, 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, 2019 and of the profit and loss of your Company for that period;

- c) 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;
- d) annual accounts for the financial year ended 31st March, 2019 have been prepared on a going concern basis;
- e) 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
- f) 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 Companies Act, 2013 ("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 policy formulates the criteria for determining qualifications, competencies, positive attributes and independence for the appointment of a Director (Executive/Non-Executive) and also the criteria for determining the remuneration of the Directors, KMP and other employees.

Nomination and Remuneration Policy of the Company has been displayed on the Company's website i.e. www.kempnco.com.

AUDITORS

Statutory Auditors

In the Annual General Meeting (AGM) held on 4th August, 2017, M/s. M L Bhuwania and Co., LLP, Chartered Accountants (Firm Registration No. 101484WW/100197) have been appointed as Statutory Auditors of the Company for a period of 5 (five) years commencing from the conclusion of 136th AGM till the conclusion of 141st AGM, subject to ratification of appointment by the members of the Company at every AGM.

Pursuant to the amendment of first proviso to Section 139(1) of the Companies Act, 2013, the requirement for ratification of appointment of Statutory Auditors by members at every AGM has been removed. In view of the same at 137th AGM of the Company, members of the Company have partially modified the previous resolution passed at the 136th AGM for the appointment of Statutory Auditors and approved their appointment till the balance tenure of their appointment i.e. up to 141st AGM of the Company without seeking ratification of their appointment.

The Notes on financial statements referred to in the Auditors' Report are self explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation, or adverse remark.

None of the Auditors of the Company have reported any fraud as specified under the second proviso of Section 143(12) of the Companies Act, 2013 including any statutory modification(s) or re-enactment(s) thereof for the time being in force.

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., Company Secretaries in Practice to undertake the Secretarial Audit of your Company for the financial year 2019-20.

The Secretarial Audit Report for the financial year 2018-19 in the prescribed Form MR-3 forms part of this Annual Report and is appended as **Annexure "B"** to the Board's report. The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks.

KEY MANAGERIAL PERSONNEL

The Key Managerial Personnel 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 Key Managerial Personnel during the year under review.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual evaluation of the performance of the Board, its Committees and of individual Directors. Performance evaluation has been carried out as per the Nomination & Remuneration Policy of the Company.

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. The details of programmes for familiarisation for Independent Directors are on the website of the Company i.e. www.kempnco.com.

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

Further, at the time of appointment of an Independent Director, your Company also issues a formal letter of appointment outlining his/her role, function, duties and responsibilities as a Director.

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 - www.kempnco.com.

All contracts or arrangements entered into by the Company during the financial year 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 "C"** to this report. Related Party disclosures as per IndAS have been provided in Note No. 41 of the 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, 2019 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.

DIRECTORS

Appointment/Re-appointment

Members through Postal Ballot on 25th March, 2019 approved the continuation of Directorship of Mr. M. K. Arora (DIN: 00031777) till ensuing Annual General Meeting and also approved the continuation of Mr. Ranjan Sanghi (DIN: 00275842) till his original term up to 25th September, 2019 and further approved re-appointment of Mr. Ranjan Sanghi as Non-Executive Independent Director of the Company for a period of 5 (five) years w.e.f. 26th September, 2019 to 25th September, 2024

Retirement by rotation

Mr. M.K. Arora, Non – Executive Director (DIN: 00031777) of your Company retires by rotation and being eligible offers himself for re-appointment. As per requirement of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) (Amendment) Regulations, 2018, the Special Resolution is placed at Item No. 4 of the Notice for Members approval.

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 i.e. 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.

SHARE CAPITAL

The paid-up Equity Share Capital of the Company as on 31st March, 2019 stood at Rs. 10,80,2000/-. 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, 2019, none of the Directors of the Company holds instruments convertible into equity shares of the Company.

AUDIT COMMITTEE

The Audit Committee comprises of Mr. Ranjan Sanghi, Mrs. Shalini D. Piramal and Mr. Satyen Dalal. 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 137th Annual General Meeting of the Company held on 28th September, 2018 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:

(₹ In Thousands)

| Sr. No | Name | Designation | Remuneration paid for the Financial Year 2018-19 |
|--------|-------------------------|-------------------------|--|
| 1 | Mrs. Shalini D. Piramal | Managing Director | 3,333.30 |
| 2 | Mr. Sunil Kumar Gupta | Chief Financial Officer | 3,653.64 |
| 3. | Mr. Kunal Chhatwani | Company Secretary | 1,273.99 |

1. Your Directors' Remuneration (including commission and variable pay) to the median remuneration of the employees of your Company for the year 2018-19 was as under:

| Director's Name | Ratio of remuneration of each Director to the median employees' remuneration |
|-------------------------|--|
| Mrs. Shalini D. Piramal | 5.5x |

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 | 49% |
| Mr. Sunil Kumar Gupta | Chief Financial Officer | 9% |
| Mr. Kunal Chhatwani | Company Secretary | 18% |

3. The percentage increase in the median remuneration of employees for the financial year 2018–19 is around 26%. The percentage increase in the median remuneration is calculated for comparable employees and does not include employees who were not eligible.
4. The number of permanent employees on the rolls of the Company-7
5. The Percentage increase in salaries of the managerial personnel at 50th percentile is 23%. The Percentage increase in salaries of the non-managerial personnel at 50th percentile is 0.79%. 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.
6. 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

Place: Mumbai
Date: 13th August, 2019

SHALINI D. PIRAMAL
Managing Director
(DIN: 0136532)

RANJAN SANGHI
Director
(DIN: 00275842)

FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

As on financial year ended on 31st March, 2019

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

I. REGISTRATION & OTHER DETAILS:

| | | |
|----|--|---|
| 1. | CIN | L24239MH1982PLC000047 |
| 2. | Registration Date | 27 th June, 1882 |
| 3. | Name of the Company | KEMP & COMPANY LIMITED |
| 4. | Category/Sub-category of the Company | PUBLIC COMPANY/ LIMITED BY SHARES |
| 5. | Address of the Registered office & contact details | 5 th Floor, DGP House, 88C, Old Prabhadevi Road, Mumbai Maharashtra – 400 025 Tel: +91 22 6653 9000 Fax: +91 22 6653 9089 Email: kemp-investor@kempnco.com |
| 6. | Whether listed company | YES (BSE Limited) |
| 7. | 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 400 083 Tel: + 91 22 491 86270 Fax: +91 22 491 86060 Email: rnt.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 | Trading in Hard & Soft Luggage and Ladies Handbags | 22205, 15121 & 15122 | 33.80 |
| 2 | Real Estate | 68100 | 39.78 |
| 3 | Investment Income | 66309 | 24.61 |

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-2018] | | | | No. of Shares held at the end of the year [As on 31-March-2019] | | | | % Change during the year |
|--------------------------|--|----------|-------|-------------------|--|----------|-------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/ HUF | - | - | - | - | - | - | - | - | - |
| b) Central Govt | - | - | - | - | - | - | - | - | - |
| c) State Govt(s) | - | - | - | - | - | - | - | - | - |

| Category of Shareholders | No. of Shares held at the beginning of the year [As on 31-March-2018] | | | | No. of Shares held at the end of the year [As on 31-March-2019] | | | | % Change during the year |
|---|--|----------|---------|-------------------|--|----------|---------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| d) Bodies Corp. | 772480 | 0 | 772480 | 71.51 | 759480 | 0 | 759480 | 70.30 | (1.21) |
| e) Banks / FI | - | - | - | - | - | - | - | - | - |
| f) Any other | - | - | - | - | - | - | - | - | - |
| (2) Foreign | | | | | | | | | |
| Individuals (Non-Resident Individuals/ Foreign Individuals) | - | - | - | - | - | - | - | - | - |
| Total shareholding of Promoter (A) | 772480 | 0 | 772480 | 71.51 | 759480 | 0 | 759480 | 70.30 | (1.21) |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | - | - | - | - | - | - | - | - | - |
| b) Banks / FI | 100 | 820 | 920 | 0.08 | 100 | 820 | 920 | 0.08 | No Change |
| c) Central Govt | - | - | - | - | - | - | - | - | - |
| d) State Govt(s) | - | - | - | - | - | - | - | - | - |
| e) Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| f) Insurance Companies | - | - | - | - | - | - | - | - | - |
| g) FIs | - | - | - | - | - | - | - | - | - |
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| i) Foreign Portfolio Investor (Corporate) | - | - | - | - | - | - | - | - | - |
| j) Others (specify) | - | - | - | - | - | - | - | - | - |
| Sub-total (B)(1):- | 100 | 820 | 920 | 0.08 | 100 | 820 | 920 | 0.08 | No Change |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | 43826 | 6173 | 49999 | 4.62 | 43847 | 6173 | 50020 | 4.63 | 0.01 |
| ii) Overseas | - | - | - | - | - | - | - | - | - |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh | 16978 | 11889 | 28867 | 2.67 | 17382 | 11328 | 28710 | 2.66 | (0.01) |
| ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh | 216550 | 0 | 216550 | 20.05 | 216550 | 0 | 216550 | 20.05 | No Change |
| c) Others (specify) | | | | | | | | | |
| Non Resident Indians (Repat) | 27 | 690 | 717 | 0.06 | 27 | 150 | 177 | 0.01 | (0.05) |
| Non Resident Indians (Non Repat) | 704 | 0 | 704 | 0.07 | 704 | 0 | 704 | 0.07 | No Change |
| NBFCs registered with RBI | - | - | - | - | - | - | - | - | - |
| Market Maker | - | - | - | - | - | - | - | - | - |
| Foreign Nationals | 0 | 20 | 20 | 0 | 0 | 20 | 20 | 0 | No Change |
| Clearing Members | 35 | 0 | 35 | 0 | 13047 | 0 | 13047 | 0 | 1.21 |
| Trusts | 20 | 0 | 20 | 0 | 0 | 0 | 0 | 0 | 0 |
| Hindu Undivided Family | 1338 | 0 | 1338 | 0.13 | 1238 | 0 | 1238 | 0.11 | (0.02) |
| Foreign Bodies - D R | - | - | - | - | - | - | - | - | - |
| IEPF | 8550 | 0 | 8550 | 0.79 | 9334 | 0 | 9334 | 0.86 | 0.07 |
| Sub-total (B)(2):- | 288028 | 18772 | 306800 | 28.41 | 302129 | 17671 | 319800 | 28.39 | 1.21 |
| Total Public Shareholding (B)=(B)(1)+(B)(2) | 288128 | 19592 | 307720 | 28.49 | 302229 | 18491 | 320720 | 29.70 | 1.21 |
| C. Shares held by Custodian for GDRs & ADRs | - | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | 1060608 | 19592 | 1080200 | 100 | 1061709 | 18491 | 1080200 | 100 | - |

KEMP & COMPANY LIMITED

B) Shareholding of Promoter:

| Sr. No. | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in shareholding during the year |
|---------|-----------------------------------|---|----------------------------------|--|-------------------------------------|----------------------------------|--|--|
| | | No. of Shares | % of total Shares of the Company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the Company | % of Shares Pledged / encumbered to total shares | |
| 1 | Vibhuti Investments Co. Ltd | 735870 | 68.12 | 0 | 735870 | 68.12 | 0 | 0 |
| 2 | DGP Securities Ltd | 36260 | 3.36 | 0 | 23260 | 2.15 | 0 | (1.21) |
| 3 | Alcon Finance and Investments Ltd | 350 | 0.03 | 0 | 350 | 0.03 | 0 | 0 |

C) Change in Promoters' Shareholding:

| Sr. No. | Name & Type of Transaction | Shareholding at the beginning of the year - 2018 | | Transactions during the year | | Cumulative Shareholding at the end of the year - 2019 | |
|---------|-----------------------------------|--|----------------------------------|------------------------------|---------------|---|----------------------------------|
| | | 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. | Vibhuti Investments Co. Ltd | 735870 | 68.12 | | | 735870 | 68.12 |
| | AT THE END OF THE YEAR | | | | | 735870 | 68.12 |
| 2. | DGP Securities Ltd | 36260 | 3.36 | | | 36260 | 3.36 |
| | SALE | | | 29-March-2019 | 13000 | 23260 | 2.15 |
| | AT THE END OF THE YEAR | | | | | 23260 | 2.15 |
| 3. | Alcon Finance and Investments Ltd | 350 | 0.03 | | | 350 | 0.03 |
| | AT THE END OF THE YEAR | | | | | 350 | 0.03 |

D) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):

| Sr. No. | Name & Type of Transaction for each of the top ten Shareholders | Shareholding at the beginning of the year - 2018 | | Transactions during the year | | Cumulative Shareholding at the end of the year - 2019 | |
|---------|--|--|----------------------------------|------------------------------|---------------|---|----------------------------------|
| | | 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 | 216550 | 20.0472 | | | 216550 | 20.0472 |
| | AT THE END OF THE YEAR | | | | | 216550 | 20.0472 |
| 2 | DGP CAPITAL MANAGEMENT LTD. | 47513 | 4.3985 | | | 47513 | 4.3985 |
| | AT THE END OF THE YEAR | | | | | 47513 | 4.3985 |
| 3 | MALIRAM MAKHARIA FIN PL | 20 | 0.0019 | | | 20 | 0.0019 |
| | SALE | | | 15-Feb-2019 | 20 | 0 | 0 |
| | PURCHASE | | | 29-Mar-2019 | 13000 | 13000 | 1.2035 |
| | AT THE END OF THE YEAR | | | | 13000 | 13000 | 1.2035 |
| 4 | INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS | 8550 | 0.7915 | | | 8550 | 0.7915 |
| | PURCHASE | | | 19-Oct-2018 | 784 | 9334 | 0.8641 |
| | AT THE END OF THE YEAR | | | | | 9334 | 0.8641 |
| 5 | HITESH RAMJI JAVERI | 2617 | 0.2423 | | | 2617 | 0.2423 |
| | PURCHASE | | | 17-Aug-2018 | 34 | 2651 | 0.2454 |
| | AT THE END OF THE YEAR | | | | | 2651 | 0.2454 |
| 6 | V.I.P. INDUSTRIES LTD | 1909 | 0.1767 | | | 1909 | 0.1767 |
| | AT THE END OF THE YEAR | | | | | 1909 | 0.1767 |
| 7 | HARSHA HITESH JAVERI | 1719 | 0.1591 | | | 1719 | 0.1591 |
| | PURCHASE | | | 17-Aug-2018 | 29 | 1748 | 0.1618 |
| | AT THE END OF THE YEAR | | | | | 1748 | 0.1618 |
| 8 | RAVINDRA VITHALDAS MEHTA | 900 | 0.0833 | | | 900 | 0.0833 |
| | AT THE END OF THE YEAR | | | | | 900 | 0.0833 |
| 9 | BANK OF INDIA | 600 | 0.0556 | | | 600 | 0.0556 |
| | AT THE END OF THE YEAR | | | | | 600 | 0.0556 |
| 10 | SUNIL KUMAR JAIN HUF | 530 | 0.0491 | | | 530 | 0.0491 |
| | AT THE END OF THE YEAR | | | | | 530 | 0.0491 |

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. Raj Kumar Kataria | Nil | Nil | Nil | Nil |
| 4 | Mr. Satyen Dalal | Nil | Nil | Nil | Nil |
| 5 | Mr. M. K. Arora | 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-

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director/Whole-time Directors

(₹ In Thousands)

| Sr. No. | Particulars of Remuneration | Name of the Managing Director |
|---------|--|-------------------------------|
| | | Mrs. Shalini D. Piramal |
| 1 | Gross salary | 3,304.5 |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 28.8 |
| | (b) Value of perquisites under section 17(2) Income-tax Act, 1961 | - |
| | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | - |
| 2 | Stock Option | - |
| 3 | Sweat Equity | - |
| 4 | Commission | - |
| 5 | Others, please specify (Company's Contribution to retirement benefits) | - |
| | Total (A) | 3,333.30* |
| | Ceiling as per the Act (@10% of profits calculated under section 198 of the Companies Act, 2013) | 502.70 |

*The remuneration paid to Mrs. Shalini D. Piramal during the year 2018-19 is within the limits permissible under Section II of Part II of Schedule V of the Companies Act, 2013 and is also in line with the Member's approval provided at 134th Annual General Meeting

B. Remuneration to other directors

(₹ In Thousands)

| Sr. No. | Particulars of Remuneration | Name of Directors | | | | Total Amount |
|---------|--|--|-----------------------|------------------|-------------------|---------------------|
| | | Mr. Ranjan Sanghi | Mr. Raj Kumar Kataria | Mr. Satyen Dalal | Mr. Shekhar Shah# | |
| 1 | Independent Directors | | | | | |
| | Fee for attending Board, committee and Independent Director's meetings | 140.00 | 80.00 | 110.00 | 30.00 | 360.00 |
| | Commission | - | - | - | - | - |
| | Others, please specify | - | - | - | - | - |
| | Total (1) | 140.00 | 80.00 | 110.00 | 30.00 | 360.00 |
| 2 | Other Non-Executive Directors/ Promoters | Mr. M.K. Arora | | | | Total Amount |
| | Fee for attending board committee meetings | 130.00 | | | | 130.00 |
| | Commission | - | | | | - |
| | Others, please specify | - | | | | - |
| | Total (2) | 130.00 | | | | 130.00 |
| | Total (B)=(1+2) | | | | | 490.00 |
| | Total Managerial Remuneration | Ceiling as per the Act (@1% of profits calculated under section 198 of the Companies Act, 2013) | | | | 50.27 |

Mr. Shekhar Shah has resigned from the Directorship of the Company vide resignation letter dated 4th June, 2018.

C. Remuneration to Key Managerial Personnel other than Managing Director/Whole - Time Director

(₹ In Thousands)

| Sr. No. | Particulars of Remuneration | Mr. Sunil Gupta Chief Financial Officer | Mr. Kunal Chhatwani Company Secretary | Total Amount |
|---------|---|--|--|-----------------|
| 1 | Gross salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 3,452.12 | 1,221.55 | 4,673.68 |
| | (b) Value of perquisites under section 17(2) Income-tax Act, 1961 | 32.40 | - | 32.40 |
| | (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 | - | - | - |
| 5 | Others, please specify (Company's Contribution to retirement benefits) | 169.11 | 52.44 | 221.55 |
| | Total | 3,653.64 | 1,273.99 | 4,927.63 |

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 |

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE PERIOD 01-04-2018 TO 31-03-2019

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

To,
The Members
KEMP AND COMPANY LIMITED
5th Floor, DGP House,
88C, Old Prabhadevi Road
Mumbai 400 025
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, 2018 to 31st March, 2019**, 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, 2018 to 31st March, 2019** 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 **(Not applicable to the Company during the audit period)**
 - (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. Employees' Provident Funds and Miscellaneous Provisions Act, 1974
3. MIDC, Mumbai and other local municipal Authorities & Act framed thereunder
4. Rent Act, 2016
5. Real Estate Act, 2013
6. Negotiable Instruments Act, 1881
7. Payment of Gratuity Act, 1972

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 during the reporting period;

- 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 and is 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.
- 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.

We further report that during the audit period, the Company has no specific events or actions which might have a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. except the following:

1. Resignation of Mr. Shekhar Shah as an Independent Director (Non-Executive) with effect from 4th June, 2018
2. Appointment of Mr. Satyen Dalal (DIN: 00062822) as an Additional Director of the Company was made by the Board with effect from 22nd June, 2018 and the same has been regularized as an Independent Director of the Company in the Annual General Meeting held on 28th September, 2018.
3. The Company has passed special resolution through postal ballot on 25th March, 2019, for seeking approval of members for:
 - i. Continuation of Directorship of Mr. M. K. Arora (DIN: 00031777) till ensuing Annual General Meeting.
 - ii. Continuation of Directorship of Mr. Ranjan Sanghi (DIN: 00275842) till his original term up to 25th September, 2019 and re-appointment of Mr. Ranjan Sanghi as Non-Executive Independent Director of the Company for a further period of 5 (five) years w.e.f. 26th September, 2019 to 25th September, 2024.

For Ragini Chokshi & Co.

Place: Mumbai

Date: 29th May, 2019

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
- b) Nature of contracts/arrangements/transactions – Monthly Tenancy for premises situated at DGP House, 88C, Old Prabhadevi Road, Mumbai 400 025
- 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 DGP House, 88C, Old Prabhadevi Road, Mumbai 400 025
- e) Date(s) of approval by the Board, if any – 30.5.2016
- 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
- b) Nature of contracts/arrangements/transactions – Purchase of goods/products for sale
- 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 – 30.5.2016
- f) Amount paid as advances, if any -NA

By Order of the Board of Directors

Place: Mumbai
Date: 13th August, 2019

Shalini D. Piramal
Managing Director
(DIN: 01365328)

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

To the Board of Directors of Kemp & Company Limited

Dear Sirs,

Sub: CEO and CFO Certification

[Issued in accordance with the provisions of Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

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, 2019 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 may 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 violation 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 Company 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 frauds 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**

Place: Mumbai
Date: 28th May, 2019

SHALINI D. PIRAMAL
MANAGING DIRECTOR
DIN: 01365328

SUNIL GUPTA
CHIEF FINANCIAL OFFICER

INDEPENDENT AUDITOR’S REPORT

To,

The Members of **KEMP & COMPANY LIMITED**

Report on the Audit of the financial statements

Opinion

We have audited the accompanying financial statements of **KEMP & COMPANY LIMITED** (“the Company”), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, the Statement of Cash Flows for the year the ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the financial statements”)

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 Companies Act, 2013 (“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, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

A. Valuation of Unquoted Investments

Description of Key Audit Matters

The Company’s has made investments in financial instruments amounting to Rs. 1,11,701 thousand as of March 31, 2019. Due to their unique structure and terms, the valuations of investments these unquoted are based on valuations. Therefore, there is measurement uncertainty involved in this valuation and is based on assumptions. As a result, the valuation of these investments was significant to our audit.

Description of Auditors Response

Our procedures included discussion with the management on the reasonableness of the assumptions and our procedures included:

- Reviewed the information supplies for valuation of unquoted investments.
- Reviewing the Valuation reports issued by the independent valuation professional for valuation of the unquoted investments.
- Reviewing the assumption made in the prior years and any significant change in assumption during the year.

B. Valuation of Employee Benefits

Description of Key Audit Matters

The Company has recognised provision for Gratuity of ₹ 3,898 thousand and provision for Leave Encashment of ₹ 520 thousand as of March 31, 2019. The assumptions that underpin the valuation of the Gratuity and Leave Encashment are important and also based on subjective judgements. Management has obtained advice from actuarial specialists in order to calculate the amount of Gratuity and Leave Encashment to be recognised as uncertainty arises as a result of estimates made based on the Company's expectations about long-term trends and market conditions. As a result, the actual surplus or deficit realised by the Company may be significantly different to that recognised on the balance sheet since small changes to the assumptions used in the calculation materially affect the valuation.

Description of Auditors Response

Our procedures included discussion with the management on the control on the data and reasonableness of the assumptions

- We reviewed the scheme rules to ensure our understanding is current. We tested the input data used by the actuary to company records.
- We evaluated the key actuarial assumptions with the assistance of our specialists to determine if these were within an acceptable range.
- We compared with the actuarial gain/loss of earlier years to understand the impact of the variation in the assumptions.
- We read the disclosure in the financial statements in respect of employee benefits to consider whether these are consistent with the conclusions of our audit work and meet the disclosure requirements of the relevant accounting standards.

Management's Responsibility for the financial statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 Companies Act, 2013, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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 including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow 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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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”.
- (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 as amended, 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 26 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; and
 - iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company by the Company during the year ended March 31, 2019.
- (h) With respect to the matter to be included in the Auditor’s Report under section 197 (16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197 (16) which are required to be commented upon by us.

For M L BHUWANIA AND CO LLP

Chartered Accountants
FRN: 101484W/W100197

Ashishkumar Bairagra

Partner
Membership No. 109931

Place: Mumbai
Date: 28th May, 2019

ANNEXURE A TO THE INDEPENDENT AUDITOR’S REPORT

Referred to in paragraph 2 of ‘**Report on other Legal and Regulatory Requirements**’ in our Report of even date on the accounts of KEMP & COMPANY LIMITED for the year ended March 31, 2019

- i. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets of the Company physically verified by the Management according to a phased programme designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and discrepancies noticed between the book records and the physical inventories were not material and have been properly dealt with in the accounts.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. During the year, the inventories have been physically verified by the management. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on physical verification of inventories as compared to the book records were not material and have been properly dealt with in the books of account.
- 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 Companies Act, 2013 during the year. Accordingly, clause 3 (iii) of the Order is not applicable to the Company.

- iv. The Company has complied with provisions of Section 186 of the Companies Act, 2013 in respect of investments made and Section 185 of the Companies Act, 2013 is not applicable as there were no loans, securities and guarantees given during the year.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified and therefore clause 3(v) is not applicable.
- vi. The Central Government has not prescribed maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013, for any of the products of the company.
- vii. (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of custom, duty of excise duty, value added tax, cess, Goods & Service Tax and any other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as at March 31, 2019 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 of the Company examined by us, there are no dues of Sales Tax, Service Tax, Goods and Service Tax, Custom Duty, Income Tax, Excise Duty, Value Added Tax and Cess which have not been deposited on account of any dispute.
- viii. The Company has not taken any loan or borrowing from bank, government, financial institution and has not issued debentures during the year. Accordingly, clause 3 (viii) of the Order is not applicable to the Company.
- ix. The Company has not taken any term loans and does not raised moneys by way of Initial public offer/ further offer (including debt instruments) during the year. Accordingly, clause 3 (ix) of the Order is not applicable to the Company.
- x. Based upon the audit procedures and information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with schedule V to the Companies Act, 2013.
- xii. In our opinion and according to the information and explanations given to us, the nature of the activities of the company does not attract any special statute applicable to Nidhi Company. Accordingly, clause 3(xii) of the order is not applicable to the company.
- xiii. According to the information and explanation given to us, and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sec 177 and 188 of Companies Act, 2013 where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. In our opinion and according to the information and explanations given to us, and based on our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3 (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, and based on our examination of the records of the Company, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, clause 3 (xv) of the Order is not applicable to the Company.
- xvi. The company is not required to be registered under Sec 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3 (xvi) of the Order is not applicable to the Company.

For M L BHUWANIA AND CO LLP

Chartered Accountants
FRN: 101484W/W100197

Ashishkumar Bairagra

Partner
Membership No. 109931

Place: Mumbai
Date: 28th May, 2019

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT**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 & COMPANY LIMITED ("the Company") as of 31 March 2019 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 Board of Directors are 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 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 Companies Act, 2013.

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 Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. 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, to the best of our information and according to the explanations given to us, 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, 2019, 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 M L BHUWANIA AND CO LLP

Chartered Accountants
FRN: 101484W/W100197

Ashishkumar Bairagra

Partner
Membership No. 109931

Place: Mumbai
Date: 28th May, 2019

BALANCE SHEET
AS AT 31ST MARCH, 2019

₹ in Thousand

| Particulars | Note No. | As at | |
|---|----------|------------------|------------------|
| | | 31 March, 2019 | 31 March, 2018 |
| ASSETS | | | |
| (1) Non - Current Assets | | | |
| (a) Property, Plant and Equipment | 3 | 6,620 | 8,218 |
| (b) Investment Properties | 4 | 24,243 | 25,252 |
| (c) Other Intangible Assets | 5 | - | - |
| (d) Financial assets | | | |
| (i) Non Current Investments | 6 | 1,761,608 | 1,208,304 |
| (ii) Trade Receivable | 7 | 1,122 | 1,122 |
| (iii) Other Financial Assets | 8 | 1,068 | 1,067 |
| (e) Other Tax Assets | 9 | 2,280 | 2,278 |
| (f) Other Non Current Assets | 10 | 28,068 | 503 |
| Total Non- Current Assets | | 1,825,009 | 1,246,744 |
| (2) Current Assets | | | |
| (a) Inventories | 11 | 2,756 | 3,290 |
| (b) Financial assets | | | |
| (i) Trade Receivables | 12 | 3,773 | 1,885 |
| (ii) Cash and Cash Equivalents | 13 | 8,846 | 24,987 |
| (iii) Bank balances other than (ii) above | 14 | 68 | 73 |
| (c) Other Tax Assets | 15 | 543 | 543 |
| (d) Other Current Assets | 16 | 325 | 347 |
| Total Current Assets | | 16,311 | 31,125 |
| TOTAL ASSETS | | 1,841,320 | 1,277,869 |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| (a) Equity Share Capital | 17 | 10,802 | 10,802 |
| (b) Other Equity | 18 | 1,749,873 | 1,239,016 |
| Total Equity | | 1,760,675 | 1,249,818 |
| LIABILITIES | | | |
| (1) Non Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Other Financial Liabilities | 19 | 19 | 219 |
| (b) Provision | 20 | 4,197 | 3,361 |
| (c) Deferred Tax Liabilities (Net) | 21 | 70,948 | 18,605 |
| Total Non- Current Liabilities | | 75,164 | 22,185 |
| (2) Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Trade Payables | 22 | - | - |
| Dues of micro and small enterprises | | | |
| Dues other than micro and small enterprises | | 3,920 | 4,883 |
| (ii) Other Financial Liabilities | 23 | 68 | 73 |
| (b) Other Current Liabilities | 24 | 792 | 222 |
| (c) Provisions | 25 | 701 | 688 |
| Total Current Liabilities | | 5,481 | 5,866 |
| TOTAL EQUITY AND LIABILITIES | | 1,841,320 | 1,277,869 |
| Summary of significant accounting policies | 2 | | |

The accompanying notes are an integral part of the financial statements.

 As per our report of even date attached
FOR M L BHUWANIA AND CO LLP
CHARTERED ACCOUNTANTS
FRN: 101484W/W100197
ASHISHKUMAR BAIRAGRA
 Partner
MEMBERSHIP NO. 109931
PLACE : MUMBAI
DATED : 28th May, 2019
FOR AND ON BEHALF OF BOARD OF DIRECTORS
SHALINI D. PIRAMAL
 Managing Director
DIN- 01365328
RANJAN SANGHI
 Director
DIN-00275842
SUNIL KUMAR GUPTA
 Chief Financial Officer

KUNAL CHHATWANI
 Company Secretary

PLACE : MUMBAI
DATED : 28th May, 2019

STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31ST MARCH, 2019

₹ in Thousand

| Particulars | Note No. | 2018-2019 | 2017-2018 |
|--|----------|----------------|----------------|
| Revenue from operations | 27 | 32,570 | 31,147 |
| Other income | 28 | 11,692 | 19,554 |
| Total Income | | 44,262 | 50,701 |
| Expenses | | | |
| Purchase of Stock in Trade | 29 | 10,961 | 9,734 |
| Changes in inventories of Stock in Trade | 30 | 534 | (55) |
| Employee benefits expense | 31 | 11,205 | 9,545 |
| Depreciation & amortization expense | 32 | 2,496 | 2,556 |
| Other Expenses | 33 | 17,877 | 15,930 |
| Total Expenses | | 43,073 | 37,710 |
| Profit/(Loss) before exceptional items & tax | | 1,189 | 12,991 |
| Add: Exceptional Items | | - | - |
| Profit/(Loss) before tax | | 1,189 | 12,991 |
| Less: Tax expenses | | | |
| Current tax | | (1) | (5) |
| Deferred tax | | (3,982) | (5,181) |
| Total Tax Expenses | | (3,983) | (5,186) |
| Profit after tax | A | 5,172 | 18,177 |
| Other Comprehensive Income | | | |
| Items that will not be reclassified to profit or loss | | | |
| Equity instrument through other comprehensive income | | 563,599 | 429,327 |
| Remeasurement benefit of defined benefit plans | | (286) | (135) |
| Income tax relating to above items | | (56,326) | (7,632) |
| Total Other Comprehensive Income for the year | B | 506,987 | 421,560 |
| Total Comprehensive Income for the year, net of tax | (A+B) | 512,159 | 439,737 |
| Earning per equity share of ₹ 10 each : | 34 | | |
| Basic equity per share (in ₹) | | 4.79 | 16.83 |
| Diluted equity per share (in ₹) | | 4.79 | 16.83 |
| Summary of significant accounting policies | 2 | | |
| The accompanying notes are an integral part of the financial statements. | | | |

As per our report of even date attached
FOR M L BHUWANIA AND CO LLP
CHARTERED ACCOUNTANTS
FRN: 101484W/W100197

ASHISHKUMAR BAIRAGRA
Partner
MEMBERSHIP NO. 109931

PLACE : MUMBAI
DATED : 28th May, 2019

FOR AND ON BEHALF OF BOARD OF DIRECTORS

SHALINI D. PIRAMAL
Managing Director
DIN- 01365328

RANJAN SANGHI
Director
DIN-00275842

SUNIL KUMAR GUPTA
Chief Financial Officer

KUNAL CHHATWANI
Company Secretary

PLACE : MUMBAI
DATED : 28th May, 2019

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2019**

₹ in Thousand

| | Year Ended | |
|--|----------------|-----------------|
| | 2018-2019 | 2017-2018 |
| A) CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit before taxes | 1,189 | 12,991 |
| <u>Adjustment for:</u> | | |
| Dividend income on from Equity Instrutements designated at FVOCI | (10,618) | (8,769) |
| Dividend income on from Mutual Fund designated at FVTPL | (276) | (10,534) |
| Net loss/(gain) on financial assets measured at FVTPL | (422) | 762 |
| Depreciation & amortization expense | 2,496 | 2,556 |
| Reclassification of remeasurement of employee benefits | (286) | 135 |
| Provision for Doubtful Deposits | 500 | - |
| Loss on sales of fixed asset/written off | 15 | 54 |
| Interest Income | (158) | (77) |
| Sundry balance written off/(back) (Net) | (56) | (173) |
| | (8,805) | (16,046) |
| OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES | (7,616) | (3,055) |
| ADJUSTMENTS FOR WORKING CAPITAL CHANGES : | | |
| Trade Receivables | (1,888) | 1,633 |
| Inventories | 534 | (55) |
| Other Financial Assets (Non Current) | (1) | (278) |
| Other Financial Assets (Current) | - | (86) |
| Other non current assets | (15) | - |
| Other current assets (Current) | 21 | 188 |
| Other financial liabilities (Non Current) | (200) | - |
| Provision (Non Current) | 836 | 197 |
| Trade Payables | (907) | 226 |
| Other current liabilities (Current) | 570 | (1) |
| Provision (Current) | 13 | 113 |
| | (1,037) | 1,937 |
| Cash Generated from Operations | (8,653) | (1,118) |
| Direct Taxes paid | (2) | (1,110) |
| NET CASH FROM OPERATING ACTIVITIES | (8,655) | (2,228) |
| B) CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets and Capital Advances | (28,154) | (70) |
| Sale of Fixed Assets | 200 | 42 |
| Sale of Investment | 70,518 | 71,354 |
| Purchases of Investment | (59,800) | (65,653) |
| Interest Received | 158 | 77 |
| Dividend Received | 10,894 | 19,303 |
| NET CASH FROM INVESTING ACTIVITY | (6,184) | 25,053 |

₹ in Thousand

| | Year Ended | |
|---|------------|-----------|
| | 2018-2019 | 2017-2018 |
| C) CASH FLOW FROM FINANCING ACTIVITIES | | |
| Dividend Paid | (1,080) | - |
| Dividend Tax Paid | (222) | - |
| NET CASH FROM FINANCING ACTIVITY | (1,302) | - |
| NET DECREASE IN CASH & CASH EQUIVALENTS(A+B+C) | (16,141) | 22,825 |
| OPENING BALANCE OF CASH & CASH EQUIVALENTS | 24,987 | 2,162 |
| CLOSING BALANCE OF CASH & CASH EQUIVALENTS (Refer Note 13) | 8,846 | 24,987 |
| | (16,141) | 22,825 |

Notes

Closing Balance of Cash & Cash Equivalents

1 Cash and Cash Equivalents Includes:

| | | |
|-------------------------------------|--------------|---------------|
| CASH IN HAND | 102 | 93 |
| <u>BALANCE WITH SCHEDULED BANKS</u> | | |
| - IN CURRENT ACCOUNT | 8,744 | 24,894 |
| | <u>8,846</u> | <u>24,987</u> |

2 Previous year's figures have been regrouped and rearranged wherever considered necessary to make them comparable with those of the current year.

3 Cash Flow Statement has been prepared by following Indirect Method.

As per our report of even date attached
FOR M L BHUWANIA AND CO LLP
CHARTERED ACCOUNTANTS
FRN: 101484W/W100197

ASHISHKUMAR BAIRAGRA
Partner
MEMBERSHIP NO. 109931

PLACE : MUMBAI
DATED : 28th May, 2019

FOR AND ON BEHALF OF BOARD OF DIRECTORS

SHALINI D. PIRAMAL
Managing Director
DIN- 01365328

SUNIL KUMAR GUPTA
Chief Financial Officer

PLACE : MUMBAI
DATED : 28th May, 2019

RANJAN SANGHI
Director
DIN-00275842

KUNAL CHHATWANI
Company Secretary

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2019**

A. Equity Share Capital

₹ in Thousand

| Particulars | Note No. | No of Shares | Amount |
|---|-----------|------------------|---------------|
| Balance as at 1st April, 2017 | 17 | 1,080,200 | 10,802 |
| Changes in equity share capital during the year | - | - | - |
| Balance as at 31st March, 2018 | 17 | 1,080,200 | 10,802 |
| Changes in equity share capital during the year | - | - | - |
| Balance as at 31st March, 2019 | 17 | 1,080,200 | 10,802 |

B. Other Equity

| Particulars | Note No. | Reservers and Surplus | | | | Other items of Other comprehensive income | | Total |
|--|-----------|----------------------------|--------------------|------------------|-------------------|--|---|------------------|
| | | Capital Redemption Reserve | Securities Premium | General Reserves | Retained Earnings | Remeasurement of net defined benefit plans | Fair Value through Other Comprehensive Income of Equity Investments | |
| Balance as at 1st April, 2017 | 18 | 5 | 3 | 84,996 | 93,522 | (516) | 621,269 | 799,279 |
| Profit for the year | | - | - | - | 18,177 | - | - | 18,177 |
| Remeasurements of Defined Benefit Plan | | - | - | - | - | 100 | - | 100 |
| Fair Value effect of Investments of shares | | - | - | - | - | - | 421,460 | 421,460 |
| Balance as at 31st March, 2018 | 18 | 5 | 3 | 84,996 | 111,699 | (416) | 1,042,729 | 1,239,016 |
| Profit for the year | | - | - | - | 5,172 | - | - | 5,172 |
| Final Dividend paid | | - | - | - | (1,080) | - | - | (1,080) |
| Dividend distribution Tax paid | | - | - | - | (222) | - | - | (222) |
| Remeasurements of Defined Benefit Plan | | - | - | - | - | (229) | - | (229) |
| Fair Value effect of Investments of shares | | - | - | - | - | - | 507,216 | 507,216 |
| Balance as at 31st March, 2019 | 18 | 5 | 3 | 84,996 | 115,569 | (645) | 1,549,945 | 1,749,873 |

As per our report of even date attached
FOR M L BHUWANIA AND CO LLP
CHARTERED ACCOUNTANTS
FRN: 101484W/W100197

ASHISHKUMAR BAIRAGRA
Partner
MEMBERSHIP NO. 109931

PLACE : MUMBAI
DATED : 28th May, 2019

FOR AND ON BEHALF OF BOARD OF DIRECTORS

SHALINI D. PIRAMAL
Managing Director
DIN- 01365328

RANJAN SANGHI
Director
DIN-00275842

SUNIL KUMAR GUPTA
Chief Financial Officer

KUNAL CHHATWANI
Company Secretary

PLACE : MUMBAI
DATED : 28th May, 2019

Notes forming Part of the financial statements for the year ended March 31, 2019

1 Company Overview

The Company ("Kemp & Company Ltd" "KCL") is an existing public limited company incorporated on 27/06/1982 under the provisions of the Indian Companies Act, 1956 and deemed to exist within the purview of the Companies Act, 2013, having its registered office at DGP House, 5th Floor, 88-C, Old Prabhadevi Road, Mumbai-400 025. The Company is having retail outlet of VIP luggage in Delhi and Calcutta and also property at Mumbai. The equity shares of the Company are listed on BSE Limited ("BSE"). The financial statements are presented in Indian Rupee (₹). These financial statements were approved for issue by the Board of Directors on 28th May, 2019.

2 Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(A) Basis Of Preparation Of Financial Statement

i) Compliance with Ind AS

These financial statements Complies in all material aspects with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the "Act") and other relevant provisions of the Act and other accounting principles generally accepted in India.

The financial statements were authorized for issue by the Company's Board of Directors on 28th May, 2019.

ii) Historical cost convention

The Company follows the mercantile system of accounting and recognizes income and expenditure on an accrual basis. The financial statements are prepared under the historical cost convention, except in case of significant uncertainties and except for the following:

- (a) Certain financial assets and liabilities (Including Derivative Instruments) that are measured at fair value or amortised cost;
- (b) Defined benefit plans where plan assets are measured at fair value.
- (c) Investments are measured at fair value.

iii) Current and Non Current Classification.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

(B) Use of estimates and judgements

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

(C) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(I) Financial Assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

- (a) at fair value (either through other comprehensive income, or through profit or loss); and
- (b) at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Notes forming Part of the financial statements for the year ended March 31, 2019

- (a) For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income.
- (b) For investments in debt instruments, this will depend on the business model in which the investment is held.
- (c) For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not measured at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(a) Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other income or other expenses (as applicable). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other income or other expenses (as applicable) in the period in which it arises. Interest income from these financial assets is included in other income or other expenses, as applicable.

(b) Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has selected to present fair value gains and losses on equity investments in other comprehensive income and there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other income or other expenses, as applicable in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime credit losses (ECL) to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

Notes forming Part of the financial statements for the year ended March 31, 2019

The Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

(iv) Derecognition of financial assets

A financial asset is derecognised only when -

- (a) The Company has transferred the rights to receive cash flows from the financial asset or
- (b) Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(II) Financial Liabilities

(i) Measurement

Financial liabilities are initially recognised at fair value, reduced by transaction costs (in case of financial liability not at fair value through profit or loss), that are directly attributable to the issue of financial liability. After initial recognition, financial liabilities are measured at amortised cost using effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash outflow (including all fees paid, transaction cost, and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. At the time of initial recognition, there is no financial liability irrevocably designated as measured at fair value through profit or loss.

(ii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(D) Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less cumulative amortization, where appropriate.

(E) Segment Report

- (i) The company identifies primary segment based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.
- (ii) The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

(F) Inventories Valuation

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

(G) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits with banks, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Notes forming Part of the financial statements for the year ended March 31, 2019

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes outstanding bank overdraft shown within current liabilities in statement of financial balance sheet and which are considered as integral part of company's cash management policy.

(H) Income tax, deferred tax and dividend distribution tax

The Income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current and deferred tax is recognised in the profit and loss except to the extent it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised in equity or other comprehensive income respectively.

(i) Current income tax

Current tax charge is based on taxable profit for the year. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements at the reporting date. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilised.

Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

The carrying amount of deferred tax assets is reviewed at each reporting date and adjusted to reflect changes in probability that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred income tax assets and liabilities are off-set against each other and the resultant net amount is presented in the Balance Sheet, if and only when, (a) the Company has a legally enforceable right to set-off the current income tax assets and liabilities, and (b) the deferred income tax assets and liabilities relate to income tax levied by the same taxation authority.

Minimum Alternate Tax credit is recognised as an deferred tax asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

(iii) Dividend distribution tax

Dividend distribution tax paid on the dividends is recognised consistently with the presentation of the transaction that creates the income tax consequence. Dividend distribution tax is charged to statement of profit and loss if the dividend itself is charged to statement of profit and loss. If the dividend is recognised in equity, the presentation of dividend distribution tax is recognised in equity.

(I) Property, plant and equipment

- (i) Freehold land is carried at historical cost including expenditure that is directly attributable to the acquisition of the land.
- (ii) All other items of property, plant and equipment are stated at cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items.

Notes forming Part of the financial statements for the year ended March 31, 2019

- (iii) Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.
- (iv) Depreciation methods, estimated useful lives and residual value
 - (a) Fixed assets are stated at cost less accumulated depreciation.
 - (b) Depreciation is provided on a pro rata basis on the straight-line method over the estimated useful lives of the assets which is as prescribed under Schedule II to the Companies Act, 2013. The depreciation charge for each period is recognised in the Statement of Profit and Loss, unless it is included in the carrying amount of any other asset. The useful life, residual value and the depreciation method are reviewed atleast at each financial year end. If the expectations differ from previous estimates, the changes are accounted for prospectively as a change in accounting estimate.
- (v) Tangible assets which are not available for their intended use on reporting date are carried as capital work-in-progress.
- (vi) The residual values are not more than 5% of the original cost of the asset.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Estimated useful lives, residual values and depreciation methods are reviewed annually, taking into account commercial and technological obsolescence as well as normal wear and tear and adjusted prospectively, if appropriate.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other expenses or other income as applicable.

(J) Investment Property

Property that is held for return purpose or Capital appreciation or both, and that is not occupied by the Company, is classified as Investment property. Investment property is measured at cost including related transaction cost and where applicable borrowing cost. Investment properties are depreciated at the same rate applicable for class of asset under Property, Plant and Equipment.

(K) Intangible assets

- (i) An intangible asset shall be recognised if, and only if: (a) it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and (b) the cost of the asset can be measured reliably.
- (ii) Computer software is capitalised where it is expected to provide future enduring economic benefits. Capitalisation costs include licence fees and costs of implementation / system integration services. The costs are capitalised in the year in which the relevant software is implemented for use. The same is amortised over a period of 3 years on straight-line method.

(L) Leases

(i) As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

(ii) As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

(M) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade discount, Good and Service tax and amounts collected on behalf of third parties. The Company recognises revenue as under:

Notes forming Part of the financial statements for the year ended March 31, 2019**(I) Sales**

Effective 01 April 2018, the Company has adopted Indian Accounting Standard 115 (Ind AS 115) - 'Revenue from contracts with customers' using the cumulative catch-up transition method, applied to contracts that were not completed as on the transition date i.e. 01 April 2018. Accordingly, the comparative amounts of revenue and the corresponding contract assets / liabilities have not been retrospectively adjusted. The effect on adoption of Ind-AS 115 was insignificant.

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Group performs; or
2. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Company's performance does not create an asset with an alternative use to the Company and an entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

(II) Other Income**(i) Interest Income**

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

(ii) Dividend Income

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the group, and the amount of the dividend can be measured reliably.

(iii) Income from Services:

- (a) The amount of revenue can be measured reliably.
- (b) It is probable that future economic benefits associated with the transaction will flow to the Company.
- (c) The stage of completion of the transaction at the end of the reporting period can be measured reliably.
- (d) The cost incurred for transaction and the cost to complete the transaction can be measured reliably.

(N) Employee Benefit**(i) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

Notes forming Part of the financial statements for the year ended March 31, 2019

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The company operates the following post-employment schemes:

(a) Defined benefit gratuity plan:

Gratuity and Leave encashment which are defined benefits are accrued based on actuarial valuation working provided by Independent actuary.

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan. The defined benefit obligation is calculated annually as per the report on independent actuary. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

(b) Defined Contribution plan:

Contribution payable to recognised provident fund which is defined contribution scheme is charged to Statement of Profit & Loss. The company has no further obligation to the plan beyond its contribution.

(O) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. All the foreign exchange gains and losses are presented in the statement of Profit and Loss on a net basis within other expenses or other income as applicable.

(P) Borrowing Cost

- (i) Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.
- (ii) Borrowings are classified as current financial liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

(Q) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

Notes forming Part of the financial statements for the year ended March 31, 2019

- the profit attributable to owners of the Company; and
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

ii) Diluted earnings per share

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares; and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(R) Impairment of Assets

Intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(S) Provisions, contingent liabilities and contingent assets**(i) Provisions:**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss.

(ii) Contingent liabilities:

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

(iii) Contingent Assets: Contingent Assets are disclosed, where an inflow of economic benefits is probable.

(T) Investments

Equity investments are measured at fair value, with value changes recognised in Other Comprehensive Income, except for those mutual fund for which the Company has elected to present the fair value changes in the Statement of Profit and Loss.

(U) Trade receivables

Trade receivables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(V) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are recognised, initially at fair value, and subsequently measured at amortised cost using effective interest rate method.

(W) Operating Cycle

Based on the nature of products/activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non current.

Notes forming Part of the financial statements for the year ended March 31, 2019

(X) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Rupees thousand (upto two decimals), unless otherwise stated as per the requirement of Schedule III (Division II).

(Y) Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified following new and amendments to Ind AS which the Company has not applied as they are effective from April 1, 2019.

(i) Ind AS - 116 : Leases

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Company will adopt Ind AS 116, effective annual reporting period beginning April 1, 2019. The Company will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application. Accordingly, the Company will not restate comparative information, instead, the cumulative effect of initially applying this standard will be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. On that date, the Company will recognise a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement date, but discounted using lessee's incremental borrowing rate as at April 1, 2019. In accordance with the standard, the Company will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which underlying asset is of low value.

With effect from April 1, 2019, the Company will recognise new assets and liabilities for its operating lease of premises and other assets. The nature of expenses related to those leases will change from lease rent in previous periods to a) amortisation charge for right-to-use asset, and b) interest accrued on lease liability. The Company is in the process of finalising changes to systems and processes to meet the accounting and reporting requirements of the standard.

(ii) Ind AS 109 : Prepayment features with negative compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost even in case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

(iii) Ind AS 19 : Plan amendment, curtailment or settlement

The amendment clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

(iv) Ind AS 23 : Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes the part of the funds that entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

Notes forming Part of the financial statements for the year ended March 31, 2019
3 PROPERTY, PLANT AND EQUIPMENT
₹ in Thousand

| PARTICULARS | GROSS CARRYING AMOUNT | | | | DEPRECIATION | | | | NET CARRYING AMOUNT |
|---------------------|-----------------------|--------------------------------|---------------------------------|---------------------|---------------------|----------------------|---------------------------------|---------------------|---------------------|
| | AS AT 01.04.2018 | PURCHASE DURING THE YEAR | DEDUCTION DURING THE YEAR | AS AT 31.03.2019 | UP TO 01.04.2018 | DEP. FOR THE YEAR | DEDUCTION DURING THE YEAR | AS AT 31.03.2019 | AS AT 31.03.2019 |
| Freehold Land | 71 | - | - | 71 | - | - | - | - | 71 |
| Office Equipment | 469 | - | - | 469 | 71 | 79 | - | 150 | 319 |
| Furniture & Fixture | 267 | - | - | 267 | 31 | 15 | - | 46 | 221 |
| Motor Vehicle | 10,453 | - | 402 | 10,051 | 2,942 | 1,377 | 186 | 4,133 | 5,918 |
| Computer | 2 | 104 | - | 106 | - | 15 | - | 15 | 91 |
| Total | 11,262 | 104 | 402 | 10,965 | 3,044 | 1,486 | 186 | 4,344 | 6,620 |

| PARTICULARS | GROSS CARRYING AMOUNT | | | | DEPRECIATION | | | | NET CARRYING AMOUNT |
|---------------------|-----------------------|--------------------------------|---------------------------------|---------------------|---------------------|----------------------|---------------------------------|---------------------|---------------------|
| | AS AT 01.04.2017 | PURCHASE DURING THE YEAR | DEDUCTION DURING THE YEAR | AS AT 31.03.2018 | UP TO 01.04.2017 | DEP. FOR THE YEAR | DEDUCTION DURING THE YEAR | AS AT 31.03.2018 | AS AT 31.03.2018 |
| Freehold Land | 71 | - | - | 71 | - | - | - | - | 71 |
| Office Equipment | 556 | 70 | 157 | 469 | 71 | 61 | 61 | 71 | 398 |
| Furniture & Fixture | 267 | - | - | 267 | 16 | 15 | - | 31 | 236 |
| Motor Vehicle | 10,453 | - | - | 10,453 | 1,471 | 1,471 | - | 2,942 | 7,511 |
| Computer | 2 | - | - | 2 | - | - | - | - | 2 |
| Total | 11,349 | 70 | 157 | 11,262 | 1,558 | 1,547 | 61 | 3,044 | 8,218 |

4 INVESTMENT PROPERTY

| PARTICULARS | GROSS CARRYING AMOUNT | | | | DEPRECIATION | | | | NET CARRYING AMOUNT |
|--------------|-----------------------|--------------------------------|---------------------------------|---------------------|---------------------|----------------------|---------------------------------|---------------------|---------------------|
| | AS AT 01.04.2018 | PURCHASE DURING THE YEAR | DEDUCTION DURING THE YEAR | AS AT 31.03.2019 | UP TO 01.04.2018 | DEP. FOR THE YEAR | DEDUCTION DURING THE YEAR | AS AT 31.03.2019 | AS AT 31.03.2019 |
| Building | 27,254 | - | - | 27,254 | 2,001 | 1,009 | - | 3,011 | 24,243 |
| Total | 27,254 | - | - | 27,254 | 2,001 | 1,009 | - | 3,011 | 24,243 |

| PARTICULARS | GROSS CARRYING AMOUNT | | | | DEPRECIATION | | | | NET CARRYING AMOUNT |
|--------------|-----------------------|--------------------------------|---------------------------------|---------------------|---------------------|----------------------|---------------------------------|---------------------|---------------------|
| | AS AT 01.04.2017 | PURCHASE DURING THE YEAR | DEDUCTION DURING THE YEAR | AS AT 31.03.2018 | UP TO 01.04.2017 | DEP. FOR THE YEAR | DEDUCTION DURING THE YEAR | AS AT 31.03.2018 | AS AT 31.03.2018 |
| Building | 27,254 | - | - | 27,254 | 993 | 1,009 | - | 2,001 | 25,252 |
| Total | 27,254 | - | - | 27,254 | 993 | 1,009 | - | 2,001 | 25,252 |

Amount recognised in profit or loss for Investment Properties

| Particulars | March 31 st , 2019 | March 31 st , 2018 |
|--|-------------------------------|-------------------------------|
| Rental Income | 4,636 | 4,636 |
| Direct operating expenses (Net of recovery) | 6,306 | 6,618 |
| Direct operating expenses from property that did not generate rental income. | 1,046 | 1,008 |

There are no restrictions on the realisability of investment property.

The company is using same life for the same class of asset as applicable for property plant and equipment.

The company has let out the property.

Notes forming Part of the financial statements for the year ended March 31, 2019

Fair Value

Investment property- Fair Value of Building has been calculated as per the rates & depreciation prescribed in the prevailing Ready Reckoner under the Maharashtra Stamp Act.

₹ in Thousand

| Particulars | March 31 st , 2019 | March 31 st , 2018 |
|---------------------|-------------------------------|-------------------------------|
| Investment Property | 1,390,269 | 1,327,073 |

5 OTHER INTANGIBLE ASSETS

| PARTICULARS | GROSS CARRYING AMOUNT | | | | DEPRECIATION | | | | NET CARRYING AMOUNT |
|--------------------------------|-----------------------|--------------------------|---------------------------|------------------|------------------|-------------------|---------------------------|------------------|---------------------|
| | AS AT 01.04.2018 | PURCHASE DURING THE YEAR | DEDUCTION DURING THE YEAR | AS AT 31.03.2019 | UP TO 01.04.2018 | DEP. FOR THE YEAR | DEDUCTION DURING THE YEAR | AS AT 31.03.2019 | AS AT 31.03.2019 |
| <u>Other Intangible Assets</u> | | | | | | | | | |
| Computer Software* | - | - | - | - | - | - | - | - | - |
| Total | - | - | - | - | - | - | - | - | - |

| PARTICULARS | GROSS CARRYING AMOUNT | | | | DEPRECIATION | | | | NET CARRYING AMOUNT |
|--------------------------------|-----------------------|--------------------------|---------------------------|------------------|------------------|-------------------|---------------------------|------------------|---------------------|
| | AS AT 01.04.2017 | PURCHASE DURING THE YEAR | DEDUCTION DURING THE YEAR | AS AT 31.03.2018 | UP TO 01.04.2017 | DEP. FOR THE YEAR | DEDUCTION DURING THE YEAR | AS AT 31.03.2018 | AS AT 31.03.2018 |
| <u>Other Intangible Assets</u> | | | | | | | | | |
| Computer Software* | - | - | - | - | - | - | - | - | - |
| Total | - | - | - | - | - | - | - | - | - |

* Carrying amount is Nil.

6 NON CURRENT INVESTMENTS

| Particulars | Face Value | As at March 31, 2019 | | As at March 31, 2018 | |
|--|------------|----------------------|-----------|----------------------|-----------|
| | | QTY | Amount | QTY | Amount |
| Quoted | | | | | |
| In Equity Instruments (at Fair Value through OCI) (FVOCI) | | | | | |
| VIP Industries Ltd | 2/- | 3,318,080 | 1,612,919 | 3,299,980 | 1,045,434 |
| Aarti Industries Ltd | 5/- | 382 | 601 | - | - |
| AIA engineering Ltd | 2/- | 967 | 1,731 | 812 | 1,159 |
| Astral Poly Technik Ltd | 1/- | 1,523 | 1,764 | - | - |
| Bajaj Finance Ltd | 2/- | 500 | 1,513 | 2,185 | 3,867 |
| Bajaj Finserv Ltd | 5/- | 215 | 1,513 | 731 | 3,786 |
| Balkrishna Industries Ltd | 2/- | 1,874 | 1,864 | 3,391 | 3,638 |
| Berger Paints | 1/- | 5,037 | 1,630 | - | - |
| Britannia Industries Ltd | 1/- | 368 | 1,134 | - | - |
| Cholamandalam Investments & Finance Co. | 10/- | 1,653 | 2,393 | - | - |
| Eicher Motors Ltd. | 10/- | 100 | 2,054 | - | - |
| Greenlam Industries Ltd | 5/- | 1,052 | 998 | 2,784 | 3,182 |
| Gujarat Gas Ltd | 10/- | - | - | 4,431 | 3,679 |
| HDFC Bank Ltd. | 2/- | 852 | 1,974 | - | - |
| Hindustan Petroleum Corporation Ltd | 10/- | - | - | 9,872 | 3,397 |

Notes forming Part of the financial statements for the year ended March 31, 2019

₹ in Thousand

| Particulars | | As at | | As at | |
|---|--------------|----------------|------------------|----------------|------------------|
| | | March 31, 2019 | | March 31, 2018 | |
| J K Papers Ltd | 10/- | - | - | 21,580 | 2,919 |
| Kajaria Ceramics Ltd | 1/- | 756 | 447 | - | - |
| Mas Financial Services Ltd | 10/- | 3,204 | 1,815 | 5,413 | 3,219 |
| Minda Industries Ltd | 2/- | - | - | 3,321 | 3,575 |
| Motherson Sumi Systems Ltd | 1/- | - | - | 13,378 | 4,171 |
| Neelkamal Ltd | 10/- | - | - | 1,838 | 2,796 |
| P I Industries Ltd. | 1/- | 1,852 | 1,910 | - | - |
| Page Industries Ltd | 10/- | 61 | 1,519 | - | - |
| Pidilite Industries Ltd. | 1/- | 1,751 | 2,175 | - | - |
| PNB Housing Finance Ltd. | 10/- | 1,772 | 1,534 | - | - |
| Relexo Footwears Ltd | 1/- | 2,012 | 1,559 | 5,985 | 3,899 |
| Siyaram Silk Mills Ltd | 2/- | 5,461 | 2,432 | 4,867 | 2,961 |
| Solar Industries India Ltd. | 2/- | 1,559 | 1,678 | - | - |
| Sundaram Finance Ltd | 10/- | - | - | 1,859 | 3,113 |
| Sundaram Finance Holding Ltd | 5/- | - | - | 2,311 | 718 |
| Symphony Ltd | 2/- | - | - | 1,229 | 2,198 |
| Tasty Bite Eatables Ltd | 10/- | 46 | 384 | - | - |
| Timeken India Ltd | 10/- | - | - | 4,943 | 3,465 |
| Vardhman Textiles Ltd | 10/- | - | - | 2,807 | 3,423 |
| Varun Beverages Ltd | 10/- | 2,734 | 2,365 | - | - |
| Total Value of quoted Investmetns | (A) | | <u>1,649,906</u> | | <u>1,104,599</u> |
| Unquoted | | | | | |
| In Equity Instruments | | | | | |
| Holding Company (AT FVOCI) | | | | | |
| Vibhuti Investments Company Ltd | | 1,770 | 111,701 | 1,770 | 103,704 |
| Other Company (At Cost) | | | | | |
| Alcon Finance & Investments Ltd | | 10 | 1 | 10 | 1 |
| Dynamic Fabrica Pvt Ltd | | 571,230 | - | 571,230 | - |
| Total Value of Unquoted Equity Instruments | (B) | | <u>111,702</u> | | <u>103,705</u> |
| Total | (A+B) | | <u>1,761,608</u> | | <u>1,208,304</u> |
| Aggregate amount of quoted investments | | | 1,649,906 | | 1,104,599 |
| Aggregate amount of unquoted investments | | | 111,702 | | 103,705 |
| Aggregate market value of quoted investments | | | 1,649,906 | | 1,104,599 |

7 TRADE RECEIVABLE

| Particulars | As at | |
|--------------------|----------------|----------------|
| | March 31, 2019 | March 31, 2018 |
| (Unsecured) | | |
| Considered Good | 1,122 | 1,122 |
| | <u>1,122</u> | <u>1,122</u> |

Notes forming Part of the financial statements for the year ended March 31, 2019

| 8 OTHER FINANCIAL ASSETS | | ₹ in Thousand | |
|---|-----------------------|-----------------------|--|
| Particulars | As at | | |
| | March 31, 2019 | March 31, 2018 | |
| (Unsecured, Considered Goods, unless specified otherwise) | | | |
| Deposits | 1,068 | 1,067 | |
| | <u>1,068</u> | <u>1,067</u> | |
| 9 OTHER TAX ASSETS (NET) | | ₹ in Thousand | |
| Particulars | As at | | |
| | March 31, 2019 | March 31, 2018 | |
| Advance Tax and Tax Deducted at Source | | | |
| | 2,280 | 2,278 | |
| | <u>2,280</u> | <u>2,278</u> | |
| 10 OTHER NON CURRENT ASSETS | | ₹ in Thousand | |
| Particulars | As at | | |
| | March 31, 2019 | March 31, 2018 | |
| (Unsecured, Considered Goods, unless specified otherwise) | | | |
| Capital Advances | 28,050 | - | |
| Prepaid Expenses | 18 | 3 | |
| Balance with Government Authorities | 500 | 500 | |
| Less: Provision for Doubtful Deposits | 500 | - | |
| | <u>28,068</u> | <u>503</u> | |
| 11 INVENTORIES | | ₹ in Thousand | |
| Particulars | As at | | |
| | March 31, 2019 | March 31, 2018 | |
| Finished Goods | | | |
| | 2,756 | 3,290 | |
| | <u>2,756</u> | <u>3,290</u> | |
| 12 TRADE RECEIVABLES | | ₹ in Thousand | |
| Particulars | As at | | |
| | March 31, 2019 | March 31, 2018 | |
| (Unsecured) | | | |
| Considered Good | | | |
| - Receivable from related parties (Refer Note No. 38) | 2,844 | 1,352 | |
| - Receivable from others | 929 | 533 | |
| | <u>3,773</u> | <u>1,885</u> | |
| 13 CASH AND CASH EQUIVALENTS | | ₹ in Thousand | |
| Particulars | As at | | |
| | March 31, 2019 | March 31, 2018 | |
| <u>Balance With Banks</u> | | | |
| - On Current account | 8,744 | 24,894 | |
| Cash in Hand | 102 | 93 | |
| | <u>8,846</u> | <u>24,987</u> | |

Notes forming Part of the financial statements for the year ended March 31, 2019
14 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS ₹ in Thousand

| Particulars | As at | As at |
|--|----------------|----------------|
| | March 31, 2019 | March 31, 2018 |
| Unpaid Dividend Account (Refer Note No 14.1) | 68 | 73 |
| | 68 | 73 |

Note No. 14.1 The company can utilise balances only towards settlement of of the unpaid dividend.

15 OTHER TAX ASSETS

| Particulars | As at | As at |
|------------------------------|----------------|----------------|
| | March 31, 2019 | March 31, 2018 |
| Income tax refund receivable | 543 | 543 |
| | 543 | 543 |

16 OTHER CURRENT ASSETS

| Particulars | As at | As at |
|-------------------------------------|----------------|----------------|
| | March 31, 2019 | March 31, 2018 |
| Prepaid Expenses | 233 | 210 |
| Advances to Staff | 35 | 111 |
| Balance with Government Authorities | 57 | - |
| Others | - | 26 |
| | 325 | 347 |

17 EQUITY SHARE CAPITAL

| Particulars | As at | As at |
|---|----------------|----------------|
| | March 31, 2019 | March 31, 2018 |
| Authorized Share Capital | | |
| 14,50,000 Equity shares, ₹ 10/- each | | |
| (31 March 2018: 14,50,000 equity shares ₹ 10/- each) | 14,500 | 14,500 |
| | 14,500 | 14,500 |
| Issued, Subscribed and Fully Paid Up Shares | | |
| 10,80,200 Equity shares of ₹ 10/- each | 10,802 | 10,802 |
| (31 March 2018: 10,80,200 equity shares of ₹ 10/- each) | 10,802 | 10,802 |
| | 10,802 | 10,802 |

Note No 17.1: The reconciliation of the number of shares outstanding at the beginning and at the end of reporting period 31-03-2019:

| Particulars | As at March 31, 2019 | | As at March 31, 2018 | |
|------------------------------------|----------------------|---------------|----------------------|---------------|
| | No. of Shares | Amount | No. of Shares | Amount |
| Number of shares at the beginning | 1,080,200 | 10,802 | 1,080,200 | 10,802 |
| Add: Shares issued during the year | - | - | - | - |
| Less : Shares bought back (if any) | - | - | - | - |
| Number of shares at the end | 1,080,200 | 10,802 | 1,080,200 | 10,802 |

Note No 17.2: Terms/rights attached to equity shares

- (A) The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- (B) In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Notes forming Part of the financial statements for the year ended March 31, 2019

Note No 17.3: The details of shareholders holding more than 5% shares in the company :

₹ in Thousand

| Name of the shareholder | As at March 31, 2019 | | As at March 31, 2018 | |
|----------------------------|----------------------|--------------|----------------------|--------------|
| | No. of shares held | % held as at | No. of shares held | % held as at |
| Vibhuti Investments Co Ltd | 735,870 | 68.12 | 735,870 | 68.12 |
| Dr Gita Piramal | 216,550 | 20.04 | 216,550 | 20.04 |

Note No 17.4: The details of Dividend paid proposed per share is as under-

| Year | Dividend paid per share |
|---------|-------------------------|
| 2018-19 | 0.50 |
| 2017-18 | 1.00 |

18 OTHER EQUITY

| Particulars | As at | As at |
|---|------------------|------------------|
| | March 31, 2019 | March 31, 2018 |
| Reserves & surplus * | | |
| Capital Redemption Reserve # | 5 | 5 |
| Securities Premium ## | 3 | 3 |
| General Reserves ### | 84,996 | 84,996 |
| Retained earnings #### | 115,569 | 111,699 |
| <u>Other Comprehensive Income (OCI)</u> | | |
| -Remeasurement of net defined benefit plans | (645) | (416) |
| -Fair Value of Equity Investments through OCI | 1,549,945 | 1,042,729 |
| | <u>1,749,873</u> | <u>1,239,016</u> |

* For movement, refer statement of change in equity.

Capital Redemption Reserve represents redemption amount of 45 11% redeemable cumulative preference shares of ₹ 100/- each of erstwhile Furn Plastic Industries Ltd., redeemed on 5th Dec, 1991, amalgamated with the company.

Securities Premium

The amount received in excess of the par value of Equity shares issued have been classified as securities premium. In accordance with the provision of Section 52 of Indian Companies Act, 2013, the securities premium account can only be utilised for the purposes of issue bonus shares, buy back of the Company's shares, redemption of preference shares and debentures, and offsetting direct issue costs and discount allowed for the issue of shares or debentures.

General reserve reflects amount transferred from statement of profit and loss in accordance with regulations of the Companies Act, 2013.

Retained earnings includes the Company's cumulative earning and losses respectively.

19 OTHER FINANCIAL LIABILITIES

| Particulars | As at | As at |
|------------------|----------------|----------------|
| | March 31, 2019 | March 31, 2018 |
| Security Deposit | 15 | 215 |
| Others | 4 | 4 |
| | <u>19</u> | <u>219</u> |

20 PROVISIONS

| Particulars | As at | As at |
|--|----------------|----------------|
| | March 31, 2019 | March 31, 2018 |
| <u>Provision for Employee Benefits</u> | | |
| For Gratuity (Refer Note No 39) | 3,726 | 3,024 |
| For Leave Eencashment (Refer Note No 39) | 471 | 337 |
| | <u>4,197</u> | <u>3,361</u> |

Notes forming Part of the financial statements for the year ended March 31, 2019
21 DEFERRED TAX LIABILITIES (NET)

₹ in Thousand

| Particulars | As at | As at |
|--|----------------|----------------|
| | March 31, 2019 | March 31, 2018 |
| Deferred tax liabilities (Net) (Refer Note 21.1) | 70,948 | 18,605 |
| | 70,948 | 18,605 |

Note No. : 21.1

| Particulars | Net balance as at 1 April 2018 | Recognised in statement of profit and loss | Recognised in OCI | Net balance as at 31st March 2019 |
|---|-----------------------------------|--|----------------------|--------------------------------------|
| Deferred Tax Liabilities/(Assets) | | | | |
| Property, plant and equipment/Investment Property/Other Intangible Assets | (139) | 78 | - | (217) |
| Equity Instrutements designated at FVOCI | 19,753 | - | (59,340) | 79,092 |
| Short Term Capital Loss | - | - | 2,957 | (2,957) |
| Employee Benefit through FVOCI | (169) | - | 57 | (226) |
| Business Loss | - | 3,594 | - | (3,594) |
| Employee Benefit through P&L | 169 | (57) | - | 226 |
| Expenses allowable under income tax on payment basis | (913) | 236 | - | (1,149) |
| Provision for Doubtful Deposit | - | 130 | - | (130) |
| Provision for Dimunition of Investments | (96) | 1 | - | (97) |
| Total | 18,605 | 3,982 | (56,326) | 70,948 |

Income tax

The major components of income tax expense for the year ended 31 March, 2019

| Particulars | Year Ended | |
|---|------------------|------------------|
| | 31st March, 2019 | 31st March, 2018 |
| Profit and Loss: | | |
| Current tax – net of reversal of earlier years : Rs. 1 (Inclding 31 March 2018: ₹ 5 thousand) | (1) | (5) |
| Deferred Tax | (3,982) | (5,181) |
| Total | (3,983) | (5,186) |

Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate

| Particulars | Year Ended | |
|---|------------------|------------------|
| | 31st March, 2019 | 31st March, 2018 |
| Profit before income tax expense | 1,189 | 12,991 |
| Tax at the Indian tax rate NIL (31 March 2018: NIL) | - | - |
| Add: Items giving rise to difference in tax | | |
| Temporary difference | (3,982) | (5,181) |
| Others | (1) | (5) |
| Total Income Tax Expenses | (3,983) | (5,186) |

22 TRADE PAYABLES

| Particulars | As at | As at |
|--|----------------|----------------|
| | March 31, 2019 | March 31, 2018 |
| Current | | |
| Dues of micro and small enterprises (Refer Note No 22.1) | - | - |
| Dues other than micro and small enterprises | 3,920 | 4,883 |
| | 3,920 | 4,883 |

Notes forming Part of the financial statements for the year ended March 31, 2019

Note No 22.1: Micro, Small and Medium enterprises have been identified by the Company on the basis of the information available with the Company. Total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosures as per Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) are given below :

₹ in Thousand

| Particulars | March 31, 2019 | March 31, 2018 |
|--|----------------|----------------|
| (a) Dues remaining unpaid | | |
| - Principal | - | - |
| - Interest on above | - | - |
| (b) Interest paid in terms of Section 16 of MSMED Act | | |
| - Principal paid beyond the appointed date | - | - |
| - Interest paid in terms of Section 16 of MSMED Act | - | - |
| (c) Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year | - | - |
| (d) Amount of interest accrued and unpaid | - | - |

23 OTHER FINANCIAL LIABILITIES

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|------------------|-------------------------|-------------------------|
| Unpaid Dividends | 68 | 73 |
| | <u>68</u> | <u>73</u> |

24 OTHER CURRENT LIABILITIES

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|------------------------|-------------------------|-------------------------|
| Statutory Dues Payable | 792 | 222 |
| | <u>792</u> | <u>222</u> |

25 PROVISIONS

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|-------------------------|-------------------------|
| Provision for Employee Benefits | | |
| For Gratuity (Refer Note No 39) | 172 | 151 |
| For Leave Encashment (Refer Note No 39) | 49 | 37 |
| Others | | |
| Incentive Payable to Employees | 480 | 500 |
| | <u>701</u> | <u>688</u> |

26 CONTINGENT LIABILITIES & COMMITMENTS
a) CONTINGENT LIABILITIES: #

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--------------------------------|-------------------------|-------------------------|
| Disputed Excise Duty Liability | - | 1,118 |
| | <u>-</u> | <u>1,118</u> |

Note:

(i) PF related matters

The Supreme Court in a recent judgement has held that provident fund contributions are payable on basic wage, dearness allowances and all other monthly allowances, which are ordinarily paid to all the employees in the establishment of the Board. There are numerous interpretative issues relating to the judgement and the matter remains sub judice. As a matter of caution, the Company is consulting in respect of the matter and will make provision on a prospective basis once there is a clarity. However, the impact will be immaterial.

The management does not expect these demands/claims to succeed. Claims, where the possibility of outflow of resources embodying economic benefits is remote, have not been considered in contingent liability.

Notes forming Part of the financial statements for the year ended March 31, 2019

₹ in Thousand

b) COMMITMENTS:

| Particulars | As at | As at |
|-------------|----------------|----------------|
| | March 31, 2019 | March 31, 2018 |
| Commitments | - | - |
| | - | - |

27 REVENUE FROM OPERATIONS

| Particulars | 2018-2019 | 2017-2018 |
|----------------------------------|---------------|---------------|
| Sale of Products | 14,962 | 13,794 |
| Sale of Services - Rental Income | 4,636 | 4,636 |
| Other Operating Revenue | | |
| Maintenance Charges | 6,707 | 6,707 |
| Expenses Recoery | 6,265 | 6,010 |
| | <u>32,570</u> | <u>31,147</u> |

28 OTHER INCOME

| Particulars | 2018-2019 | 2017-2018 |
|---|---------------|---------------|
| Interest Income | 158 | 77 |
| Dividend income from Equity Instrutements designated at FVOCI | 10,618 | 8,769 |
| Dividend income from Mutual Fund designated at FVTPL | 276 | 10,534 |
| Net gain on financial assets measured at FVTPL | 422 | - |
| Other Non Operating Income | | |
| Other receipts | 218 | 173 |
| | <u>11,692</u> | <u>19,554</u> |

29 PURCHASE OF STOCK IN TRADE

| Particulars | 2018-2019 | 2017-2018 |
|--------------|---------------|--------------|
| Traded goods | 10,961 | 9,734 |
| | <u>10,961</u> | <u>9,734</u> |

30 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE

| Particulars | 2018-2019 | 2017-2018 |
|---|------------|-------------|
| Inventories at the beginning of the year | | |
| Stock -in- Trade | 3,290 | 3,235 |
| Inventories at the end of the year | | |
| Stock -in- Trade | 2,756 | 3,290 |
| | <u>534</u> | <u>(55)</u> |

31 EMPLOYEE BENEFIT EXPENSES

| Particulars | 2018-2019 | 2017-2018 |
|--|---------------|--------------|
| Salaries, Wages and Bonus | 10,744 | 9,134 |
| Contribution to Provident and other fund | 235 | 211 |
| Staff Welfare Expenses | 226 | 200 |
| | <u>11,205</u> | <u>9,545</u> |

Notes forming Part of the financial statements for the year ended March 31, 2019

₹ in Thousand

32 DEPRECIATION & AMORTIZATION EXPENSES

| Particulars | 2018-2019 | 2017-2018 |
|---|-----------|-----------|
| Depreciation on Property, Plant and Equipment | 1,487 | 1,547 |
| Depreciation on Investment Property | 1,009 | 1,009 |
| | 2,496 | 2,556 |

33 OTHER EXPENSES

| Particulars | 2018-2019 | 2017-2018 |
|--|-----------|-----------|
| Electricity charges | 533 | 529 |
| Rent | 492 | 32 |
| Repairs & Maintenance | - | - |
| Buildings | 377 | 639 |
| Others | 138 | 16 |
| Insurance | 243 | 285 |
| Rates and taxes | 2,009 | 4,976 |
| Water Charges | 3,262 | - |
| Security charges | 3,922 | 3,730 |
| Housekeeping & Maintenance | 781 | 752 |
| Directors fees | 490 | 400 |
| Provision for Doubtful Deposits | 500 | - |
| Loss on sale of investments (Net) | - | 762 |
| Loss on sales of fixed asset/written off | 15 | 54 |
| Legal & Professional charges | 1,133 | 926 |
| Payment to Auditors (Refer Note No 33.1) | 339 | 275 |
| Miscellaneous Expenses | 3,643 | 2,554 |
| | 17,877 | 15,930 |

Note No. 33.1 : Payment to Statutory Auditors

| As Auditors : | 2018-2019 | 2017-2018 |
|---------------------------------------|-----------|-----------|
| Audit Fees (including Limited Review) | 189 | 169 |
| Tax Audit Fees | 50 | 40 |
| Towards GST/Service Tax * | 7 | 38 |
| | 246 | 247 |
| <u>In Other Capacity :</u> | | |
| Other Matter | 100 | 30 |
| Towards GST/Service Tax * | 18 | 5 |
| | 118 | 35 |
| | 364 | 282 |

* Note: Out of above GST/ Service Tax credit of ₹ 25 thousand (Previous Year ₹ 7 thousand) has been taken and the same has not been debited to Statement of Profit & Loss.

34 EARNING PER SHARE

| Particulars | 2018-2019 | 2017-2018 |
|--|-----------|-----------|
| (a) Profit attributable to Equity Shareholders (₹) | 5,172 | 18,177 |
| (b) No. of Equity Share outstanding during the year. | 1,080,200 | 1,080,200 |
| (c) Face Value of each Equity Share (₹) | 10 | 10 |
| (d) Basic & Diluted earning per Share (₹) | 4.79 | 16.83 |

Notes forming Part of the financial statements for the year ended March 31, 2019
35 SEGMENT REPORTING
Segment Information for the year ended March 31, 2019
Information about primary business segment
₹ in Thousand

| Particulars | 2018-19 | | | | 2017-18 | | | |
|---|------------------|-------------|-------------|------------------|------------------|-------------|-------------|------------------|
| | Segments | | | Total | Segments | | | Total |
| | Trading Activity | Real Estate | Unallocated | | Trading Activity | Real Estate | Unallocated | |
| Revenue | | | | | | | | |
| Segment Revenue | 14,963 | 17,608 | 11,691 | 44,262 | 13,794 | 17,353 | 19,554 | 50,701 |
| Result | | | | | | | | |
| Segment Results | 489 | 3,991 | - | 4,480 | 1,125 | 3,718 | - | 4,843 |
| Add: Unallocated Corporate Income net of Unallocated corporate expenses | - | - | (3,291) | (3,291) | - | - | 8,148 | 8,148 |
| Less: Interest Expenses | - | - | - | - | - | - | - | - |
| Profit Before Tax | 489 | 3,991 | (3,291) | 1,189 | 1,125 | 3,718 | 8,148 | 12,991 |
| Less: Provision for Tax (Net of Deferred Tax) | - | - | (3,983) | (3,983) | - | - | (5,186) | (5,186) |
| Net Profit After Prior Period Adjustments | 489 | 3,991 | 692 | 5,172 | 1,125 | 3,718 | 13,334 | 18,177 |
| Other Information | | | | | | | | |
| Segment Assets | 3,104 | 58,679 | 1,779,537 | 1,841,320 | 3,700 | 29,718 | 1,244,450 | 1,277,869 |
| Segment Liabilities | 2,561 | 774 | 77,310 | 80,645 | 3,313 | 749 | 23,988 | 28,051 |
| Capital Expenditure | - | - | 104 | 104 | - | - | 70 | 70 |
| Depreciation / Amortisation | 35 | 1,046 | 1,415 | 2,496 | 195 | 1,008 | 1,353 | 2,556 |

Notes:

- The Company has identified the following segments:
 - The Real Estate segment, which includes letting out of properties.
 - 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.
- Segment results / assets & liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.
- 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.

36 Capital Management
Risk Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Company capital management is to maximise the shareholder value.

37 Financial Risk Management

The Company's activities expose it to credit risk and liquidity risk.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact thereof in the financial statements.

Notes forming Part of the financial statements for the year ended March 31, 2019

| Sl. No. | Risk | Exposure arising from | Measurement | Management |
|---------|----------------|---|----------------------|---|
| 1 | Credit Risk | Cash and cash equivalents, trade receivables and financial assets measured at amortised cost. | Ageing analysis | Diversification of Bank deposit and credit limits |
| 2 | Liquidity Risk | Other Financial liabilities | Sensitivity analysis | Availability of committed credit lines and borrowing facilities |

The Board provides guiding principles for overall risk management, as well as policies covering specific areas such as credit risk, liquidity risk, investment of surplus liquidity and other business risks effecting business operation. The company's risk management is carried out by the management as per guidelines and policies approved by the Board of Directors.

(A) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses the direct risk of default, risk of deterioration of creditworthiness as well as concentration risks. The Company is exposed to credit risk from its operating activities (primarily trade receivables), deposits with banks and loans given.

(B) Liquidity Risk

The Company's principal sources of liquidity are "cash and cash equivalents" and cash flows that are generated from operations. The Company has no outstanding term borrowings. The Company believes that its working capital is sufficient to meet its current requirements. Additionally, the Company has sizeable surplus funds invested in fixed income securities or instruments of similar profile ensuring safety of capital and availability of liquidity if and when required. Hence the Company does not perceive any liquidity risk.

38 Related party disclosures as required under Ind AS 24, "Related Party Disclosures", are given below:

a) Name of the related party and description of relationship.

| Sr. No. | Related Parties | Nature of Relationship |
|---------|---------------------------------|---|
| (i) | Vibhuti Investments Company Ltd | Holding Company (Shareholder, having control) |
| (ii) | Mrs. Shalini Dilip Piramal | Managing Director, wife of Mr Dilip G Piramal, Chairman & Managing Director of VIP Industries Ltd |
| (iii) | VIP Industries Ltd | Company where Director is interested |

b) Details of Transactions during the year with related parties.

₹ in Thousand

| Sr. No. | Related parties | Nature of Transactions during the year | 2018-19 | 2017-18 |
|---------|----------------------------|--|---------|---------|
| (i) | Vibhuti Investments Co Ltd | Property Income | 2,236 | 2,236 |
| | | Maintenance Charges Income | 6,707 | 6,707 |
| | | Expenses Recovery | 5,561 | 5,282 |
| | | Recovery of Property Tax | 1,697 | 1,665 |
| (ii) | Mrs. Shalini Dilip Piramal | Short Term Benefits Paid | 3,305 | 2,448 |
| (iii) | VIP Industries Ltd | Purchase of goods (Excluding Taxes) | 10,961 | 9,734 |

c) Balances at end of the year with related parties.

| Sr. No. | Related parties | Nature of Transactions during the year | As at March 31, 2019 | As at March 31, 2018 |
|---------|----------------------------|--|----------------------|----------------------|
| (i) | Vibhuti Investments Co Ltd | Amount Receivable | 2,844 | 1,352 |
| (ii) | VIP Industries Ltd | Trade Payable | 2,501 | 3,232 |

39 Employee Benefits

As per IND AS 19 "Employee Benefits", the disclosures of Employee benefits as defined in the said Accounting Standards are given below :

The Company's defined benefit plan includes Gratuity. The liability in respect of Gratuity has been determined using Projected Unit Credit Method by an independent actuary. The company's defined contribution plan includes Provident Fund. The related disclosure are as under:

Notes forming Part of the financial statements for the year ended March 31, 2019

A. Contribution to Defined Contribution Plan includes Provident Fund. The expenses recognised for the year are as under :

₹ in Thousand

| Particulars | 2018-19 | 2017-18 |
|----------------|---------|---------|
| Provident Fund | 223 | 199 |

B. Defined Benefit Plans :

(a) Gratuity:

The Company operates gratuity plan wherein every employee is entitled to the benefit equivalent to 15 days/26 based on one month salary last drawn for each completed year of service depending on the date of joining. The same is payable on termination of service, retirement or death, whichever is earlier. The benefit vests after 5 years of continuous service.

The plans of the Company exposes to actuarial risks such as Investment Risk, Interest rate risk, salary risk and longevity risk. These risks may impact the obligation of the Company.

(b) The following tables set out the funded status of the gratuity and the amounts recognised in the Company's financial statements as at 31 March 2019 and 31 March 2018.

| Particulars | Gratuity | |
|--|----------|---------|
| | 2018-19 | 2017-18 |
| (i) Changes in present value of obligations | | |
| Present Value of Benefit Obligation at the Beginning of the Period | 3,174 | 2,912 |
| Interest cost | 250 | 212 |
| Current Service Cost | 188 | 186 |
| Past Service Cost | - | - |
| Liability Transferred In/ Acquisitions | - | - |
| (Liability Transferred Out/ Divestments) | - | - |
| (Gains)/ Losses on Curtailment | - | - |
| (Liabilities Extinguished on Settlement) | - | - |
| (Benefit Paid Directly by the Employer) | - | - |
| (Benefit Paid From the Fund) | - | - |
| The Effect Of Changes in Foreign Exchange Rates | - | - |
| Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions | - | - |
| Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions | 83 | (143) |
| Actuarial (Gains)/Losses on Obligations - Due to Experience | 203 | 8 |
| Present Value of Benefit Obligation at the End of the Period | 3,898 | 3,174 |
| PVO at end of period | - | - |
| (ii) Fair value of Plan Assets | | |
| Fair Value of Plan assets at beginning of period | - | - |
| Interest Income | - | - |
| Contributions by the Employer | - | - |
| Expected Contributions by the Employees | - | - |
| Assets Transferred In/Acquisitions | - | - |
| (Assets Transferred Out/ Divestments) | - | - |
| (Benefit Paid from the Fund) | - | - |
| (Assets Distributed on Settlements) | - | - |
| Effects of Asset Ceiling | - | - |
| The Effect of Changes In Foreign Exchange Rates | - | - |
| Return on Plan Assets, Excluding Interest Income | - | - |
| Fair Value of Plan Assets at the End of the Period | - | - |

Notes forming Part of the financial statements for the year ended March 31, 2019

₹ in Thousand

| Particulars | Gratuity | |
|--|----------|---------|
| | 2018-19 | 2017-18 |
| (iii) Amount recognized in the Balance Sheet | | |
| (Present Value of Benefit Obligation at the end of the Period) | (3,898) | (3,174) |
| Fair Value of Plan Assets at the end of the Period | - | - |
| Funded Status (Surplus/ (Deficit)) | (3,898) | (3,174) |
| Net (Liability)/Asset Recognized in the Balance Sheet | (3,898) | (3,174) |
| (iv) Net Interest | | |
| Present Value of Benefit Obligation at the Beginning of the Period | 3,174 | 2,912 |
| (Fair Value of Plan Assets at the Beginning of the Period) | - | - |
| Net Liability/(Asset) at the Beginning | 3,174 | 2,912 |
| Interest Cost | 250 | 212 |
| (Interest Income) | - | - |
| Net Interest Cost for Current Period | 250 | 212 |
| (v) Expenses Recognized in the Statement of Profit or Loss | | |
| Current Service Cost | 188 | 186 |
| Net Interest Cost | 250 | 212 |
| Past Service Cost | - | - |
| (Expected Contributions by the Employees) | - | - |
| (Gains)/Losses on Curtailments And Settlements | - | - |
| Net Effect of Changes in Foreign Exchange Rates | - | - |
| Expenses Recognized | 438 | 397 |
| (vi) Expenses Recognized in the Other Comprehensive Income (OCI) | | |
| Actuarial (Gains)/Losses on Obligation For the Period | 286 | (135) |
| Return on Plan Assets, Excluding Interest Income | - | - |
| Change in Asset Ceiling | - | - |
| Net (Income)/Expense For the Period Recognized in OCI | 286 | (135) |
| (vii) Balance Sheet Reconciliation | | |
| Opening Net Liability | 3,174 | 2,912 |
| Expenses Recognized in Statement of Profit or Loss | 438 | 397 |
| Expenses Recognized in OCI | 286 | (135) |
| Net Liability/(Asset) Transfer In | - | - |
| Net (Liability)/Asset Transfer Out | - | - |
| (Benefit Paid Directly by the Employer) | - | - |
| (Employer's Contribution) | - | - |
| Net Liability/(Asset) Recognized in the Balance Sheet | 3,898 | 3,174 |
| (viii) Expenses Recognized in the Statement of Profit or Loss for Next Year | | |
| Current Service Cost | 219 | 188 |
| Net Interest Cost | 294 | 250 |
| (Expected Contributions by the Employees) | - | - |
| Expenses Recognized | 513 | 438 |

Notes forming Part of the financial statements for the year ended March 31, 2019

₹ in Thousand

| Particulars | Gratuity | |
|---|------------------------|------------------------|
| | 2018-19 | 2017-18 |
| (ix) Schedule III of the Companies Act 2013 | | |
| Current Liability (*) | 172 | 151 |
| Non-Current Liability | 3,726 | 3,024 |
| (x) Assumptions as at | | |
| Mortality | Mortality (2006-08) | Mortality (2006-08) |
| Interest / Discount Rate | 7.54% | 7.88% |
| Rate of increase in compensation | 5.00% | 5.00% |
| Expected average remaining service | NA | NA |
| (xi) Sensitivity Analysis | | |
| Projected Benefit Obligation on Current Assumptions | 3,898 | 3,174 |
| Delta Effect of +1% Change in Rate of Discounting | (238) | (216) |
| Delta Effect of -1% Change in Rate of Discounting | 263 | 240 |
| Delta Effect of +1% Change in Rate of Salary Increase | 267 | 244 |
| Delta Effect of -1% Change in Rate of Salary Increase | (245) | (223) |
| Delta Effect of +1% Change in Rate of Employee Turnover | 38 | 41 |
| Delta Effect of -1% Change in Rate of Employee Turnover | (41) | (44) |

(xii) Notes

Gratuity is payable as per company's scheme as detailed in the report.

Actuarial gains/losses are recognized in the period of occurrence under Other Comprehensive Income (OCI).

All above reported figures of OCI are gross of taxation.

Salary escalation & attrition rate are considered as advised by the company; they appear to be in line with the industry practice considering promotion and demand & supply of the employees.

Maturity Analysis of Benefit Payments is undiscounted cashflows considering future salary, attrition & death in respective year for members as mentioned above for foreseeable future of next 10 years.

Average Expected Future Service represents Estimated Term of Post - Employment Benefit Obligation.

Para 139 (a) Characteristics of defined benefit plan:

The Company has a defined benefit gratuity plan in India (unfunded). The company's defined benefit gratuity plan is a final salary plan for employees. Gratuity is paid from company as and when it becomes due and is paid as per company scheme for Gratuity.

Para 139 (b) Risks associated with defined benefit plan :

Gratuity is a defined benefit plan and company is exposed to the Following Risks:

Interest rate risk: A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Para 139 (c) Characteristics of defined benefit plans :

During the year, there were no plan amendments, curtailments and settlements.

Para 147 (a) :

Gratuity plan is unfunded.

Notes forming Part of the financial statements for the year ended March 31, 2019

(c) Leave encashment:

The Company has a policy on compensated absences which is applicable to its executives jointed upto a specified period and all workers. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the Balance Sheet date.

40 Balances of Trade Receivables, Trade Payables and Loans and Advances are subject to confirmation and consequential adjustment, if any.

41 Fair Value measurement-

The fair value of Financial instrument as of March 31, 2019 and March 31, 2018 were as follows-

| ₹ in Thousand | | | | |
|--|------------------|------------------|---------------------|------------------------------|
| Particulars | March 31,2019 | Marach 31,2018 | Fair value Hirarchy | Valuation Technique |
| Assets- | | | | |
| Investment in Equity Instruments through OCI | 1,649,906 | 1,104,599 | Level-1 | Quoted Market Price |
| Investment in Equity Instruments | 111,702 | 103,705 | Level-2 | As per Valuation Certificate |
| Total | 1,761,608 | 1,208,304 | | |

The management assessed that Cash and Cash equivalents, loans, other balances with Banks, trade receivables, trade payables and other current liabilities/assets approximate their carrying amounts largely due to the short-term maturities of these instruments.

42 The previous year figures have been regrouped/reclassified, wherever necessary to confirm to the current presentation as per the schedule III of Companies Act, 2013.

As per our report of even date attached
FOR M L BHUWANIA AND CO LLP
CHARTERED ACCOUNTANTS
FRN: 101484W/W100197

ASHISHKUMAR BAIRAGRA
PARTNER
MEMBERSHIP NO. 109931

PLACE : MUMBAI
DATED : 28th May, 2019

FOR AND ON BEHALF OF BOARD OF DIRECTORS

SHALINI D. PIRAMAL
Managing Director
DIN- 01365328

SUNIL KUMAR GUPTA
Chief Financial Officer

PLACE : MUMBAI
DATED : 28th May, 2019

RANJAN SANGHI
Director
DIN-00275842

KUNAL CHHATWANI
Company Secretary



ATTENDANCE SLIP

KEMP & COMPANY LIMITED

Registered Office: 5th Floor, DGP House, 88C, Old Prabhadevi Road, Mumbai 400 025, Maharashtra
Tel.: +91 22 6653 9000 Fax: +91 22 6653 9089, CIN: L24239MH1982PLC000047, Website: www.kempnco.com

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE 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 138th Annual General Meeting of the Company to be held on Monday, the 30th September, 2019 at 11:00 am at 5th Floor, DGP House, 88C, Old Prabhadevi Road, Mumbai 400 025, Maharashtra

*Applicable for shareholders holding shares in electronic form.

Signature of Shareholder/ proxy



KEMP & COMPANY LIMITED

Proxy Form

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

Registered Office: 5th Floor, DGP House, 88C, Old Prabhadevi Road, Mumbai 400 025, Maharashtra
Tel.: +91 22 6653 9000 Fax: +91 22 6653 9089, CIN: L24239MH1982PLC000047, Website: www.kempnco.com

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

I/We, being the member (s) holding 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 138th Annual General Meeting of the Company, to be held on Monday, the 30th September, 2019 at 11:00 am at 5th Floor, DGP House, 88C, Old Prabhadevi Road, Mumbai 400 025, 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:

Table with 3 columns: Resolutions, For, Against. Contains 4 rows of resolutions regarding financial statements, dividends, and director appointments.

Affix a Rs.1 Revenue Stamp

Signed on this day of 2019

Signature of shareholder

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

NOTES:

- 1. This form of proxy In order to be effective should be duly completed and signed, deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. A Proxy need not be a member of the Company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights.
**4. This is only optional. Please put a checkmark in the appropriate column against the resolutions indicated in the Box.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he/she so wishes.
6. In the case of joint holders, the signature of anyone holder will be sufficient, but names of all the joint holders should be stated.

COURIER / REGISTERED POST / SPEED POST

If undelivered, please return to:

KEMP & COMPANY LIMITED
INVESTORS' SERVICES DEPARTMENT
DGP House, 5th Floor,
88-C, Old Prabhadevi Road,
Mumbai - 400 025, Maharashtra