

128th Annual Report
2008-2009

KEMP

KEMP & COMPANY LIMITED

128th Annual Report

Board of Directors

Mr. Maneck Davar
Mr. K. C. Gupte
Mr. Mohanlal Kejriwal
Mr. Ranjan Sanghi
Mr. Shekhar Shah

Bankers

Central Bank of India

Auditors

M/s. Kalyaniwalla & Mistry
Chartered Accountants

Registered Office

78-A, MIDC Estate, Satpur, Nashik - 422 007
Maharashtra

Investors' Services Department

DGP House, 88-C, Old Prabhadevi Road
Mumbai - 400 025

Registrar & Share Transfer Agent

Link Intime India Pvt. Ltd.
C-13, Kantilal Maganlal Industrial Estate
Pannalal Silk Mills Compound, L.B.S. Marg
Bhandup (W), Mumbai-400 078

Branch Offices

Delhi
Kolkata

NOTICE

Notice is hereby given that 128th Annual General Meeting of the Members of Kemp & Company Limited will be held at "NIWEC", P-29, Street 14, MIDC Satpur, Nashik – 422 007, on Friday the 25th September, 2009 at 11.00 a.m. to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2009 and Profit & Loss Account for the year ended on that date, the Reports of the Directors and Auditors thereon.
2. To declare dividend on the Equity Shares.
3. To appoint a Director in place of Mr. Shekhar Shah, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration, and for the purpose, consider and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s. Kalyaniwalla & Mistry, Chartered Accountants, the retiring Auditors, be and are hereby re-appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and that the Board of Directors of the Company be and is hereby authorised to fix their remuneration for the said period in addition to reimbursement to them of actual out of pocket expenses as may be incurred in the performance of their duties."

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Maneck Davar, who was appointed as an Additional Director of the Company by the Board of Directors at its meeting held on 18th March, 2009 and who holds office upto the date of this Annual General Meeting and in respect of whom a notice under section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Mr. Maneck Davar as a candidate for the office of the Director of the Company, be and is hereby appointed as a Director of the Company, whose period of office shall be liable to determination by retirement of Directors by rotation."

By the order of the Board of Directors

Kishore C. Gupte
Director

Registered Office:

78 A, MIDC Estate
Satpur
Nashik – 422 007
Date: 30th June, 2009

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

ITEM No. 5

Mr. Maneck Davar was appointed as an Additional Director of the Company by the Board of Directors at its meeting held on 18th March, 2009 under Section 260 of the Companies Act, 1956. Mr. Davar holds office only upto the date of this meeting. The Company has received a notice in writing alongwith the requisite deposit of Rs. 500/- under section 257 of the Companies Act, 1956, from one of the shareholders intimating his intention to propose appointment of Mr. Maneck Davar as a Director of the Company.

Mr. Davar is 51 years of age and is a well known Journalist having experience of more than 25 years in the field of Journalism and general management. His appointment would benefit the Company through his extensive experience.

The Board of Directors recommend passing of the Resolution as set out at Item No. 5 of the accompanying Notice.

None of the Directors other than Mr. Maneck Davar is in any way, concerned or interested or deemed to be concerned or interested in passing the above resolution.

By the order of the Board of Directors

Kishore C. Gupte

Director

Registered Office:

78 A, MIDC Estate
Satpur
Nashik – 422 007
Date: 30th June, 2009

Notes

- a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- b) Proxies in order to be effective, should be deposited duly completed, stamped and signed at the Registered Office of the Company not less than 48 hours before the Meeting.
- c) Pursuant to Section 154 of the Companies Act, 1956, the Register of Members and Share transfer Books of the Company will remain closed from Tuesday, the 1st September, 2009 to Friday, the 11th September, 2009 (both days inclusive).
- d) Members desirous of obtaining any information in respect of accounts and operations of the Company are requested to write to the Company at least one week before the Meeting, to enable the Company to make available the required information at the Meeting.
- e) Members are requested to notify immediately any change in their address registered with the Company, to M/s. Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai – 400 078, the

Registrars and Share Transfer Agent of the Company, in respect of equity shares held in physical form and to their respective Depository Participants (DPs) in respect of equity shares held in electronic form.

- f) Under the provisions of Section 109A and 109B of the Companies Act, 1956, shareholder(s) is/are entitled to nominate in the prescribed manner, a person to whom his/her/their shares in the Company, shall vest after his/her/their lifetime. Members who are holding shares in physical form and are interested in availing this nomination facility are requested to write to the Company or the Company's Registrar and Share Transfer Agent, M/s. Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai – 400 078.
- g) Consequent upon the amendment to Section 205A and the introduction of Section 205C by the Companies (Amendment) Act, 1999, the amount remaining unpaid or unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account of the Company shall be transferred to the Investor Education and Protection Fund (the Fund) set up by the Government of India and no payments shall be made in respect any such claims by the Fund. Members who have not yet encashed their dividend warrants for the year 2002-03 onwards are requested to make their claims to the Company accordingly, without any delay.
- h) Copies of Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their own copies to the Meeting.

DIRECTORS' REPORT

Your Directors have pleasure in presenting their 128th Annual Report on the affairs of the Company together with the Audited Statement of Accounts for the year ended 31st March, 2009:

Financial Results

	Year ended 31.3.2009 Rs.	Year ended 31.3.2008 Rs.
Sales & Other Income	6,64,71,220	7,18,49,079
Gross Profit	89,18,661	1,28,97,480
Depreciation	16,08,672	16,67,511
Interest	1,00,931	1,53,951
Profit before Tax	72,09,058	1,10,76,018
Provision for Tax (Net of Deferred Tax & Fringe Benefit Tax)	14,31,878	30,10,536
Prior year Adjustments	(4,28,972)	(25,303)
Profit / (Loss) after Tax	53,48,208	80,40,179
Profit brought forward from previous year	5,07,42,713	5,34,66,314
Profit available for appropriation	5,60,90,921	6,15,06,493
APPROPRIATIONS:		
Proposed Dividend	10,80,200	10,80,200
Tax on Proposed Dividend	1,83,580	1,83,580
Transfer to General Reserve	50,00,000	95,00,000
Balance transferred to Balance Sheet	4,98,27,141	5,07,42,713
	5,60,90,921	6,15,06,493

Overall Performance and Outlook

During the year under review, while the Sales & Other Income has declined by 8.09% from Rs. 718.49 lacs to Rs. 664.71 lacs, the profit after tax due to pressure on margins has recorded decrease of 33.48% from Rs. 80.40 lacs to Rs. 53.48 lacs.

The outlook for the coming year is favourable.

Reserves of the Company now stand at Rs. 1048.35 lacs as on 31st March, 2009.

Dividend

Your Directors are pleased to recommend for your consideration a Dividend of Re. 1/- per equity share i.e. @ 10% (previous year Re.1/- per equity share) of the paid-up equity share capital of your Company.

Directors' Responsibility Statement

Pursuant to the requirements under section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:

- that in the preparation of the annual accounts for the financial year ended 31st March 2009, the applicable accounting standards have been followed along with proper explanation relating to material departures.

- ii) that the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that year under review.
- iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) that the Directors have prepared the accounts for the financial year ending 31st March, 2009 on a 'going concern' basis.

Listing of Equity Shares

Your Company's equity shares are listed on the Bombay Stock Exchange Ltd. situated at Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai – 400 001. Your Company has made upto date payment of the listing fees.

Directors

Mr. Maneck Davar, was appointed as an Additional Director on 18th March, 2009 and holds office till the date of conclusion of the ensuing Annual General Meeting. The approval of the shareholders is being sought to the appointment of Mr. Maneck Davar at the ensuing Annual General Meeting.

Dr. Gita Piramal, Director had resigned from the Board w.e.f. 18th March, 2009. Your Directors place on record their appreciation of the services rendered by Dr. Gita Piramal.

Mr. Shekhar Shah, Director retires by rotation and being eligible offers himself for re-appointment. A proposal for reappointment of Mr. Shekhar Shah as Director is included in the Notice convening the ensuing Annual General Meeting

Public Deposits

Your Company has not invited or accepted any Public Deposits during the financial year under report and does not plan to invite or accept any deposit(s) during the current financial year.

Auditors

M/s. Kalyaniwalla & Mistry, Chartered Accountants, retire at the ensuing Annual General Meeting and express their willingness to continue, if so appointed. As required under the provisions of Section 224 of the Companies Act, 1956, the Company has obtained a written certificate from the Auditors proposed to be re-appointed to the effect that their re-appointment, if made, would be in conformity with the limits specified in the said section.

A proposal seeking approval for their re-appointment is placed as part of the Notice of the ensuing Annual General Meeting.

Compliance Certificate

Pursuant to proviso to Section 383A of the Companies Act, 1956, a certificate from the Company Secretary in whole-time practice in respect of compliance by the Company with all provisions of the Companies Act, 1956, is attached to this Report.

Conservation of Energy etc.

As the Company is not engaged in any manufacturing activity, there are no particulars to be disclosed under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 as regards conservation of energy or technology absorption. Further, during the year under review, the Company has neither earned nor spent any foreign exchange.

Particulars of Employees

Your Company has no employee whose remuneration details are required to be provided under the purview of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rule, 1975.

Industrial Relations

Industrial relations remained cordial throughout the year under review.

Acknowledgement

Your Directors record their gratitude to the financial institutions, banks and other government departments for their assistance and co-operation during the year.

Your Directors also wish to place on record their appreciation of the dedicated services of the employees of the Company.

By the order of the Board of Directors

Registered Office:
78 A, MIDC Estate
Satpur
Nashik – 422 007
Date: 30th June, 2009

K. C. Gupte Director

Shekhar Shah Director

COMPLIANCE CERTIFICATE

Registration No. of the Company : 11 – 0047
Nominal Capital : Rs.1,45,00,000/-
Issued & Paid Up Capital : Rs. 1,08,02,000/-

To,

The Members,

KEMP AND COMPANY LIMITED.

We have examined the registers, records, books and papers of KEMP AND COMPANY LIMITED (Regd. No. 11-0047) (the Company) as required to be maintained under the Companies Act, 1956, (The Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March 2009. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company and its officers we certify that in respect of the aforesaid financial year :

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate as per the provisions and rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. The Company is a Public Limited Company and hence comments are not required.
4. The Board of Directors duly met Six times respectively on 27th June, 2008, 31st July, 2008, 31st October, 2008, 22nd December, 2008, 30th January, 2009 and 18th March, 2009, in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members, and/or Debenture holders from 16/09/2008 to 26/09/2008 and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31st March 2008 was held on 26th September, 2008 after giving due notice to the Members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra-Ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loan to its Directors and/or persons firms or companies referred in Section 295 of the Act.
9. The Company has duly complied with the provisions of Section 297 of the Act in respect of contracts specified in that Section.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government.
12. The Company has not issued any duplicate share certificate during the financial year under review
13. The Company has:
 - (i) Delivered all the certificates on allotment of securities and on lodgment thereof for transfer or any other purpose in accordance with the provisions of the Act.
 - (ii) Deposited the amount of dividend declared in a separate bank account on which is within 5 days from the date of declaration of such dividend.
 - (iii) Paid/Posted warrants for dividend to all the Members within a period of 30 days from the date of declaration.
 - (iv) Transferred the amounts in unpaid dividend account to the Investor Education and Protection Fund.
 - (v) Duly complied with the requirements of Section 217 of the Act.

14. The Board of Directors of the Company is duly constituted. There was appointment of Additional Director during the financial year.
15. The Company has not appointed any Managing Director/Whole-Time Director, Manager during the financial year.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board / Regional Director / Registrar and/or such other authorities prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms/Companies to the Board of Directors pursuant to the provision of the Act and the rules made there under.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back Equity shares during the financial year.
21. The Company has not redeemed any preference shares or debentures, during the financial year.
22. There was no transactions necessitating to keep in abeyance rights to dividend/rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited or accepted any Deposits including any unsecured loans falling within the purview of Section 58A of the Act read with Companies (Acceptance of Deposit) Rules 1975, during the financial year under review from public.
24. The amount borrowed by the Company from other bodies corporate during the financial year ending 31-03-2009 are within the borrowing limits of the Company.
25. The Company has made loans and investments, or given guarantees or provided securities to other bodies corporate in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to the situation of the Company's Registered Office from one State to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to Share Capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the year under scrutiny.
31. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on Company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year under certification.
33. The Company has deposited both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to Section 418 of the Act.

Signature :

Name of the Company Secretary

MRS. RAGINI CHOKSHI

FOR RAGINI CHOKSHI & ASSOCIATES

(Proprietor)

C. P. No. 1436

Place : Mumbai

Date : 30th June, 2009

Annexure A

Registers as maintained by the Company :

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

Annexure B

Forms and Returns as tiled by the Company with the Registrar of the companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March 2009.

Sr. No.	Form No. / Return	Filed under Section	Period	Date of filing	Whether filed within prescribed time	If delay in filing whether requisite additional fee paid Yes/No
1.	Annual Return	159	2007-2008	27-09-2008	Yes	No
2.	Balance Sheet	220	2007-2008	27-09-2008	Yes	No
3.	Compliance Certificate	383A	2007-2008	27-09-2008	Yes	No
4.	Form No. 62	192A	2008-2009	26-12-2008	Yes	No
5.	Form No. 23	372A	2008-2009	09-02-2009	Yes	No
6.	Form No. 32	303	2008-2009	21-03-2009	Yes	No
7.	Form No. 23B		2008-2009	27.06.2008	Yes	Yes
8.	Form No. 1 INV		2008-2009	18-12-2008	Yes	No

REPORT OF THE AUDITORS TO THE MEMBERS OF KEMP & COMPANY LIMITED

1. We have audited the attached Balance Sheet of KEMP & COMPANY LIMITED, as at 31st March 2009, the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government in terms of section 227 (4A) of the Companies Act, 1956, we annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - a) We have 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 appears from our examination of such books.
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) Attention is invited to note no. 10 of Schedule 14, wherein the Company contends that monthly tenancy agreements are not in the nature of lease agreements and hence Accounting Standard (AS) 19-"Leases", is not applicable.
5. In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009; and
 - b) In the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date.
 - c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
7. On the basis of the written representations received from the directors as on 31st March, 2009, and taken on record by the Board of Directors, we report that, none of the directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For and on behalf of
ALYANIWALLA & MISTRY
 Chartered Accountants
RMIN K. IRANI
 Partner
 Membership No. 35646
 Office : Mumbai
 Dated : June 30, 2009

Annexure to the Auditors' Report

Referred to in paragraph (3) of our report of even date.

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) As explained to us, the Company has a program for physical verification of fixed assets at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies have been noticed on such verification.
(c) In our opinion, the disposal of fixed assets during the year does not affect the going concern assumption.
2. (a) The Management has conducted physical verification of inventory at reasonable intervals.
(b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
3. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956
(b) Consequently, the question of commenting on the rates of interest and the other terms and conditions of the loans granted being prejudicial to the interests of the Company, receipt of regular principal and interest and reasonable steps taken for recovery of principal and interest does not arise.
(c) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Act.
(d) Consequently, the question of commenting on the rates of interest and the other terms and conditions of the loans taken being prejudicial to the interests of the Company and payment of regular principal and interest does not arise.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchases of inventory, fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.
5. (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that there are no transactions required to be entered into the register maintained under section 301 of the Companies Act, 1956.
(b) Consequently, the question of commenting on the prices being reasonable having regard to the prevailing market prices at the relevant time does not arise.
6. In our opinion and according to the information and explanations given to us, there are no deposits accepted from public under the provisions of section 58A and 58AA of the Companies Act, 1956, and the rules framed there under.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. The maintenance of cost records has not been prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956, in respect of the activities carried on by the Company.
9. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, during the year, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues applicable to it with the appropriate authorities. According to the information and explanations given to us, there are no undisputed dues payable in respect of above as at 31st March 2009 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues outstanding of Sales Tax, Income Tax, Service Tax, Customs Duty, Wealth Tax, Excise Duty or Cess on account of any dispute, other than the following:

Name of Statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Bombay Municipal Corporation Act	Municipal Tax	32,44,56,189	01/04/2000 – 31/03/2009	Court of Small Causes at Mumbai
Central Excise Act, 1944	Excise Duty	11,18,000	01/03/1986 – 14/12/1986	Customs Excise Service Tax Appellate Tribunal

10. The Company does not have accumulated losses at the end of the financial year and it has not incurred any cash losses in the current and immediately preceding financial year.
11. According to the information and explanations given to us and based on the documents and records produced to us, the Company has not defaulted in repayment of dues to banks. There are no dues to financial institutions or debenture holders.
12. According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi/ mutual benefit fund/ societies.
14. The Company does not deal in shares, securities, debentures and other investments.
15. According to the information and explanations given to us, the Company has given guarantee to secure loan availed by the Holding Company from a financial institution. The terms and conditions are not prima-facie prejudicial to the interest of the Company.
16. According to the information and explanations given to us, there is no term loan facility availed by the Company.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet and Cash Flows of the Company, we report that the Company has not utilized funds raised on short-term basis for long-term investment.
18. The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The Company did not issue any debentures during the year.
20. The Company has not raised any money through a public issue during the year.
21. Based on the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For and on behalf of
KALYANIWALLA & MISTRY

Chartered Accountants

ERMIN K. IRANI

Partner

Membership No. 35646

Place : Mumbai

Dated : June 30, 2009

BALANCE SHEET

AS AT 31ST MARCH 2009

	Schedule	Rupees	31.03.2009 Rupees	31.03.2008 Rupees
SOURCES OF FUNDS :				
1. Shareholders Funds				
a. Share Capital	1	10,802,000		10,802,000
b. Reserves and Surplus	2	104,835,052		100,750,624
			115,637,052	111,552,624
2. Loan Funds				
a. Secured Loans	3		—	1,524,779
			115,637,052	113,077,403
APPLICATION OF FUNDS :				
1. Fixed Assets :				
a. Gross Block	4	53,474,695		49,477,515
b. Less: Depreciation		17,428,548		15,896,753
c. Net Block			36,046,147	33,580,762
2. Investments	5		35,131,126	72,373,960
3. Current Assets, Loans & Advances :	6			
a. Inventories		4,924,724		6,178,037
b. Sundry Debtors		1,302,013		1,268,383
c. Cash and Bank Balances		1,642,715		3,788,211
d. Other Current Assets		320,043		25,092
e. Loans and Advances		46,631,572		6,185,041
		54,821,067		17,444,764
Less : Current Liabilities & Provisions	7			
a. Current Liabilities		8,750,687		8,965,760
b. Provisions		1,913,780		1,726,180
		10,664,467		10,691,940
Net Current Assets			44,156,600	6,752,824
4. Deferred Tax Asset (Net)			303,179	369,857
			115,637,052	113,077,403
Notes to Accounts :	14			

The Schedules referred to above form an integral part of the Balance Sheet .

As per our Report of even date.
For and on behalf of
KALYANIWALLA & MISTRY
Chartered Accountants

ERMIN K. IRANI
Partner
Mumbai, Dated: 30th June, 2009

Signatures to Balance Sheet and Schedules 1 to 7 and 14

K. C. Gupte Director

Shekhar Shah Director

Mumbai, Dated: 30th June, 2009

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31st MARCH 2009

For the year ended

	Schedule	Rupees	31.03.2009 Rupees	31.03.2008 Rupees
INCOME :				
Sales (Refer Note 5)			51,118,340	56,626,246
Property Income	8	4,635,768		4,635,768
Other Income	9	10,717,112		10,587,065
			15,352,880	15,222,833
			66,471,220	71,849,079
EXPENDITURE :				
Cost of Goods sold	10	37,246,780		40,943,736
Payment & Provisions for Employees	11	5,599,644		2,684,116
Other Expenses	12	14,706,135		15,323,747
Interest	13	100,931		153,951
Depreciation		1,608,672		1,667,511
			59,262,162	60,773,061
Profit before Tax			7,209,058	11,076,018
Provision for Taxation				
Current Tax		1,276,500		2,774,000
Deferred Tax		66,678		196,120
Fringe Benefit Tax		88,700		40,416
			1,431,878	3,010,536
Profit after Taxation			5,777,180	8,065,482
Short Provision of Taxation of earlier years			(428,972)	(25,303)
			5,348,208	8,040,179
Balance Brought Forward from previous year			50,742,713	53,466,314
Amount available for Appropriations			56,090,921	61,506,493
APPROPRIATIONS :				
Proposed Dividend			1,080,200	1,080,200
Corporate Dividend Tax			183,580	183,580
Transfer to General Reserve			5,000,000	9,500,000
Balance transferred to Balance Sheet			49,827,141	50,742,713
			56,090,921	61,506,493
Basic and Diluted earning per share. - Rs. (Refer Note 8 of Schedule 14)			4.95	7.44

Notes to Accounts :

14

The Schedules referred to above form an integral part of the Balance Sheet

Signatures to Balance Sheet and Schedules 1 to 7 and 14

As per our Report of even date.
For and on behalf of
KALYANIWALLA & MISTRY
Chartered Accountants

K. C. Gupte Director

Shekhar Shah Director

ERMIN K. IRANI
Partner

Mumbai, Dated: 30th June, 2009

Mumbai, Dated: 30th June, 2009

CASH FLOW STATEMENT

AS ON 31.03.2009

A) CASH FLOW FROM OPERATING ACTIVITIES

Net Profit before tax
Adjustment for :
Depreciation
Interest Income
Dividend Income
Profit on sale of Fixed Assets
Sundry balances written back
Interest Paid

OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES
ADJUSTMENTS FOR WORKING CAPITAL CHANGES :

Trade & Other Receivables
Loans & Advances
Inventories
Trade Payable
Other Current Assets

Cash Generated from Operations
Direct Taxes paid

NET CASH FROM OPERATING ACTIVITIES

B) CASH FLOW FROM INVESTING ACTIVITIES

Purchase of Fixed Assets
Sale of Fixed Assets
Sale of Investments
Purchase of Investments
Dividend Received
Interest Received

NET CASH FROM / (USED) IN INVESTING ACTIVITY

C) CASH FLOW FROM FINANCING ACTIVITIES

Interest Paid
Dividend Paid
Dividend Tax

NET CASH USED IN FINANCING ACTIVITY

NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C)

OPENING BALANCE OF CASH & CASH EQUIVALENTS

Cash & Bank Balances
Cash Credit account

CLOSING BALANCE OF CASH & CASH EQUIVALENTS

Cash & Bank Balances
Cash Credit account

Rupees	31.03.2009 Rupees	31.03.2008 Rupees
	7,209,058	11,076,018
1,608,672		1,667,511
(381,369)		(366,744)
(3,584,440)		(3,389,600)
(43,999)		—
—		(97,957)
100,931		153,951
	(2,300,205)	(2,032,839)
	4,908,853	9,043,179
(33,630)		36,920
(39,463,354)		1,321,779
1,253,313		(1,949,887)
(30,254)		(531,020)
—		—
	(38,273,925)	(1,122,208)
	(33,365,072)	7,920,971
	(2,777,349)	(2,955,856)
	(36,142,421)	4,965,115
(4,300,638)		(4,706,914)
270,580		—
59,700,000		44,614,700
(22,457,166)		(42,450,205)
3,584,440		3,389,600
86,418		366,744
	36,883,634	1,213,925
(100,931)		(153,951)
(1,077,419)		(1,076,077)
(183,580)		(183,634)
	(1,361,930)	(1,413,662)
	(620,717)	4,765,378
3,788,211		1,644,583
(1,524,779)		(4,146,529)
	2,263,432	(2,501,946)
1,642,715		3,788,211
—		(1,524,779)
	1,642,715	2,263,432
	(620,717)	4,765,378

- Company has undrawn Borrowings facility amounting to Rs. Nil (Previous year Rs. 8.54 lacs).
- Previous year's figures have been regrouped/ reclassified wherever necessary.

The Schedules referred to above form an integral part of the Balance Sheet

As per our Report of even date.

For and on behalf of
KALYANIWALLA & MISTRY
Chartered Accountants

ERMIN K. IRANI
Partner

Mumbai, Dated: 30th June, 2009

Signatures to Balance Sheet and Schedules 1 to 7 and 14

K. C. Gupte Director

Shekhar Shah Director

Mumbai, Dated: 30th June, 2009

SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET

AS AT 31st MARCH 2009

SCHEDULE 1 :

Share Capital

Authorised :

1,450,000 Equity Shares of Rs.10/-each.

Issued, Subscribed and Paid Up :

10,80,200 Equity Shares of Rs.10/-each fully paid up.

Notes :

Of the above:

- (a) 20,000 Equity Shares have been allotted as fully paid Bonus Shares by capitalization of Share Premium Account.
- (b) 9,40,200 Equity Shares have been issued as fully paid shares pursuant to a Scheme of Amalgamation without payment being received in Cash. (7,35,870 Equity Shares are held by Vibhuti Investments Company Limited - The Holding Company.)

SCHEDULE 2 :

Reserve & Surplus

1. **Share Premium Account :**

Balance as per last Balance Sheet

- ## 2. Capital Redemption Reserve :

Balance as per last Balance Sheet

- ### 3. General Reserve :

Balance as per last Balance Sheet

Add : Transferred from Profit & Loss Account

- #### 4. Profit and Loss Account

SCHEDULE 3 :

Secured Loans

Cash Credit from a Bank

	31.03.2009	31.03.2008
Rupees	Rupees	Rupees
	14,500,000	14,500,000
	14,500,000	14,500,000
	10,802,000	10,802,000
	10,802,000	10,802,000
	3,411	3,411
	4,500	4,500
50,000,000		40,500,000
5,000,000		9,500,000
	55,000,000	50,000,000
	49,827,141	50,742,713
	104,835,052	100,750,624
		1,524,779
		1,524,779

SCHEDULE 4 :
Fixed Assets

ASSET	GROSS BLOCK				DEPRECIATION				NETBLOCK	
	As at 01.04.2008	Additions	Deduction	As at 31.03.2009	As at 01.04.2008	For the Year	Deduction	As at 31.03.2009	As at 31.03.2009	As at 31.03.2008
Land (Freehold)	71,093	—	—	71,093	—	—	—	—	71,093	71,093
Buildings	45,762,253	4,300,638	—	50,062,891	15,419,057	1,376,258	—	16,795,315	33,267,576	30,343,196
Plant & Machinery	126,025	—	—	126,025	60,088	3,234	—	63,322	62,703	65,937
Computers	46,850	—	—	46,850	23,253	7,594	—	30,847	16,003	23,597
Furniture & Fixtures	3,167,836	—	—	3,167,836	346,307	192,757	—	539,064	2,628,772	2,821,529
Motor Vehicle	303,458	—	303,458	—	48,048	28,829	76,877	—	—	255,410
TOTAL :	49,477,515	4,300,638	303,458	53,474,695	15,896,753	1,608,672	76,877	17,428,548	36,046,147	33,580,762
Previous Year	44,770,601	4,706,914	—	49,477,515	14,229,242	1,667,511	—	15,896,753	33,580,762	—

SCHEDULE 5 :
INVESTMENTS

Long Term (At Cost)

Trade

In Equity Shares

Quoted

VIP Industries Ltd.

3,75,758 (Previous year 3,75,758) Equity Shares of Rs.10/-each fully paid.

Unquoted

Vibhuti Investment Company Limited

1,770 (Previous year 1,770) Equity Shares of Rs.10/-each fully paid .

Alcon Finance and Investment Limited.

10 (Previous Year 10) Equity Shares of Rs.10/- each fully paid .

Dynamic Fabrica Pvt. Ltd.

5,71,230 (Previous year 5,71,230) Equity Shares of Rs.10/-each fully paid

Short term

Investment in Mutual Fund (Unquoted)

Kotak Flexi Debt -Liquid Fund

(3729912 opening units, 1998641 units purchased, 244973 unit accumulated and 5956333 units sold during the year) (Nav Rs. 1,72,290/-)

Aggregate amount of Quoted Investments

Aggregate amount of Unquoted Investments

Aggregate market value of Quoted Investments

**31.03.2009
Rupees**

 31.03.2008
Rupees

34,569,736

34,569,736

17,700

17,700

100

100

371,300

371,300

172,290

37,415,124

35,131,126

72,373,960

34,569,736

34,569,736

561,390

37,804,224

35,131,126

72,373,960

12,700,620

35,565,495

SCHEDULE 6 :

CURRENT ASSETS LOANS AND ADVANCES

	31.03.2009 Rupees	31.03.2008 Rupees
1. Inventories (At lower of cost or net realizable value)		
Trading Goods	4,924,724	6,178,037
2. Sundry Debtors (Unsecured and considered good)		
Debts outstanding for a period exceeding six months	1,121,983	1,121,983
Others Debts	180,030	146,400
	<u>1,302,013</u>	<u>1,268,383</u>
3. Cash & Bank Balances :		
Cash and Cheque on Hand	48,000	48,000
Remittance in Transit	—	1,103,524
With Scheduled Banks in Current Accounts	1,564,597	2,606,569
in Deposit accounts (Pledged with Sales Tax Authority Rs.30,118/- Previous Year Rs. 30,118/-)	30,118	30,118
	<u>1,642,715</u>	<u>3,788,211</u>
4. Interest Receivable	320,043	25,092
5. Loans & Advances (Unsecured and considered good, unless otherwise stated)		
Advances recoverable in cash or kind or for value to be received	41,776,154	2,268,540
Advance Payment of Income Tax & Tax Deducted at source (Net of provision of Rs. 62,96,030/-, previous year Rs. 2,04,71,571/-)	3,441,478	2,458,301
Balances with Excise Department	500,000	500,000
Deposits	913,940	958,200
	<u>46,631,572</u>	<u>6,185,041</u>
	<u>54,821,067</u>	<u>17,444,764</u>

SCHEDULE 7 :

Current Liabilities & Provisions

1. Liabilities		
Sundry Creditors	—	—
Dues to Small Scale Industrial Undertakings	—	—
Others	7,728,564	8,245,195
Investor Education & Protection Fund	—	—
Other Liabilities	933,370	616,073
Deposits	27,326	45,846
Unclaimed Dividend	61,427	58,646
	<u>8,750,687</u>	<u>8,965,760</u>

2. Provisions :

For Gratuity	517,000
For Leave Encashment	133,000
For Proposed Dividend	1,080,200
For Tax on distributed Profit	<u>183,580</u>

31.03.2009 Rupees	31.03.2008 Rupees
517,000	375,000
133,000	87,400
1,080,200	1,080,200
<u>183,580</u>	<u>183,580</u>
1,913,780	1,726,180
<u>10,664,467</u>	<u>10,691,940</u>

SCHEDULES ANNEXED TO AND FORMING PART OF PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31st MARCH 2009

SCHEDULE 8 :
Property Income

Rent (Tax deducted at source Rs. 10,56,067/-, Previous year Rs. 10,40,266/-)	4,635,768	4,635,768
	<u>4,635,768</u>	<u>4,635,768</u>

31.03.2009 Rupees	31.03.2008 Rupees
4,635,768	4,635,768
<u>4,635,768</u>	<u>4,635,768</u>

SCHEDULE 9 :
Other Income

Interest (Tax deducted at source Rs.86,418/- Previous Year Rs. 75,655/-)	381,369	366,744
Dividend on Investments	3,584,440	3,389,600
Miscellaneous Receipt (Tax deducted at source Rs. 15,43,622/-, Previous Year Rs.15,05,119/-)	6,707,304	6,830,721
Profit on Sale of Fixed Assets	<u>43,999</u>	<u>—</u>
	<u>10,717,112</u>	<u>10,587,065</u>

31.03.2009 Rupees	31.03.2008 Rupees
381,369	366,744
3,584,440	3,389,600
6,707,304	6,830,721
<u>43,999</u>	<u>—</u>
<u>10,717,112</u>	<u>10,587,065</u>

SCHEDULE 10:
Cost of Goods Sold

Purchase for Resale	35,993,467	42,893,623
Decrease / (Increase) in Inventory :		
Opening Stock	6,178,037	4,228,150
Less: Closing Stock	<u>4,924,724</u>	<u>6,178,037</u>
	<u>1,253,313</u>	<u>(1,949,887)</u>
	<u>37,246,780</u>	<u>40,943,736</u>

31.03.2009 Rupees	31.03.2008 Rupees
35,993,467	42,893,623
6,178,037	4,228,150
<u>4,924,724</u>	<u>6,178,037</u>
<u>1,253,313</u>	<u>(1,949,887)</u>
<u>37,246,780</u>	<u>40,943,736</u>

SCHEDULE 11 :**Payment and Provisions For Employees**

	31.03.2009 Rupees	31.03.2008 Rupees
Salaries, Wages, Bonus & Gratuity	5,386,817	2,490,157
Contribution to Provident Fund & Other Funds	101,024	88,532
Staff Welfare Expenses	111,803	105,427
	<u>5,599,644</u>	<u>2,684,116</u>

SCHEDULE 12 :**Other Expenses**

Insurance	23,623	43,641
Rates & Taxes	8,832,376	9,059,275
Repairs & Maintenance:		
Building	228,272	364,920
Others	194,904	153,627
	<u>423,176</u>	<u>518,547</u>
Rent	20,248	20,248
Electricity charges	640,229	498,749
Housekeeping & Maintenance	621,853	1,000,446
Telephone Expenses	193,102	187,185
Legal & Professional Charges	163,414	777,129
Security service charges	1,371,701	1,414,165
Travelling	45,034	8,809
Human Resources Procurement	978,618	761,185
Directors Fees	153,000	60,000
Auditors Remuneration :		
Audit Fees	35,000	35,000
Audit under other statutes	5,000	5,000
Certification Charges	—	35,000
Service Tax	4,120	4,944
	<u>44,120</u>	<u>79,944</u>
Administrative and Miscellaneous Expenses	1,195,641	894,424
	<u>14,706,135</u>	<u>15,323,747</u>

SCHEDULE 13 :**Interest**

To a Bank	100,931	153,951
	<u>100,931</u>	<u>153,951</u>

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2009
AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009.****Schedule 14****Notes to Accounts.****1. Significant Accounting Policies.****1.1 Basis of Accounting:**

The financial statements are prepared under the historical cost convention on an accrual basis.

1.2 Fixed Assets:

- Fixed Assets are stated at cost and include all incidental and/or installation expenses incurred for putting the assets to use.
- Compensation paid to obtain possession of tenanted premises is capitalised under Buildings.
- Carrying amount of cash generating units/assets are reviewed at balance sheet date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount is estimated as the net selling price or value in use, whichever is higher. Impairment loss, if any, is recognized whenever carrying amount exceeds the recoverable amount.

1.3 Depreciation:

The Company provides for depreciation at the rates prescribed under Schedule XIV of the Companies Act, 1956 as under

- Building, Furniture and Fixtures acquired before 1st April 1981 on Written Down Value Method and on other assets on Straight Line Method.
- Compensation paid to obtain possession of tenanted premises on Written Down Value Method.
- No write off are made in respect of Leasehold land.

1.4 Investments.

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

1.5 Inventories.

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

1.6 Retirement Benefits.

The Company's Contribution to Provident Fund is made on an accrual basis and is charged to revenue every year. The liability in respect of Leave encashment and Gratuity on retirement of employees is provided on the basis of actuarial valuation.

1.7 Impairment of Assets

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

1.8 Borrowing Costs:

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

1.9 Taxation:

Provision for Income tax is made on the basis of estimated taxable income for the accounting year in accordance with the Income Tax Act, 1961.

Deferred tax assets and liabilities are based on temporary difference between the value of assets & liabilities recorded in the financial statements and those used for tax purposes. Tax rates applicable to future periods are used to calculate year-end deferred income tax amounts.

A valuation allowance is recorded against deferred tax assets resulting from net operating losses and deductible temporary differences when their future realization is not likely.

Provision for Fringe Benefit Tax is determined at current applicable rates on expenses falling within the ambit of "Fringe Benefit" as defined under the Income Tax Act, 1961.

1.10 Revenue Recognition:

Sales are recognized on delivery of goods to customers and are inclusive of value added tax.

1.11 Earnings Per Share

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

1.12 Provisions

Provisions are recognized in the accounts in respect of present probable obligations, the amount of which can be reliably estimated.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

2. Contingent Liabilities not provided for:

- 2.1 Central Excise demand disputed by the Company and matter is pending with Custom Excise Service Tax Appellate Tribunal: Rs. 11.18 lacs (Previous year Rs. 11.18 lacs).
- 2.2. Guarantee given by the Company to a financial institution for loan given to the Holding Company of Rs. 114.41 lacs (Previous year Rs. 858.10 lacs) together with interest and other monies due, if any.
- 2.3. Municipal (Property) tax demand disputed : Rs. 3244.55 lacs (Previous year Rs. 2242.66 lacs)
- 2.4. Company has given a surety in favour of Sale Tax for Rs. 1 lacs (Previous year Rs. 1 lacs) on behalf of VIP Industries Ltd.

3. BMC's notification dated 16.03.2002 regarding revision in Ratable Value was challenged by the Company in a Writ Petition, where upon BMC withdrew the notification on 23.10.2002 as per the order of the High Court.

Company filed an appeal in Small Causes Court against this enhanced Ratable Value fixed by the Investigating Officer. Small Causes Court by ordered dated 14.03.2005 quashed the order of BMC and ordered restoration of the earlier Ratable Values, until these are revised by the BMC as per the Law.

BMC has filed an appeal no.142 of 2005 in the High Court against the order of Small Causes Court, which is pending.

In the meanwhile, Company has been making Municipal (Property) Tax payment based on Old Relatable Values.

4. The Company has provided security to Housing Development Corporation Ltd by creating a mortgage by deposit of title deed of its property situated at Prabhadevi, Mumbai for a loan of Rs. 15 Crore and interest due thereon given to Vibhuti Investments Company Ltd, the Holding Company.**5. Sales Includes Value Added Tax of Rs. 51,41,221/- (Previous year Rs. 59,65,501/-).**

6. Information about Business Segment

	31.03.2009			31.03.2008		
	TRADING ACTIVITY	REAL ESTATE	TOTAL	TRADING ACTIVITY	REAL ESTATE	TOTAL
a) REVENUE FROM OPERATIONS						
Gross Revenue	51,118,340	4,635,768	55,754,108	56,626,246	4,635,768	61,262,014
Other Income from Operations	43,999	6,707,304	6,751,303	97,001	6,738,820	6,835,821
SEGMENT REVENUE	51,162,339	11,343,072	62,505,411	56,723,247	11,374,588	68,097,835
Add : Other Unallocated Income			3,965,809			3,751,244
			66,471,220			71,849,079
Less : Inter Transfer Segment Revenue			—			—
NET SALES / INCOME FROM OPERATIONS (As per Profit & Loss Account)			66,471,220			71,849,079
b) RESULTS FROM OPERATIONS						
Profit before Corporate /Common Expenses	4,657,162	4,992,729	9,649,891	5,704,126	5,187,464	10,891,590
Interest, Depreciation and Amortization						
Less : Non cash expenses						
— Depreciation	28,829	1,572,249	1,601,078	30,981	1,628,936	1,659,917
SEGMENT RESULTS	4,628,333	3,420,480	8,048,813	5,673,145	3,558,528	9,231,673
(Profit before Corporate/common expenses and interest)						
Less : Depreciation in respect of Common / Corporate Assets			7,594			7,594
Interest			100,931			153,951
Other Unallocated Corporate / Common expenses			4,697,040			1,745,355
			3,243,248			7,324,774
Add : Other Unallocated Income			3,965,810			3,751,244
PROFIT / (LOSS) BEFORE TAX			7,209,058			11,076,018
— Current Tax			1,276,500			2,774,000
— Deferred Tax			66,678			196,120
— Fringe Benefit Tax			88,700			40,416
— Excess/ (Short) Provision for Tax			428,972			25,303
PROFIT / (LOSS) AFTER TAX (As per Profit & Loss Account)			5,348,208			8,040,179
c) CAPITAL EMPLOYED (at the end of the year)						
Segment Assets	6,739,115	39,547,202	46,286,317	9,115,023	37,427,633	46,542,656
Segment Liabilities	6,563,156	1,051,705	7,614,861	8,800,564	191,710	8,992,274
SEGMENT CAPITAL EMPLOYED (Segment Assets - Segment Liabilities)	175,959	38,495,497	38,671,456	314,459	37,235,923	37,550,382
Unallocated corporate Assets			51,180,126			25,324,297
Unallocated corporate liability			(9,345,657)			(23,696,016)
Investments			35,131,126			72,373,960
Deferred Revenue Expenditure			—			—
TOTAL CAPITAL EMPLOYED (NET ASSETS) (as per Balance Sheet)			115,637,052			111,552,624

Notes :

1. The Company has identified the following segment :

- 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.

These segments have been identified considering the organizational structure, internal financial reporting system, and the risk-return profiles of the business.

2. Segment results/assets & liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

3. All of the Company's operations are conducted in India. The Commercial risk and returns involved on the basis of geographic segmentation are relatively insignificant. Accordingly, secondary-segment disclosures based on geographic segments are not considered relevant.

7. Related Party Disclosures:

(a) Names of Related parties		Nature of Relationship	
1. Vibhuti Investments Company Ltd.		Shareholder, having Control (Holding Company)	
2. Kiddy Plast Ltd.		Fellow Subsidiary	
(b) Transactions with related parties that have taken place during the year			
Particulars		Holding Co.	Fellow Subsidiary
Rent & Other Charges Recovered		1,13,43,072	-
		(1,13,43,072)	(-)
Guarantees outstanding		1,14,40,529	
		(8,58,09,965)	(-)

8. Earnings per Share:

	Current Year	Previous Year
Profits after tax	53,48,208	80,40,179
Number of Equity Shares		
At the end of the year	10,80,200	10,80,200
Weighted average outstanding during the year	10,80,200	10,80,200
Basic and Diluted Earning per share (before and after Extra-ordinary items) (Rs.)	4.95	7.44
Nominal Value per Share (Rs.)	10/-	10/-

9. Deferred Tax

The tax effect of significant temporary differences that resulted in deferred tax assets and liabilities are:

	Current Year	Previous Year
Depreciation on Fixed Assets	(23,295)	1,949
Others (net)	3,26,475	3,67,908
Deferred Tax Assets	3,03,179	3,69,857

10. Employees Benefits:

The Disclosures as required under the revised AS 15 are as under:

a) Defined Contribution Plan:

The Contribution to Defined contribution plan, recognized as expenses for the year is as under:

Employers' Contribution to Provident Fund **Rs.63,861/-** (Previous year Rs.79,718/-)

b) Disclosure for defined benefit plans based on actuarial report as on 31/03/2009.

Particulars	Current Year		Previous Year	
	Gratuity (Non-Funded Plan)	Leave Encashment (Non-Funded Plan)	Gratuity (Non-Funded Plan)	Leave Encashment (Non-Funded Plan)
(i) Assumptions:				
Discount Rate	8%	8%	8%	8%
Rate of increase in Compensation levels	5%	5%	6%	6%

Particulars	Current Year		Previous Year	
	Gratuity (Non-Funded Plan)	Leave Encashment (Non-Funded Plan)	Gratuity (Non-Funded Plan)	Leave Encashment (Non-Funded Plan)
(ii) Change in Benefit Obligation				
Liability at the beginning of the year	3,75,000	87,400	3,71,000	84,700
Interest Cost	30,000	6,992	29,680	6,715
Current Service Cost	31,837	12,203	22,707	6,438
Benefit Paid	—	—	—	(1,518)
Actuarial (gain)/loss on obligations	80,163	26,405	(48,387)	(8,935)
Liability at the end of the year	5,17,000	1,33,000	3,75,000	87,400
(iii) Fair Value of Plan Assets				
Fair Value of Plan Assets at the beginning of the year	—	—	—	—
Expected Return on Plan Assets	—	—	—	—
Contributions	—	—	—	1,518
Benefit Paid	—	—	—	(1,518)
Gain/(Loss) on plan Assets	—	—	—	—
Fair Value of plan Assets at the end of the year	—	—	—	—
(iv) Change in Plan Assets				
Fair Value of Plan Assets at the beginning of the year	—	—	—	—
Actual return on Plan Assets	—	—	—	—
Contributions /Transfers	—	—	—	1,518
Benefits Paid	—	—	—	(1,518)
Fair Value of Plan Assets at the end of the year	—	—	—	—
Excess of actual over expected return on Plan Assets	—	—	—	—
(v) Funded Status	(5,17,000)	(1,33,000)	(3,75,000)	(87,400)
(vi) Limit of corridor not considered since total actuarial gain/loss is being recognized as on 31.03.2008				
Actuarial gain/(loss) for the year – Obligation	(80,163)	(26,405)	48,387	8,935
Actuarial gain/(loss) for the year – Plan Assets	—	—	—	—
Actuarial (gain)/loss recognized	80,163	26,405	(48,387)	(8,935)
Unrecognised actuarial gain/(loss) at the end of the year	—	—	—	—
(vii) The Amount to be recognized in Balance Sheet and Income Statement and related analysis				
Present Value of Obligation	5,17,000	1,33,000	3,75,000	87,400
Fair Value of Plan Assets	—	—	—	—
Difference	5,17,000	1,33,000	3,75,000	87,400
Unrecognised Actuarial Gains/(losses)	—	—	—	—
Unrecognised Transitional Liability	—	—	—	—
Liability Recognised in the Balance Sheet	5,17,000	1,33,000	3,75,000	87,400
(viii) Net Periodic Cost				
Current Service cost	31,837	12,203	22,707	6,438
Interest Cost	30,000	6,992	29,680	6,715
Expected Return on Plan Assets	—	—	—	—
Net Actuarial (gain)/loss recognized in the year	80,163	26,405	(48,387)	(8,935)
Expenses recognised in the Income statement	1,42,000	45,600	4,000	4,218

Particulars	Current Year		Previous Year	
	Gratuity (Non-Funded Plan)	Leave Encashment (Non-Funded Plan)	Gratuity (Non-Funded Plan)	Leave Encashment (Non-Funded Plan)
(ix) Movements in the liability recognised in the Balance sheet				
Opening Net Liability	3,75,000	87,400	3,71,000	84,700
Expenses as above	1,42,000	45,600	4,000	4,218
Contributions /Transfers	—	—	—	(1,518)
Closing Net Liability	5,17,000	1,33,000	3,75,000	87,400

11. The Company derives income from real estate under monthly tenancy agreements. The Company contends that such agreements are not in the nature of lease agreements covered under Accounting Standard (AS) 19, "Leases", issued by the Institute of Chartered Accountants of India. Hence, the standard is not applicable.
12. There are no dues to the micro, small & medium enterprise. This disclosure is based on the information available with the Company and has been relied upon by the Auditors.
13. Details of Production, Turnover, Stock etc.

Product	Unit	Opening Stock		Purchases of Finished Goods		Turnover		Closing Stock	
		Quantity	Value (Rs.)	Quantity	Value (Rs.)	Quantity	Value (Rs.)	Quantity	Value (Rs.)
Luggage	Nos.	2,771 (1,530)	61,78,037 (42,28,150)	15,134 (21,652)	3,59,93,467 (4,28,93,623)	16,069 (20,411)	5,11,18,340 (5,66,26,246)	1,809 (2,771)	49,24,724 (61,78,037)

Previous Year's figures are indicated within brackets.

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

As per our Report of even date

For and on behalf of

KALYANIWALLA & MISTRY
Chartered Accountants

ERMIN K. IRANI
Partner

Mumbai, Dated: 30th June, 2009

For and on behalf of the Board of Directors

K. C. Gupte

Director

Shekhar Shah

Director

Mumbai, Dated: 30th June, 2009

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
I REGISTRATION DETAILS

Registration No. State Code
 Balance Sheet Date

II Capital raised during the year (Amount in Rs. thousand)

Public Issue Right Issue
 Bonus Issue Private Placement

III Position of Mobilisation and Deployment of Funds (Amount in Rs. thousand)

Total Liability Total Assets

Sources of Funds

Paid-up Capital Reserve & Surplus
 Secured Loans Unsecured Loans

Application of Funds

Net Fixed Assets Investments
 Net Current Assets Misc. Expenditure
 Accumulated Losses Deferred Tax

IV Performance of the Company (Amount in Rs. Thousand)

Turnover Total Expenditure
 Profit/(Loss) Before Tax Profit / (Loss) After Tax
 (Tick appropriate box ☐ for profit, ☐ for Loss)
 Earning Per Share Rs. Dividend Rate

V Generic Names of Three Principle Product / Services of Company :

Item Code No. (ITC Code)
 Product description
 Item Code No. (ITC Code)
 Product description
 Item Code No. (ITC Code)
 Product description

For and on behalf of the Board of Directors

K. C. Gupte

Director

Shekhar Shah

Director

Mumbai, Dated: 30th June, 2009

KEMP & COMPANY LIMITED

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

ATTENDANCE SLIP

128th Annual General Meeting on Friday, the 25th September, 2009, at 11.00 a.m.

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Joint Shareholders may obtain additional Attendance Slips on request

NAME & ADDRESS OF THE SHAREHOLDER	L.F. NO./DP. ID & CL. ID	NO. OF SHARES

I certify that I am the registered shareholder/proxy for the registered shareholder of the Company.

I hereby record my presence at the 128th Annual General Meeting of the Company at "NIWEC", P-29, Street 14, MIDC, Satpur, Nashik - 422 007 on Friday, the 25th September, 2009, at 11.00 a.m.

SIGNATURE OF THE SHAREHOLDER OR THE PROXY ATTENDING THE MEETING

If Shareholder, please sign here	If Proxy, please sign here

----- TEAR HERE -----

KEMP & COMPANY LIMITED

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

PROXY FORM

L. F. NO./DP. ID & CL. ID:

I/We..... of in the district of.....being a member/member(s) of V.I.P. INDUSTRIES LIMITED, hereby appoint.....of..... in the district of..... or failing him/her.....of..... in the district of..... as my/our proxy to attend and vote for me/us on my/our behalf at the 128th Annual General Meeting of the Company to be held on Friday, the 25th day of September, 2009 at 11.00 a.m. at "NIWEC", P-29, Street 14, MIDC, Satpur, Nashik - 422 007 and at any adjournment(s) thereof.

Signed this day of 2009.

Affix a
Re. 1
Revenue
Stamp

(Signature of the Shareholder)

NOTE : This Proxy Form in order to be effective must be deposited, duly completed at the Registered Office of the Company, not less than 48 hours before the commencement of the aforesaid Meeting.

BOOK-POST

Under Certificate of Posting

If undelivered, please return to :

KEMP & COMPANY LIMITED

INVESTORS' SERVICES DEPARTMENT
DGP House, 88-C, Old Prabhadevi Road,
Mumbai - 400 025, Maharashtra.