

130th Annual Report
2010-2011

KEMP

KEMP & COMPANY LIMITED

130th Annual Report

Board of Directors

Mr. Maneck Davar

Mr. M. K. Arora (w.e.f. 30.5.2011)

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 the 130th Annual General Meeting of the Members of Kemp & Company Limited will be held at the Registered Office of the Company at 78 A, MIDC Estate, Satpur, Nashik – 422 007, on Thursday the 29th September, 2011 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, 2011 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. Maneck Davar, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration, and for the purpose, consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s Kalyaniwalla & Mistry, Chartered Accountants having Registration No. 104607W, 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 the 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. M. K. Arora, who was appointed as an Additional Director of the Company by the Board of Directors at its meeting held on 30th May, 2011 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. M. K. Arora 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

M. K. Arora
Director

Registered Office:
78-A, MIDC Estate
Satpur
Nashik – 422 007
Date: 30th May, 2011

ANNEXURE TO NOTICE

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

ITEM NO. 5

Mr. M. K. Arora was appointed as an Additional Director of the Company by the Board of Directors at its meeting held on 30th May, 2011 under Section 260 of the Companies Act, 1956. Mr. Arora 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. M. K. Arora as a Director of the Company.

Mr. Arora is 68 years of age and is having experience of more than 4 decades in the Corporate Law 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. M. K. Arora is in any way, concerned or interested or deemed to be concerned or interested in passing the above resolution.

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 20th September, 2011 to Thursday, the 29th September, 2011 (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 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, a 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 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 2003-2004 onwards are requested to make their claims to the Company accordingly, without any delay. It may be noted that the unclaimed dividend for the financial year 2003-2004 is due for transfer to the Fund on 17th November, 2011.
- 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 130th Annual Report on the affairs of the Company together with the Audited Statement of Accounts for the year ended 31st March, 2011:

Financial Results

(Amount in Rupees)

	Year ended 31.3.2011	Year ended 31.3.2010
Sales & Other Income	71,571,562	68,242,693
Gross Profit	14,570,025	12,248,492
Depreciation	1,836,482	1,613,258
Interest	-	-
Profit before Tax	12,733,543	10,635,234
Provision for Tax (Net of Deferred Tax & Fringe Benefit Tax)	3,244,461	2,978,045
Profit / (Loss) after Tax	9,489,082	7,657,189
Prior year Adjustments	(133,109)	227,963
Profit brought forward from previous year	51,452,685	49,827,141
Profit available for appropriation	60,808,658	57,712,293
APPROPRIATIONS:		
Proposed Dividend	1,080,200	1,080,200
Tax on Proposed Dividend	175,235	179,408
Transfer to General Reserve	5,000,000	5,000,000
Balance transferred to Balance Sheet	54,553,223	51,452,685
	60,808,658	57,712,293

Overall Performance and Outlook

During the year under review, while the Sales and Other Income recorded improvement of 4.88% from Rs. 68,242,693/- to Rs. 71,571,562/-, the profit after tax recorded increase of 23.92% from Rs. 7,657,189/- to Rs. 9,489,082/-. The profit before Tax for the year ended 31st March, 2011 was at Rs. 12,733,543/- (previous year Rs. 10,635,234/-).

The outlook for the coming year is favourable.

Reserves of the Company was at Rs. 119,561,134/- as on 31st March, 2011.

Dividend

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

Directors' Responsibility Statement

Pursuant to the requirements under section 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 2011, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- 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.
- 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, 2011 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. M. K. Arora was appointed as an Additional Director of your Company with effect from 30th May, 2011 and holds office till the conclusion of the ensuing Annual General Meeting. The approval of Shareholders is being sought to the appointment of Mr. M. K. Arora as a Director of your Company at the ensuing Annual General Meeting.

Mr. K. C. Gupte has resigned as the Director of your Company with effect from 31st March, 2011. Your Directors do place on record its appreciation for the valuable services rendered by Mr. K. C. Gupte during his tenure as Director.

Mr. Maneck Davar, Director retires by rotation and being eligible offers himself for re-appointment. A proposal for reappointment of Mr. Maneck Davar 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.

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.

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 the provisions of the Companies Act, 1956, is annexed 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

M. K. Arora
Director

Ranjan Sanghi
Director

Registered Office :

78A, MIDC Estate, Satpur
Nashik -422 007

Date: 30th May, 2011

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 the Company for the financial year ended on 31st March 2011. 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 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 Four times respectively on 26th May, 2010, 12th August, 2010, 9th November, 2010, 11th February, 2011, 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 10th August, 2010 to 20th August, 2010 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, 2011 was held on 20th August, 2010 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 a period 30 days from the date of declaration.
 - (iv) Transferred the amounts in unpaid account to the Investor Education & 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 dividends/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 31-03-2011 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 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 Article 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 punishments 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 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 May, 2011

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. Registers 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 Investments u/s.49.

Annexure B

Forms and Returns as titled by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2010.

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.	Form No. 66	383A	2009-2010	06/09/2010	Yes	No
2.	Form No. 23AC	220	2009-2010	13/09/2010	Yes	No
3.	Annual Return	159	2009-2010	18/10/2009	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 2011, 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) Without qualifying our opinion, attention is invited to note no.12 of Schedule 12, 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 as read with para 4(d) above.
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, 2011; 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, 2011, and taken on record by the Board of Directors, we report that, none of the directors is disqualified as on 31st March, 2011 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

KALYANIWALLA & MISTRY
 CHARTERED ACCOUNTANTS
 Firm Registration No.104607W

ERMIN K. IRANI

Partner

Membership No: 35646

Place: Mumbai

Dated: 30th May, 2011

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 rate 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 rate 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 the particulars of contracts and arrangements referred to in section 301 of the Companies Act, 1956 are entered in the register required to be maintained under that section.
(b) The transactions made in pursuance of such contracts or arrangements and exceeding the value of Rs. 500,000 with any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time, where comparable market prices exist. For the use of common facilities, the Company recovers from a company listed in the register maintained under section 301 of the Act, its share of various common expenses incurred by the Company.
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 2011 for a period of more than six months from the date they became payable other than the following :

Name of Statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates
Central Excise Act, 1944	Service Tax	3,07,044/-	1/06/2010 to 30/09/2010

- (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
Central Excise Act, 1944	Excise Duty	6,18,000/-	1/03/1986 – 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
Firm Registration No. 104607W

ERMIN K. IRANI
PARTNER
Membership No: 35646

Place: Mumbai

Dated: 30th May, 2011

BALANCE SHEET

AS AT 31ST MARCH 2011

	Schedule	Rupees	31.03.2011 Rupees	31.03.2010 Rupees
SOURCES OF FUNDS :				
1 Shareholders Funds				
a. Share Capital	1	10,802,000		10,802,000
b. Reserves and Surplus	2	119,561,134		111,460,596
			130,363,134	122,262,596
			130,363,134	122,262,596
APPLICATION OF FUNDS :				
1 Fixed Assets :				
a. Gross Block	3	55,832,882		55,853,391
b. Less: Depreciation		20,818,109		19,041,806
c. Net Block			35,014,773	36,811,585
2 Investments	4		80,539,754	82,306,536
3 Deferred Tax Asset (Net)			256,673	246,134
4 Current Assets, Loans & Advances:	5			
a. Inventories		6,013,012		5,167,099
b. Sundry Debtors		57,427,408		1,496,937
c. Cash and Bank Balances		14,768,743		2,272,577
d. Other Current Assets		25,092		25,092
e. Loans and Advances		3,428,255		4,231,092
		81,662,510		13,192,797
Less : Current Liabilities & Provisions	6			
a. Current Liabilities		64,822,141		8,106,848
b. Provisions		2,288,435		2,187,608
		67,110,576		10,294,456
Net Current Assets			14,551,934	2,898,341
			130,363,134	122,262,596
Notes to Accounts :	12			

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

Signatures to Balance Sheet and Schedules 1 to 6 and 12

As per our Report of even date.

For and on behalf of
KALYANIWALLA & MISTRY
Chartered Accountants

Ranjan Sanghi Director

Shekhar Shah Director

ERMIN K. IRANI
Partner

Maneck Davar Director

Membership No.35646
Mumbai , Dated : 30th May, 2011

Mumbai , Dated : 30th May, 2011

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH 2011

	Schedule		For The Year Ended 31.03.2011	31.03.2010
		Rupees	Rupees	Rupees
INCOME :				
Sales (Refer Note 5 of Schedule 12)			55,799,212	52,435,932
Property Income	7	4,635,768		4,635,768
Other Income	8	11,136,582		11,170,993
			15,772,350	15,806,761
			71,571,562	68,242,693
EXPENDITURE :				
Cost of Goods sold	9	34,192,309		33,576,788
Payment & Provisions for Employees	10	5,977,367		6,354,768
Other Expenses	11	16,831,861		16,062,645
Depreciation		1,836,482		1,613,258
			58,838,019	57,607,459
Profit before Tax			12,733,543	10,635,234
Provision for Taxation				
Current Tax		3,255,000		2,921,000
Deferred Tax		(10,539)		57,045
			3,244,461	2,978,045
Profit after Taxation			9,489,082	7,657,189
(Short) / Excess Provision of Taxation of earlier years			(133,109)	227,963
			9,355,973	7,885,152
Surplus Brought Forward from previous year			51,452,685	49,827,141
Amount available for Appropriations			60,808,658	57,712,293
APPROPRIATIONS :				
Proposed Dividend			1,080,200	1,080,200
Corporate Dividend Tax			175,235	179,408
Transfer to General Reserve			5,000,000	5,000,000
Balance transferred to Balance Sheet			54,553,223	51,452,685
			60,808,658	57,712,293
Basic and Diluted earning per share. - Rs.			8.66	7.30
(Refer Note 9 of Schedule 12)				
Notes to Accounts :	12			

The Schedules referred to above form an integral part of the Profit & Loss Account

Signatures to Profit & Loss Account and Schedules 7 to 12

As per our Report of even date.

For and on behalf of
KALYANIWALLA & MISTRY
Chartered Accountants

Ranjan Sanghi Director

Shekhar Shah Director

ERMIN K. IRANI
Partner

Maneck Davar Director

Membership No.35646
Mumbai , Dated : 30th May, 2011Mumbai , Dated : 30th May, 2011

CASH FLOW STATEMENT

AS ON 31.03.2011

	Rupees	31.03.2011 Rupees	31.03.2010 Rupees
A) CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before tax		12,733,543	10,635,234
Adjustment for:			
Depreciation	1,836,482		1,613,258
Interest Income	(253,692)		(2,321,919)
Dividend Income	(4,135,564)		(1,815,765)
Profit on sale of Mutual Fund	(40,022)		-
Sundry Balances return back	3,567		-
		(2,589,229)	(2,524,426)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		10,144,314	8,110,808
ADJUSTMENTS FOR WORKING CAPITAL CHANGES :			
Trade & Other Receivables	(55,811,550)		(194,924)
Loans & Advances	(321,232)		41,602,298
Inventories	(845,913)		(242,375)
Trade Payable	56,804,878		(376,528)
		(173,817)	40,788,471
Cash Generated from Operations		9,970,497	48,899,279
Direct Taxes paid		(2,264,040)	(1,894,855)
NET CASH FROM OPERATING ACTIVITIES		7,706,457	47,004,424
B) CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets	(39,670)		(2,378,696)
Redemption of Investments	15,682,393		11,525,524
Purchase of Investments	(13,875,589)		(58,700,934)
Dividend Received	4,135,564		1,815,765
Interest Received	134,771		2,616,870
NET CASH FROM / (USED) IN INVESTING ACTIVITY		6,037,469	(45,121,471)
C) CASH FLOW FROM FINANCING ACTIVITIES			
Dividend Paid	(1,068,352)		(1,069,511)
Dividend Tax	(179,408)		(183,580)
NET CASH USED IN FINANCING ACTIVITY		(1,247,760)	(1,253,091)
NET CHANGES IN CASH & CASH EQUIVALENTS(A+B+C)		12,496,166	629,862
OPENING BALANCE OF CASH & CASH EQUIVALENTS			
Cash & Bank Balances		2,272,577	1,642,715
CLOSING BALANCE OF CASH & CASH EQUIVALENTS			
Cash & Bank Balances		14,768,743	2,272,577
		12,496,166	629,862

Notes:

- The cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (AS) 3 on 'Cash Flow Statement' and presents cash flows by operating, investing and financing activities.
- Previous year's figures have been regrouped/ reclassified wherever necessary.

For and on behalf of
KALYANIWALLA & MISTRY
Chartered Accountants

Ranjan Sanghi Director

Shekhar Shah Director

ERMIN K. IRANI
Partner
Membership No.35646
Mumbai , Dated : 30th May, 2011

Maneck Davar Director

Mumbai , Dated : 30th May, 2011

SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET

AS AT 31ST MARCH 2011

SCHEDULE 1 :**SHARE CAPITAL****Authorized :**

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

31.03.2011**31.03.2010****RUPEES****RUPEES****RUPEES****14,500,000****14,500,000****14,500,000****14,500,000**

Issued, Subscribed and Paid Up :

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

10,802,000**10,802,000**

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.
- (c) 7,35,870 Equity Shares are held by Vibhuti Investments Company Limited - The Holding Company.)

10,802,000**10,802,000****SCHEDULE 2 :****RESERVE & SURPLUS****1. Share Premium Account :**

Balance as per last Balance Sheet

3,411**3,411****2. Capital Redemption Reserve :**

Balance as per last Balance Sheet

4,500**4,500****3. General Reserve :**

Balance as per last Balance Sheet

60,000,000**55,000,000**

Add : Transferred from Profit & Loss Account

5,000,000**5,000,000****65,000,000****60,000,000****4. Profit and Loss Account****54,553,223****51,452,685****119,561,134****111,460,596**

**SCHEDULE 3 :
FIXED ASSETS**

ASSET	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2010	Additions	Deduction	As at 31.03.2011	Up to 01.04.2010	For The Year	Deduction	Up to 31.03.2011	As at 31.03.2011	As at 31.03.2010
TANGIBLE ASSETS										
LAND (FREEHOLD)	71,093	-	-	71,093	-	-	-	-	71,093	71,093
BUILDINGS	52,276,322	-	-	52,276,322	18,182,198	1,589,406	-	19,771,604	32,504,718	34,094,124
AIR CONDITION	126,025	-	57,934	68,091	66,556	3,234	57,934	11,856	56,235	59,469
COMPUTERS	89,763	-	-	89,763	44,777	13,091	-	57,868	31,895	44,986
FURNITURE & FIXTURES	3,228,836	2,950	2,245	3,229,541	732,969	198,028	2,245	928,752	2,300,789	2,495,867
INTANGIBLE ASSETS										
COMPUTER SOFTWARE	61,352	36,720	-	98,072	15,306	32,723	-	48,029	50,043	46,046
TOTAL	55,853,391	39,670	60,179	55,832,882	19,041,806	1,836,482	60,179	20,818,109	35,014,773	36,811,585
PREVIOUS YEAR	53,474,695	2,378,696	-	55,853,391	17,428,548	1,613,258	-	19,041,806	36,811,585	

**SCHEDULE 4 :
INVESTMENTS**

Long Term (At Cost)

Trade

In Equity Shares

Quoted

VIP Industries Ltd.

659,996 (Previous year 659,996) Equity Shares of Rs.10/-each fully paid

**31.03.2011
RUPEES**

 31.03.2010
RUPEES

80,150,654

80,150,654

Unquoted

Vibhuti Investment Company Limited

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

17,700

17,700

Alcon Finance and Investment Limited.

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

100

100

Dynamic Fabrica Pvt. Ltd.

571,230 (Previous year 571,230) Equity Shares of Rs.10/-each fully paid

371,300

371,300

Short term
Investment in Mutual Fund (Unquoted)

Kotak Flexi Debt -Liquid Fund - Dividend Reinvestment Nil units (Previous year 9,999 units), 910,939 units purchased, 8,794 unit reinvested and 929,732 units sold during the year

-

100,310

Birla Sunlife Savings Fund -Dividend Reinvestment Nil units

(Previous year 166,533 units), 449,695 units purchased, 8,676 unit reinvested and 624,904 units sold during the year

-

1,666,472

80,539,754
82,306,536

Aggregate amount of Quoted Investments

80,150,654

80,150,654

Aggregate amount of Unquoted Investments

389,100

2,155,882

80,539,754
82,306,536

Aggregate market value of Quoted Investments

436,950,352

166,483,991

SCHEDULE 5 :

CURRENT ASSETS LOANS AND ADVANCES

1. Inventories

Trading Goods

	31.03.2011	31.03.2010
RUPEES	RUPEES	RUPEES

	6,013,012	5,167,099
--	-----------	-----------

2. Sundry Debtors

(Unsecured and considered good)

Debts outstanding for a period exceeding six months

Others Debts

1,121,983	1,121,983
56,305,425	374,954
57,427,408	1,496,937

3. Cash & Bank Balances :

Cash on Hand

200,029	652,330
---------	---------

With Scheduled Banks
in Current Accounts

in Deposit accounts

(Pledged with Sales Tax Authority Rs.30,118/-

Previous Year Rs. 30,118/-)

14,538,596	1,590,129
30,118	30,118
14,768,743	2,272,577

4. Interest Receivable

25,092	25,092
--------	--------

5. Loans & Advances

(Unsecured and considered good, unless otherwise stated)

Advances recoverable in cash or kind or for value to be received

524,604	173,856
---------	---------

Advance Payment of Income Tax & Tax Deducted at
source (Net of provision of Rs. 6,305,116/-, previous year
Rs.4,439,030/-)

1,519,227	2,643,296
-----------	-----------

Balances with Excise Department

500,000	500,000
---------	---------

Deposits

884,424	913,940
---------	---------

3,428,255	4,231,092
------------------	------------------

81,662,510	13,192,797
-------------------	-------------------

SCHEDULE 6 :
CURRENT LIABILITIES & PROVISIONS
1. Liabilities

	31.03.2011 RUPEES	31.03.2010 RUPEES
Sundry Creditors (Refer note 13 of Schedule 12)	6,663,206	6,974,907
Dues to Investor Education & Protection Fund	-	-
Other Liabilities	58,059,471	1,032,499
Deposits	15,500	27,326
Unclaimed Dividend	83,964	72,116
	64,822,141	8,106,848

2. Provisions :

For Gratuity	817,000	753,000
For Leave Encashment	216,000	175,000
For Proposed Dividend	1,080,200	1,080,200
For Tax on distributed Profit	175,235	179,408
	2,288,435	2,187,608
	67,110,576	10,294,456

**SCHEDULES ANNEXED TO AND FORMING PART OF PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 2011**
SCHEDULE 7 :
PROPERTY INCOME

	31.03.2011 RUPEES	31.03.2010 RUPEES
Rent (Tax deducted at source Rs. 463,572/-, Previous Year Rs. 639,083/-)	4,635,768	4,635,768
	4,635,768	4,635,768

SCHEDULE 8 :**OTHER INCOME**

	31.03.2011	31.03.2010
RUPEES	RUPEES	RUPEES
Interest (Tax deducted at source Rs. Nil, Previous Year Rs. 270,329/-)	2,407	2,321,919
Interest on Income tax Refund	251,285	232,951
Dividend on Investments	4,135,564	1,815,765
Miscellaneous Receipt (Tax Deducted at source Rs. 670,728/- Previous Year Rs. 741,492/-)	6,707,304	6,800,358
Profit on Sale of Mutual Funds	40,022	-
	11,136,582	11,170,993

SCHEDULE 9 :**COST OF GOODS SOLD**

Purchase for Resale	35,038,223	33,819,163
Decrease / (Increase) in Inventory :		
Opening Stock	5,167,099	4,924,724
Less: Closing Stock	6,013,013	5,167,099
	(845,914)	(242,375)
	34,192,309	33,576,788

SCHEDULE 10 :**PAYMENT AND PROVISIONS FOR EMPLOYEES**

Salaries, Wages, Bonus & Gratuity	5,641,378	6,009,300
Contribution to Provident Fund & Other Funds	134,772	124,763
Staff Welfare Expenses	201,217	220,705
	5,977,367	6,354,768

SCHEDULE 11 :
OTHER EXPENSES

	31.03.2011	31.03.2010
	RUPEES	RUPEES
Insurance	47,310	46,382
Rates & Taxes	10,339,889	9,214,400
Repairs & Maintenance:		
Building	408,421	214,335
Others	83,314	332,270
	491,735	546,605
Rent	39,608	40,248
Electricity charges	552,804	602,390
Housekeeping & Maintenance	635,358	633,849
Telephone Expenses	158,803	163,988
Legal & Professional Charges	263,878	466,229
Security service charges	1,406,154	1,185,988
Human Resources Procurement	1,593,858	1,341,137
Directors Fees	120,000	145,000
Auditors Remuneration :		
Audit Fees	110,300	110,300
Audit under other statutes	22,060	22,060
Certification Charges	33,090	-
	165,450	132,360
Administrative and Miscellaneous Expenses	1,017,014	1,544,069
	16,831,861	16,062,645

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2011 AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011.

Schedule 12

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 / Amortisation.

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 assets acquired thereafter on Straight Line Method.
- Compensation paid to obtain possession of tenanted premises on Written Down Value Method.
- Computer Software is amortised over a period of 3 years.

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.

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 earnings 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. 1,118,000/- (Previous year Rs. 1,118,000/-).

2.2. Guarantee given by the Company to a financial institution for loan given to the Holding Company of Rs. 68,629,150/- (Previous year Rs. 118,305,778/-) together with interest and other monies due, if any.

2.3. Company has given a surety in favour of Sale Tax for Rs. 100,000/- (Previous year Rs. 100,000/-) on behalf of VIP Industries Ltd.

3. The Municipal (Property) Tax assessment was pending from the year 2000-01 due to a dispute regarding rateable value. During the current year, the assessment is completed by Brihanmumbai Mahanagarpalika and as per the assessment order the property tax liability for the years upto 2009-10 is Rs 38,135,011/- and for the year 2010-11 is Rs. 29,246,799/-. Further as per the understanding with a tenant, the tenant has agreed to bear the liability of Rs. 65,488,860/-. The Company has till date recovered Rs. 10,000,000/- from the tenant and paid to the authorities. The balance of Rs. 55,488,860/- is accordingly disclosed as a receivable from the tenant and payable to the authorities. Pending the payment to the authorities, the liability of Rs. 425,202,937/- is not settled and the case filed by Brihanmumbai Mahanagarpalika is not yet withdrawn.

4. The Company has provided security to Housing Development Finance Corporation Ltd by creating a mortgage by deposit of title deed of its property situated at Prabhadevi, Mumbai for a loan of Rs. 150,000,000/- and interest due thereon given to Vibhuti Investments Company Ltd, the Holding Company.

5. Sales Includes Value Added Tax of Rs. 6,241,743/- (Previous year Rs. 5,754,936/-).

6. INFORMATION ABOUT BUSINESS SEGMENT

	31.03.2011			31.03.2010		
	TRADING ACTIVITY	REAL ESTATE	TOTAL	TRADING ACTIVITY	REAL ESTATE	TOTAL
a) REVENUE FROM OPERATIONS						
Gross Revenue	55,799,212	4,635,768	60,434,980	52,435,932	4,635,768	57,071,700
Other Income from Operations	2,407	6,707,304	6,709,711	-	6,707,305	6,707,305
SEGMENT REVENUE	55,801,619	11,343,072	67,144,691	52,435,932	11,343,073	63,779,005
Add : Other Unallocated Income			4,426,871			4,463,688
			71,571,562			68,242,693
Less : Inter Transfer Segment Revenue			-			-
NET SALES / INCOME FROM OPERATIONS (As per Profit & Loss Account)			71,571,562			68,242,693
b) RESULTS FROM OPERATIONS						
Profit before Corporate /Common Expenses Interest , Depreciation and Amortization	8,901,552	4,482,523	13,384,075	6,864,338	5,475,312	12,339,650
Less : Non cash expenses						
- Depreciation	3,234	1,781,974	1,785,208	3,463	1,579,627	1,583,090
SEGMENT RESULTS (Profit before Corporate /common expenses and interest)	8,898,318	2,700,549	11,598,867	6,860,875	3,895,685	10,756,560
Less : Depreciation in respect of Common / Corporate Assets			51,274			30,168
Interest			-			-
Other Unallocated Corporate / Common expenses			3,240,920			4,554,846
			8,306,673			6,171,546
Add : Other Unallocated Income			4,426,870			4,463,688
PROFIT / (LOSS) BEFORE TAX			12,733,543			10,635,234
- Current Tax			3,255,000			2,921,000
- Deferred Tax			(10,539)			57,045
- Fringe Benefit Tax			-			-
- Excess/ (Short) Provision for Tax			133,109			(227,963)
PROFIT / (LOSS) AFTER TAX (As per Profit & Loss Account)			9,355,973			7,885,152
c) CAPITAL EMPLOYED (at the end of the year)						
Segment Assets	9,547,898	104,781,899	114,329,797	6,813,198	39,726,443	46,539,641
Segment Liabilities	6,527,231	57,866,560	64,393,791	7,257,861	485,769	7,743,630
SEGMENT CAPITAL EMPLOYED (Segment Assets - Segment Liabilities)	3,020,667	46,915,339	49,936,006	(444,663)	39,240,674	38,796,011
Unallocated corporate Assets			8,909,275			8,090,905
Unallocated corporarte liability			(9,021,901)			(6,930,856)
Investments			80,539,754			82,306,536
Deferred Revenue Expenditure			-			-
TOTAL CAPITAL EMPLOYED (NET ASSETS) (as per Balance Sheet)			130,363,134			122,262,596

NOTES

1. 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 businesses.

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 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.

7. Related Party Disclosures:

a) Names of Related parties	Nature of Relationship
1. Vibhuti Investments Company Ltd.	Holding Company (Shareholder, having Control)
2. Kiddy Plast Ltd.	Fellow Subsidiary

b) Transactions with related parties that have taken place during the year

Particulars	Holding Company		Fellow Subsidiary	
	Current Year	Previous Year	Current Year	Previous Year
Transactions During the year:				
Rent	2,235,768	2,235,768	-	-
Others	72,196,164	6,707,304	-	-
Amount Outstanding	56,256,020	-	-	-
Guarantee Outstanding	68,629,150	118,305,778	-	-

8. The Company does not have any subsidiary and there are no loans given to the parent company. Hence the disclosures under Clause 32 of the Listing Agreement are not given.

9. Earnings per Share:

	Current Year	Previous Year
Profits after tax	9,355,973	7,885,152
Number of Equity Shares		
At the end of the year	1,080,200	1,080,200
Weighted average outstanding during the year	1,080,200	1,080,200
Basic and Diluted Earning per share (before and after Extra-ordinary items) (Rs.)	8.66	7.30
Nominal Value per Share (Rs.)	10/-	10/-

10. 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	(78,484)	(62,125)
Others (net)	335,157	308,259
Deferred Tax Assets	256,673	246,134

11. 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.79,944/- (Previous year Rs. 73,826/-)

b) Disclosure for defined benefit plans based on actuarial report as on 31/03/2011.

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				
Rate of increase in Compensation levels	8%	8%	8%	8%
	5%	5%	5%	5%
(ii) Change in Benefit Obligation				
Liability at the beginning of the year	753,000	175,000	517,000	133,000
Interest Cost	41,575	12,928	41,360	10,360
Current Service Cost	102,013	39,237	65,727	25,403
Benefit Paid	(466,632)	(26,788)	-	(7,000)
Actuarial (gain)/loss on obligations	387,044	15,623	128,913	13,237
Liability at the end of the year	817,000	216,000	753,000	175,000
(iii) The Amount to be recognized in Balance Sheet and Income Statement and related analysis				
Present Value of Obligation	817,000	2,16,000	753,000	175,000
Fair Value of Plan Assets	-	-	-	-
Difference	817,000	2,16,000	753,000	175,000
Unrecognised Actuarial Gains/(losses)	-	-	-	-
Unrecognised Transitional Liability	-	-	-	-
Liability Recognised in the Balance Sheet	817,000	2,16,000	753,000	175,000
(iv) Net Periodic Cost				
Current Service cost	102,013	39,237	65,727	25,403
Interest Cost	41,575	12,928	41,360	10,360
Expected Return on Plan Assets	-	-	-	-
Net Actuarial (gain)/loss recognized in the year	387,044	15,623	128,913	13,237
Expenses recognised in the Income statement	530,632	67,788	236,000	49,000
(v) Movements in the liability recognised in the Balance sheet				
Opening Net Liability	753,000	175,000	517,000	133,000
Expenses as above	530,632	67,788	236,000	49,000
Contributions /Transfers	(466,632)	(26,788)	-	(7,000)
Closing Net Liability	817,000	2,16,000	753,000	175,000

12. 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.
13. Based on the information and records available with the Company, there are no dues to Micro, Small & Medium Enterprise.
14. 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 & ACCESSORIES	NOS	2,655	5,167,099	20,564	35,038,223	20,383	55,799,212	2,836	6,013,013
		(1,809)	(4,924,724)	(18,883)	(33,819,162)	(18,037)	(52,435,932)	(2,655)	(5,167,099)

Previous Year's figures are indicated within brackets.

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

For and on behalf of
KALYANIWALLA & MISTRY
Chartered Accountants

ERMIN K. IRANI
Partner
Membership No.35646
Mumbai , Dated : 30th May, 2011

For and on behalf of the Board of Directors

Ranjan Sanghi Director

Shekhar Shah Director

Maneck Davar Director

Mumbai , Dated : 30th May, 2011

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I REGISTRATION DETAILS

Registration No. 11-0047 State Code 11
 Balance Sheet Date 31 03 2011

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

Public Issue NIL Right Issue NIL
 Bonus Issue NIL Private Placement NIL

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

Total Liability 197474 Total Assets 197474

Sources of Funds

Paid-up Capital 10802 Reserve & Surplus 119561
 Secured Loans - Unsecured Loans -

Application of Funds

Net Fixed Assets 35015 Investments 80540
 Net Current Assets 14552 Misc. Expenditure -
 Accumulated Losses - Deferred Tax 256

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

Turnover 71572 Total Expenditure 58838
 Profit/(Loss) Before Tax +12734 Profit / (Loss) After Tax +9489
 (Tick appropriate box ☒ for profit, ☐ for Loss)
 Earning Per Share Rs. 8.66 Dividend Rate 10%

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

Item Code No. (ITC Code) 420212 04
 Product description PLASTIC MOULDED SUIT CASE
 Item Code No. (ITC Code) 420212 05
 Product description PLASTIC MOULDED BRIEF CASE
 Item Code No. (ITC Code) 428100 00
 Product description VANITY CASES

For and on behalf of the Board of Directors

Ranjan Sanghi Director

Shekhar Shah Director

Maneck Davar Director

Mumbai , Dated : 30th May, 2011

KEMP & COMPANY LIMITED

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

ATTENDANCE SLIP

130th Annual General Meeting on Thursday, the 29th September, 2011, 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 HELD

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

I hereby record my presence at the 130th Annual General Meeting of the Company at the Registered Office of the Company at 78-A, MIDC Estate, Satpur, Nashik – 422 007 on Thursday, the 29th September, 2011, 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 KEMP & COMPANY 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 130th Annual General Meeting of the Company to be held on Thursday, the 29th day of September, 2011 at 11.00 a.m. at 78-A, MIDC Estate, Satpur, Nashik – 422 007 and at any adjournment(s) thereof.

Signed this day of 2011.

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.

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