

KEMP & COMPANY LIMITED

KEMP

131st Annual Report 2011-2012

131st Annual Report

Board of Directors

Mr. Maneck Davar

Mr. M. K. Arora

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 131st 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 14th September, 2012 at 1.00 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2012 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 reappointment.
4. To appoint Auditors of the Company to hold office from the conclusion of this Annual General 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 Number 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."

By the order of the Board of Directors

M. K. Arora
Director

Registered Office:
78-A, MIDC Estate,
Satpur,
Nashik – 422 007
Date: 28th May, 2012

ANNEXURE TO NOTICE

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 4th September, 2012 to Friday, the 14th September, 2012 (both days inclusive).
- d) The Final Dividend as recommended by the Board of Directors if approved by the Members at the ensuing Annual General Meeting, will be paid on 21st September, 2012 as under:
 - i) To the Members holding shares in physical form, whose names appear in the Company's Register of Member as on 14th September, 2012.
 - ii) To the Beneficial Owners, whose names appear in the beneficial owners list to be furnished for this purpose by the National Securities Depository Limited and the Central Depository Services (India) Limited as on the close of business hours on 3rd September, 2012;
- e) 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.
- f) 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.
- g) Under the provisions of sections 109 A and 109 B 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 India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai – 400 078.
- h) 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 2004-2005 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 2004-2005 is due for transfer to the Fund on 18th September, 2012.
- i) 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 131st Annual Report on the affairs of the Company together with the Audited Statement of Accounts for the year ended 31st March, 2012:

FINANCIAL RESULTS

(Amount in Rupees)

	Year ended 31.3.2012	Year ended 31.3.2011
Sales & Other Income	74,656,823	65,329,819
Gross Profit	16,203,420	14,570,025
Depreciation	1,543,696	1,836,482
Interest	-	-
Profit before Tax	14,659,724	12,733,543
Provision for Tax (Net of Deferred Tax)	2,694,124	3,244,461
Profit / (Loss) after Tax	11,965,600	9,489,082
Prior year Adjustments	498,901	133,109
Profit brought forward from previous year	54,553,223	51,452,685
Profit available for appropriation	66,019,922	60,808,658
APPROPRIATIONS:		
Proposed Dividend	1,080,200	1,080,200
Tax on Proposed Dividend	175,235	175,235
Transfer to General Reserve	5,000,000	5,000,000
Balance transferred to Balance Sheet	59,764,487	54,553,223
	66,019,922	60,808,658

OVERALL PERFORMANCE AND OUTLOOK

During the year under review, while the Sales and Other Income recorded improvement of 14.27% from ₹ 65,329,819/- to ₹ 74,656,823/-, the profit after tax recorded increase of 26.10% from ₹ 9,489,082/- to ₹ 11,965,600/-. The profit before tax for the year ended 31st March, 2012 was at ₹ 14,659,724/- (previous year ₹ 12,733,543/-).

The outlook for the coming year is favourable.

Reserves of the Company was at ₹ 129,772,398/- as on 31st March, 2012.

DIVIDEND

Your Directors are pleased to recommend for your consideration a Dividend of ₹ 1/- per equity share i.e. @ 10% (previous year ₹ 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:

- (i) that in the preparation of the annual accounts for the financial year ended 31st March, 2012, 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, 2012 on a 'going concern' basis.

LISTING OF EQUITY SHARES

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

DIRECTORS

Mr. Shekhar Shah, Director retires by rotation and being eligible offers himself for re-appointment. A proposal for re-appointment 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.

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) Rules, 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: 28th May, 2012

COMPLIANCE CERTIFICATE

Registration No. of the Company	:	11-0047
Nominal Capital	:	₹ 1,45,00,000/-
Issued & Paid Up Capital	:	₹ 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 2012. 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 thereunder 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 five times respectively on 30th May, 2011, 8th June, 2011, 11th August, 2011, 11th November, 2011, 9th February, 2012, 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 Share Transfer Books from Tuesday, 20th September 2011 to Thursday, 29th September 2011 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 Thursday 29th September, 2011 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 not entered into any contracts falling within the purview of section 297 of the Act.
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 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 of 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 provisions 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 31-03-2012 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 : 28th May, 2012

Annexure A

Registers as maintained by the Company under the Companies Act, 1956:

1. Register and Index of Members u/s. 150.
2. Minutes Book of Meetings.
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 Share 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 filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ended on 31st March, 2012.

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	2011-2012	10/10/2011	Yes	No
2	Form No. 32	303(2)	2011-2012	8/6/2011	No	Yes
3	Form No. 32	303(2)	2011-2012	8/6/2011	Yes	No
4	Form No. 20B	159	2011-2012	21/11/2011	Yes	No
5	Form No 23ACXBRL	220	2011-2012	30/12/2011	Yes	No
6	Form No. 32	303(2)	2011-2012	10/10/2011	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 2012, the Statement of Profit and Loss 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. 29, 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 Statement Profit and Loss 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, 2012; and
 - b) In the case of the Statement of Profit and Loss, 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, 2012, and taken on record by the Board of Directors, we report that, none of the directors is disqualified as on 31st March, 2012 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 : 28th May, 2012

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 2012 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 (₹)	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 for a secured 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 : 28th May, 2012

BALANCE SHEET

 AS AT 31ST MARCH, 2012

Particulars	Note No.	As at 31 March, 2012 (Rupees)	As at 31 March, 2011 (Rupees)
I EQUITY AND LIABILITIES			
(1) Shareholder's funds			
(a) Share Capital	2	10,802,000	10,802,000
(b) Reserves & Surplus	3	129,772,398	119,561,134
(2) Non Current liabilities			
(a) Long - Term Provisions	4	1,147,000	998,482
(3) Current liabilities			
(a) Trade Payables	5	12,217,878	6,663,206
(b) Other Current Liabilities	6	21,837,459	58,026,735
(c) Short Term Provisions	7	1,455,257	1,422,153
TOTAL		<u>1,77,231,992</u>	<u>197,473,710</u>
II ASSETS			
(1) Non - current Assets			
(a) Fixed assets	8		
(i) Tangible Assets		34,624,496	34,964,730
(ii) Intangible Assets		17,679	50,043
		<u>34,642,175</u>	<u>35,014,773</u>
(b) Non Current Investment	9	80,539,754	80,539,754
(c) Deferred tax assets (Net)	10	282,549	256,673
(d) Other Non - current Assets	11	3,189,876	4,050,726
(2) Current Assets			
(a) Inventories	12	6,345,047	6,013,013
(b) Trade Receivables	13	43,946,425	56,305,424
(c) Cash & Bank Balances	14	7,839,778	14,768,743
(d) Short term Loans and Advances	15	446,388	524,604
TOTAL		<u>177,231,992</u>	<u>197,473,710</u>
Statement of Significant Accounting Policies	1		

The accompanying notes form an integral part of the financial statements

As per our report of even date.

 For **KALYANIWALLA & MISTRY**

Chartered Accountants

FOR AND ON BEHALF OF THE BOARD
E K. IRANI

Partner

Place : Mumbai

 Dated : 28th May, 2012

M K ARORA

Director

Place : Mumbai

 Dated : 28th May, 2012

RANJAN SANGHI

Director

STATEMENT OF PROFIT AND LOSSFOR THE YEAR ENDED 31st MARCH, 2012

	Note No.	2011 - 2012 (Rupees)	2010 - 2011 (Rupees)
INCOME			
Revenue from Operations	16	67,584,790	60,900,541
Other Income	17	7,072,033	4,429,278
Total Revenue		74,656,823	65,329,819
EXPENSES			
Purchase of Finished Goods		40,673,373	35,038,223
Change in Inventory	18	(332,034)	(845,914)
Employee Benefit Expense	19	6,424,488	5,977,367
Depreciation & Amortization Expense	8	1,543,696	1,836,482
Other Expenses	20	11,687,576	10,590,118
Total Expenses		59,997,099	52,596,276
Profit Before Tax		14,659,724	12,733,543
Tax Expense			
(a) Current tax		2,720,000	3,255,000
(b) Deferred tax	10	(25,876)	(10,539)
(c) Prior Years Tax Adjustments		498,901	133,109
Profit after Tax for the year		11,466,699	9,355,973
Earning per equity share:			
Basic & Diluted	21	10.62	8.66
Statement of Significant Accounting Policies	1		

The accompanying notes form an integral part of the financial statements

As per our report of even date.

For **KALYANIWALLA & MISTRY**

Chartered Accountants

FOR AND ON BEHALF OF THE BOARD

E K. IRANI

Partner

Place : Mumbai

Dated : 28th May, 2012**M K ARORA**

Director

Place : Mumbai

Dated : 28th May, 2012**RANJAN SANGHI**

Director

CASH FLOW STATEMENT

 AS ON 31st MARCH, 2012

Particulars	2011 - 2012 (Rupees)	2010 - 2011 (Rupees)
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax & Extraordinary Items	14,659,724	12,733,543
ADJUSTMENTS FOR:		
Dividend Received	(6,919,337)	(4,135,564)
Depreciation	1,543,696	1,836,482
Interest Received	(28,225)	(253,692)
(Profit)/Loss on Sale of Investments (Net)	-	(40,022)
	<u>(5,403,866)</u>	<u>(2,592,796)</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES MOVEMENT IN CURRENT ASSETS AND LIABILITIES	<u>9,255,858</u>	<u>10,140,747</u>
Loans & Advances	78,215	(321,232)
Trade Receivables	12,358,999	(55,811,550)
Inventories	(332,034)	(845,913)
Trade Payables	(30,443,047)	56,808,445
	<u>(18,337,867)</u>	<u>(170,250)</u>
CASH GENERATED FROM OPERATIONS	<u>(9,082,009)</u>	<u>9,970,497</u>
Direct Taxes paid	(2,358,051)	(2,264,040)
NET CASH FROM OPERATING ACTIVITIES	<u>(11,440,060)</u>	<u>7,706,457</u>
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets including Capital Work in Progress	(1,171,098)	(39,670)
Purchase of Investments	(23,319,377)	(13,875,589)
Redemption / Sale of Investment	23,319,377	15,682,393
Interest Received	28,225	134,771
Dividend Received	6,919,337	4,135,564
NET CASH FLOW FROM INVESTING ACTIVITY	<u>5,776,464</u>	<u>6,037,469</u>
C) CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid	(1,090,134)	(1,068,352)
Tax on dividends	(175,235)	(179,408)
NET CASH FROM FINANCING ACTIVITY	<u>(1,265,369)</u>	<u>(1,247,760)</u>
NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C)	<u>(6,928,965)</u>	<u>12,496,166</u>
OPENING BALANCE OF CASH & CASH EQUIVALENTS	<u>14,738,625</u>	<u>2,242,459</u>
CLOSING BALANCE OF CASH & CASH EQUIVALENTS	<u>7,809,660</u>	<u>14,738,625</u>
	<u>(6,928,965)</u>	<u>12,496,166</u>

Notes
Closing Balance of Cash & Cash Equivalents

- The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard 3 (AS-3) on "Cash Flow Statements", and presents cash flows by operating, investing and financing activities.
- Figures for the previous year have been regrouped / restated wherever necessary to conform to this year's classification.
- Figures in brackets are outflows / deductions.

As per our report of even date.
For **KALYANIWALLA & MISTRY**
Chartered Accountants

E K. IRANI

Partner

Place : Mumbai

 Dated : 28th May, 2012

FOR AND ON BEHALF OF THE BOARD
M K ARORA

Director

Place : Mumbai

 Dated : 28th May, 2012

RANJAN SANGHI

Director

SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

1 SIGNIFICANT ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENT

The financial statements are prepared under the historical cost convention with revenues recognised and expenses accounted on their accrual in accordance with the generally accepted accounting principles, and are in compliance with the applicable Accounting Standards prescribed by the Central Government under Section 211(3C) of the Companies Act, 1956 and other relevant provisions of the Companies Act 1956. Where changes in presentation are made, comparative figures for the previous year are restated/ grouped accordingly.

1.2 USE OF ESTIMATES

The preparation and presentation of financial statements in conformity with the Generally Accepted Accounting Principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Difference between the actual result and the estimates are recognized in the period in which the results are known / materialized.

1.3 FIXED ASSETS

- (i) Fixed assets are stated at cost less accumulated depreciation
- (ii) Compensation paid to obtain possession of the tenanted premises is capitalised under Buildings.
- (iii) Profit or loss on sale, transfer or disposal of fixed assets is recognised in the year of such sale, transfer or disposal.

1.4 DEPRECIATION / AMORTISATION

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

- (i) Building, Furniture and Fixtures acquired before 1st April 1981 on Written Down Value Method and assets acquired thereafter on Straight Line Method.
- (ii) Compensation paid to obtain possession of tenanted premises on Written Down Value method.
- (iii) Computer Software is amortised over a period of 3 years.
- (iv) Depreciation on additions of fixed assets costing less than ₹ 5000 have been provided at 100% on pro-rata basis and depreciation on assets Costing more than ₹ 5000 have been provided on pro-rata basis from the date of put to use of such additions.

1.5 IMPAIRMENT OF ASSETS

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

1.6 LEASE

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

1.7 INVESTMENTS

Long-term Investments are stated at cost (unless otherwise stated); however for any permanent diminution in the value of investments, the book value is reduced to recognise the decline. Readily realisable investments intended to be held for less than one year are classified as Current Investments, and are carried at the lower of their costs and fair values.

1.8 INVENTORIES

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

1.9 REVENUE RECOGNITION

- (i) Sales comprise sale of goods to external customers and are accounted net of sales tax, returns, discounts, rebates and allowances. Revenue from sale of products is recognised when risk of loss, title and insurable risk have transferred to the customer which coincides with the delivery of products.
- (ii) Dividend is accounted for as an when received.

1.10 EMPLOYEE BENEFIT

- (i) Short-term employee benefits (payable wholly within twelve months of rendering the service) : Short-term employee benefits such as salaries, wages, short-term compensated absences, etc., are determined on an undiscounted basis and recognised in the period in which the employee renders the related service.

- (ii) Post-employment benefits:

Defined Contribution Plan:

The Company's contributions paid / payable to Provident Fund, Employees' State Insurance Scheme and Employees' Pension Schemes, 1995 are determined under the relevant approved schemes and/or statutes, and are recognised as expense in the Profit and Loss Account during the period in which the employee renders the related service.

Defined Benefit Plan:

The Company's gratuity and leave encashment are defined benefit plans. The Company's liability for the defined benefit schemes is actuarially determined by an independent actuary.

1.11 BORROWING COST

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

1.12 TAXATION

- (i) Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the provisions of the Income Tax Act, 1961.
- (ii) Deferred Tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are not recognised on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. The carrying amount of Deferred tax assets/ liabilities are reviewed at each balance sheet date. The tax effect is calculated on the accumulated timing difference at the year end based on the tax rates and laws enacted or substantially enacted on the balance sheet date.

1.13 PROPOSED DIVIDEND:

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

1.14 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

A provision is recognised only when there is a present obligation as a result of a past event that probably requires an outflow of resources to settle the obligation and in respect of which a reliable estimate can be made. Provision is not discounted to its present value and is determined based on the best estimate required to settle the obligation at the balance sheet date. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision disclosure is made.

Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised.

Provisions, Contingent Liabilities and Contingent Assets are reviewed at each balance sheet date.

1.15 EARNINGS PER SHARE

The basic earnings per share is computed using weighted number of common shares outstanding during the period. Diluted earnings 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.

	As at 31 March, 2012 (Rupees)	As at 31 March, 2011 (Rupees)
2 SHARE CAPITAL		
(a) Authorized		
1,450,000 Equity shares, ₹ 10/- each	14,500,000	14,500,000
	14,500,000	14,500,000
(b) Issued, Subscribed and Paid Up		
1,080,200 Equity shares, ₹ 10/- each fully paid up	10,802,000	10,802,000
	10,802,000	10,802,000

- (1) The Company has only one class of equity shares. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend subject to the shareholder approval in the Annual General Meeting.
- (2) The details of shareholders holding more than 5% shares is below :

Name of the shareholders	As at 31.03.2012		As at 31.03.2011	
	No. of shares held	% held as at March 31, 2012	No. of shares held	% held as at March 31, 2011
Vibhuti Investments Company Limited	735,870	68.12%	735,870	68.12%
Dr. Gita Piramal	161,050	14.91%	161,050	14.91%

- (3) There has been no movement in the number of shares outstanding at the beginning and at the end of the current and previous reporting period.
- (4) There has been no issue of shares for a consideration other than cash

	As at 31 March, 2012 (Rupees)	As at 31 March, 2011 (Rupees)
3 RESERVES & SURPLUS		
(a) Capital Redemption Reserve		
Balance as per last Balance Sheet	4,500	4,500
(b) Securities Premium Reserve		
Balance as per last Balance Sheet	3,411	3,411
(c) General Reserves		
Balance as per last Balance Sheet	65,000,000	60,000,000
Add: Transfer from Surplus	5,000,000	5,000,000
	70,000,000	65,000,000
(d) Surplus in the statement of Profit & Loss Account		
Balance as per last Balance Sheet	54,553,223	51,452,685
Surplus for the year	11,466,699	9,355,973
	66,019,922	60,808,658
(i) Less: Transfer to General Reserve	5,000,000	5,000,000
(ii) Less: Proposed Equity Dividend	1,080,200	1,080,200
(iii) Less: Tax on Distributed Profits in respect of above	175,235	175,235
TOTAL	59,764,487	54,553,223
GRAND TOTAL	129,772,398	119,561,134
4 LONG TERM PROVISIONS		
(a) Provision for Gratuity	926,000	790,920
(b) Provision for Leave Encashment Benefit	221,000	207,562
TOTAL	1,147,000	998,482
5 TRADE PAYABLES		
Trade Payables for goods	12,217,878	6,663,206
TOTAL	12,217,878	6,663,206

There are no dues to Micro and Small Enterprises. The same is disclosed on the basis of information available with the company and has been relied upon by the auditors.

	As at 31 March, 2012 (Rupees)	As at 31 March, 2011 (Rupees)
6 OTHER CURRENT LIABILITIES		
(a) Unclaimed Dividends*	74,030	83,964
(b) Outstanding Liabilities	20,747,072	57,125,906
(c) Other Payables	1,016,357	816,865
TOTAL	21,837,459	58,026,735
* Amount due to Investor Education & Protection fund is ₹ Nil.		
7 SHORT TERM PROVISIONS		
(a) Provision for Gratuity	59,000	26,080
(b) Provision for Leave Encashment	9,000	8,438
(c) Provision for Other Employee Benefits	131,822	132,200
(d) Proposed Dividends	1,080,200	1,080,200
(e) Tax on proposed dividend	175,235	175,235
TOTAL	1,455,257	1,422,153

8 FIXED ASSETS

(Figure in Rupees)

PARTICULARS	GROSS BLOCK				DEPRECIATION / AMORTISATION				Net Block	
	As at 31.03.2011	Additions	Deductions/ Adjustments	As at 31.03.2012	As at 31.03.2011	For the year	Deductions/ Adjustments	Up to 31.03.2012	As at 31.03.2012	As at 31.03.2011
TANGIBLE ASSETS :										
Freehold Land	71,093	-	-	71,093	-	-	-	-	71,093	71,093
Building	52,276,322	-	-	52,276,322	19,771,604	1,279,526	-	21,051,130	31,225,192	32,504,718
Plant & Machinery	68,091	436,507	-	504,598	11,856	16,470	-	28,326	476,272	56,235
Furniture & Fixture	3,229,541	-	-	3,229,541	928,752	197,399	-	1,126,151	2,103,390	2,300,789
Motor Vehicle	-	734,591	-	734,591	-	7,074	-	7,074	727,517	-
Computer	89,763	-	-	89,763	57,868	10,863	-	68,731	21,032	31,895
TOTAL TANGIBLE ASSETS	55,734,810	1,171,098	-	56,905,908	20,770,080	1,511,332	-	22,281,412	34,624,496	34,964,730
INTANGIBLE ASSETS :										
Computer Software	98,072	-	-	98,072	48,029	32,364	-	80,393	17,679	50,043
TOTAL INTANGIBLE ASSETS	98,072	-	-	98,072	48,029	32,364	-	80,393	17,679	50,043
Total	55,832,882	1,171,098	-	57,003,980	20,818,109	1,543,696	-	22,361,805	34,642,175	35,014,773
Previous Year	55,853,391	39,670	60,179	55,832,882	19,041,806	1,836,482	60,179	20,818,109	35,014,773	-

Note: Buildings are given on rent under Monthly Tenancy Agreement.

9 NON CURRENT INVESTMENTS	As at 31 March, 2012 (Rupees)			As at 31 March, 2011 (Rupees)		
	Face Value	Qty	Amount	Face Value	Qty	Amount
a) Trade (At Cost)						
1) Quoted						
In Equity Shares						
VIP Industries Limited	2/-	3,299,980	80,150,654	10/-	659,996	80,150,654
(26,39,894 shares added during the year on account of sub division of shares from a face value of ₹ 10/- per share to ₹ 2/- per share)						
Total Value of Quoted Investments			80,150,654			80,150,654
Aggregate market value of Quoted Investments ₹ 32,96,68,002/- (Previous year ₹ 43,69,50,352/-)						
2) Unquoted						
in Equity shares in Holding Company						
Vibhuti Investments Company Limited	10/-	1,770	17,700		1,770	17,700
in Equity shares in other Companies						
Alcon Finance & Investments Limited	10/-	10	100		10	100
Dynamic Fabrica Private Limited	10/-	571,230	371,300		571,230	371,300
Total Value of Unquoted Investments			389,100			389,100
TOTAL			80,539,754			80,539,754

10 DEFERRED TAX ASSETS	As at	As at
	31 March, 2012 (Rupees)	31 March, 2011 (Rupees)
Deferred tax assets		
Gratuity	319,583	265,076
Unavailed Leave	74,624	70,081
	394,207	335,157
Deferred tax liabilities		
Depreciation	111,658	78,484
Net Deferred Tax Assets	282,549	256,673
Deferred Tax Charge/(Credit) for the year	(25,876)	(10,539)

	As at 31 March, 2012 (Rupees)	As at 31 March, 2011 (Rupees)
11 OTHER NON CURRENT ASSETS		
Deposits	1,384,424	1,384,424
Interest Receivable	25,092	25,092
Long Term Trade Receivables	1,121,983	1,121,983
Advance tax	658,377	1,519,227
[Net of Provision for tax ₹ 27,20,000/- (Previous year ₹ 63,05,116/-)]		
TOTAL	3,189,876	4,050,726
12 INVENTORIES		
Finished Goods - Bags and accessories	6,345,047	6,013,013
TOTAL	6,345,047	6,013,013
13 TRADE RECEIVABLES		
(Unsecured, considered good)		
Outstanding For less than Six Months from the due date	43,946,425	56,305,424
[Includes ₹ 4,37,89,184/- (Previous year ₹ 5,62,56,470/-) from the Holding Company]		
TOTAL	43,946,425	56,305,424
14 CASH & BANK BALANCES		
(a) Cash & Cash Equivalent		
Cash on Hand	207,998	200,029
Balance with Banks	7,601,662	14,538,596
(d) Other Bank Balances		
Fixed deposit with Bank	30,118	30,118
TOTAL	7,839,778	14,768,743
15 SHORT TERM LOANS & ADVANCES		
Advance to Staff	68,634	-
Prepaid Expenses	162,484	156,364
Advance to suppliers	14,209	17,208
Others	201,061	351,032
TOTAL	446,388	524,604

	2011 - 2012 (Rupees)	2010 - 2011 (Rupees)
16 REVENUE FROM OPERATIONS		
(a) Sale of Products	56,241,718	49,557,469
(b) Property Income	4,635,768	4,635,768
(c) Other Income from Operations	6,707,304	6,707,304
TOTAL	67,584,790	60,900,541
* Sale of Products includes Sale of Bags and accessories		
* Other Income includes maintenance charges of ₹ 67,07,304/- Previous year ₹ 67,07,304/-		
17 OTHER INCOME		
<u>Dividend Income</u>		
From Current Investments	319,377	175,588
From Long term Investments	6,599,960	3,959,976
Interest Income	28,225	253,692
Profit on Sale of units of Mutual fund	-	40,022
Sundry Balance written back	124,471	-
TOTAL	7,072,033	4,429,278
18 CHANGE IN INVENTORY		
(a) Opening Stock	6,013,013	5,167,099
(b) Less: Closing Stock	6,345,047	6,013,013
TOTAL	(332,034)	(845,914)
19 EMPLOYEE BENEFIT EXPENSES		
Salary & Wages	6,018,237	5,641,378
Contribution to PF & Other Funds	117,923	134,772
Staff Welfare Expenses	288,328	201,217
TOTAL	6,424,488	5,977,367

As per Accounting Standard 15 "Employees benefits" the disclosure as defined in the accounting standard is given below;

a) Defined contribution Plan:

The contribution to Defined contribution plan, recognised as expense for the year is as under
Employers contribution to Provident Fund ₹ 83,104/- (Previous year ₹ 73,826/-)

b) Disclosure for Defined Benefit Plan based on actuarial report is as follows:

(Figure in Rupees)

	2011 - 2012	2010 - 2011
	Gratuity (Non-Funded Plan)	Gratuity (Non-Funded Plan)
I. Assumptions		
Discount Rate	8.00%	8.00%
Rate of increase in Compensation levels	5.00%	5.00%
II. Table Showing Change in Benefit Obligation :		
Projected Benefit Obligatons (PBO) at the beginning of the year	817,000	753,000
Interest Cost	64,317	41,575
Service Cost	93,244	102,013
Benefits paid	(26,080)	(466,632)
Actuarial (gain) loss on obligations	36,519	387,044
PBO at the end of the year	985,000	817,000
III. Tables of Fair value of Plan Assets :		
Fair Value of Plan Assets at the beginning of the year	-	-
Expected Return on Plan Assets	-	-
Contributions/Transfers	26,080	466,632
Benefits paid	(26,080)	(466,632)
Gain / (loss) on Plan Assets	-	-
Fair Value of Plan Assets at the end of the year	-	-
IV. Tables of change in Plan Assets :		
Fair Value of Plan Assets at the beginning of the year	-	-
Actual return on Plan Assets	-	-
Contributions/Transfers	26,080	466,632
Benefits paid	(26,080)	(466,632)
Fair value of Plan Assets at the end of the year	-	-
Excess of actual over expected return on Plan Assets	-	-
V. Funded Status	(985,000)	(817,000)
VI. Limits of Corridor not considered since total actuarial gain/loss is being recognised :		
Actuarial gain/(loss) for the year - Obligation	(36,519)	387,044
Actuarial gain (loss) for the year - Plan Assets	-	-
Sub-Total	(36,519)	387,044
Actuarial (gain)/loss recognised	36,519	(387,044)
Unrecognised actuarial gains (losses) at the end of the year	-	-

(Figure in Rupees)

	2011 - 2012	2010 - 2011
	Gratuity (Non-Funded Plan)	Gratuity (Non-Funded Plan)
VII. The Amounts to be recognised in Balance Sheet and Income Statement and the related analysis :		
Present Value of Obligation	985,000	817,000
Fair value of Plan Assets	-	-
Difference	985,000	817,000
Unrecognised Actuarial gains (losses)	-	-
Unrecognised Transitional Liability	-	-
Liability Recognised in Balance Sheet	985,000	817,000
VIII. Net Periodic Cost :		
Current Service Cost	93,244	102,013
Interest Cost	64,317	41,575
Expected Return on Plan Assets	-	-
Net Actuarial (gain) loss recognised in the year	36,519	387,044
Expenses Recognised in the Income Statement	194,080	530,632
IX. Movements in the liability recognised in the Balance Sheet :		
Opening Net Liability	817,000	753,000
Expense as above	194,080	530,632
Contributions/Transfers	(26,080)	(466,632)
Closing Net Liability	985,000	817,000

20 OTHER EXPENSES

	2011 - 2012 (Rupees)	2010 - 2011 (Rupees)
Electricity charges	654,789	552,804
Rent	39,048	39,608
Repairs & Maintenance		
Buildings	347,203	408,421
Others	38,387	83,314
Insurance	19,985	47,310

	2011 - 2012 (Rupees)	2010 - 2011 (Rupees)
Rates and taxes	3,439,193	4,098,146
Security charges	1,852,504	1,406,154
Housekeeping & Maintenance	750,871	635,358
Directors fees	140,000	120,000
Human Resource Procurement	1,565,068	1,593,858
Legal & Professional charges	920,698	263,878
<u>Payment to Auditors :</u>		
for Statutory audit	112,360	110,300
for Audit under other statute	22,472	22,060
for Certification	32,884	33,090
	167,716	165,450
Miscellaneous Expenses	1,752,114	1,175,817
TOTAL	11,687,576	10,590,118
21 EARNINGS PER SHARE		
Profit attributable to Equity Shareholders (₹)	11,466,699	9,355,973
No. of Equity Share outstanding during the year.	10,802,000	10,802,000
Face Value of each Equity Share (₹)	10/-	10/-
Basic & Diluted Earnings per Share (₹)	10.62	8.66

22 SEGMENT REPORTING
Segment Information for the year ended 31st March, 2012
(i) Information about primary business segment
(Figure in Rupees)

	31.03.2012			31.03.2011		
	TRADING ACTIVITY	REAL ESTATE	TOTAL	TRADING ACTIVITY	REAL ESTATE	TOTAL
a) REVENUE FROM OPERATIONS						
Gross Revenue	56,241,718	4,635,768	60,877,486	55,799,212	4,635,768	60,434,980
Other Income from Operations	124,298	6,735,529	6,859,827	2,407	6,707,304	6,709,711
SEGMENT REVENUE	56,366,016	11,371,297	67,737,313	55,801,619	11,343,072	67,144,691
Add : Other Unallocated Income			6,919,510			4,426,871
			74,656,823			71,571,562
Less : Inter Transfer Segment Revenue			-			-
NET SALES / INCOME FROM OPERATIONS			74,656,823			71,571,562
(As per Profit & Loss Account)						
b) RESULTS FROM OPERATIONS						
Profit before Corporate /Common Expenses	9,342,844	4,166,783	13,509,628	8,901,552	4,482,523	13,384,075
Interest , Depreciation and Amortization						
Less : Non cash expenses						
- Depreciation	61,965	1,474,657	1,536,622	3,234	1,781,974	1,785,208
SEGMENT RESULTS						
(Profit before Corporate/ common expenses and interest)	9,280,879	2,692,126	11,973,006	8,898,318	2,700,549	11,598,867
Less : Depreciation in respect of Common /						
Corporate Assets			7,074			51,274
Other Unallocated Corporate /			4,225,716			3,240,920
Common expenses						
			7,740,216			8,306,673
Add : Other Unallocated Income			6,919,510			4,426,870
PROFIT / (LOSS) BEFORE TAX			14,659,726			12,733,543
- Current Tax			2,720,000			3,255,000
- Deferred Tax			(25,876)			(10,539)
- Excess/ (Short) Provision for Tax			498,901			133,109
PROFIT / (LOSS) AFTER TAX			11,466,701			9,355,973
(As per Profit & Loss Account)						

(Figure in Rupees)

	31.03.2012			31.03.2011		
	TRADING ACTIVITY	REAL ESTATE	TOTAL	TRADING ACTIVITY	REAL ESTATE	TOTAL
c) CAPITAL EMPLOYED (at the end of the year)						
Segment Assets	9,765,815	84,255,585	94,021,400	9,547,898	104,781,899	114,329,797
Segment Liabilities	12,830,612	20,407,350	33,237,962	6,527,231	57,866,560	64,393,791
SEGMENT CAPITAL EMPLOYED (Segment)	(3,064,797)	63,848,235	60,783,438	3,020,667	46,915,339	49,936,006
Assets - Segment Liabilities)						
Unallocated corporate Assets			5,390,838			8,909,275
Unallocated corporate liability			(6,139,632)			(9,021,901)
Investments			80,539,754			80,539,754
Deferred Revenue Expenditure			-			-
TOTAL CAPITAL EMPLOYED (NET ASSETS)			140,574,399			130,363,134
(as per Balance Sheet)						

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 segment has been identified considering the organizational structure, internal financial reporting system, and the risk- return profiles of the business.

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

23 RELATED PARTY DISCLOSURE

Related party disclosure in accordance with Accounting Standard 18

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

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

Name of Related Parties	Nature of Transaction during the year	2011-2012 (Rupees)	2010-2011 (Rupees)
Vibhuti Investments Company Limited	Rent	2,235,768	2,235,768
	other Charges	35,007,628	72,196,164
	Amount Outstanding	43,789,184	56,256,020
	Guarantee outstanding	12,652,278	68,629,150

24 CONTINGENT LIABILITY NOT PROVIDED FOR IN RESPECT OF :

1. Central Excise Demand disputed by the Company and matter is pending with Custom Excise Service Tax Appellate Tribunal ₹ 1,118,000/- (Previous Year ₹ 1,118,000/-).
 2. Guarantee given by the Company to a financial institution for loan given to the Holding Company of ₹ 12,652,278/- (Previous year ₹ 68,629,150/-) together with interest and other monies due, if any.
 3. Company has given a surety in favour of Sales Tax for ₹ 100,000/- (Previous year ₹ 100,000/-) on behalf of VIP Industries Limited.
- 25** The Municipal (Property) Tax assessment which was pending from the year 2000-01 due to dispute regarding rateable value, has since been completed by Brihanmumbai Mahanagarpalika and as per the assessment orders the property tax liability upto year 2010-11 has been settled by the Company. However, the case filed by Brihanmumbai Mahanagarpalika is not yet withdrawn.
- 26** Purchase of Finished Goods includes Purchase of Bags and Accessories.
- 27** The Company has provided security to Housing Development Finance Corporation Limited by creating a mortgage by deposit of title deed of its property situated at Prabhadevi, Mumbai for a loan of ₹ 150,000,000/-
- 28** 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.
- 29** 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.
- 30** Based on the information and records available with the Company, there are no dues to Micro or Small Enterprise under the Micro, Small and Medium Enterprises Development Act, 2006. Therefore disclosures under Section 22 of the said Act are not necessary.
- 31** The financial statements for the year ended March 31, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended March 31, 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year's figures have also been reclassified to conform to this year's classification. The adoption of Revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements except for accounting for dividend on investments in subsidiaries.

FOR AND ON BEHALF OF THE BOARD

M. K. Arora
Director

Ranjan Sanghi
Director

Place : Mumbai

Dated : 28th May, 2012

KEMP & COMPANY LIMITED

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

ATTENDANCE SLIP

131st Annual General Meeting on Friday, the 14th September, 2012, at 1.00 p.m.

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

Joint Shareholders may obtain additional Attendance Slip 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 131th Annual General Meeting of the Company at "NIWEC" - P-29, Street 14, MIDC, Satpur, Nashik-422 007 on Friday, the 14th September, 2012, at 1.00 p.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 ofor failing him/her.....Of.....
in the district ofas my/our proxy to attend and vote for me/us on my/our behalf at the 131st Annual General Meeting of the Company to be held on Friday, the 14th September, 2012, at 1.00 p.m. at "NIWEC" - P-29, Street 14, MIDC, Satpur, Nashik-422 007 and at any adjournment(s) thereof.

Signed thisday of2012.

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

If undelivered, please return to:

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