



**KEMP & COMPANY LTD.**

**Registered Office :**

5<sup>th</sup> Floor, DGP House, 88C, Old Prabhadevi Road, Mumbai - 400 025, Maharashtra, India. • E-mail : [kemp-investor@kempnco.com](mailto:kemp-investor@kempnco.com)  
Phone : +91 22 6653 9000 • Fax : +91 22 6653 9089 • CIN : L24239MH1982PLC000047 • Web : [www.kempnco.com](http://www.kempnco.com)

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7<sup>th</sup> September, 2020

**BSE Limited**

Phiroze Jeejeebhoy Towers,  
Dalal St, Kala Ghoda, Fort,  
Mumbai - 400001

**BSE Code No. 506530**

**Subject: Submission of Annual Report of Kemp & Company Limited for the Financial Year 2019-20**

Dear Sir,

The One Hundred and Thirty Ninth Annual General Meeting (“AGM”) of the Members of Kemp & Company Limited (“**the Company**”) is scheduled to be held on Tuesday, 29<sup>th</sup> September, 2020, at 11:00 a.m. IST through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”).

Pursuant to Regulation 34 and Regulation 36 of SEBI (LODR) Regulations, 2015, please find enclosed herewith electronic copy of the Notice of the 139<sup>th</sup> Annual General Meeting (AGM) and the Annual Report for the financial year 2019-20 (“Annual Report”), being sent today i.e. 7<sup>th</sup> September, 2020 by email to those Members whose email addresses are registered with the Company/Depository Participant(s).

The requirements of sending physical copy of the Notice of the AGM and Annual Report to the Members have been dispensed with vide MCA Circular/s and SEBI Circular. The Notice of the 139<sup>th</sup> AGM and the Annual Report are also being uploaded on the website of the Company at [www.kempnco.com](http://www.kempnco.com).

Please take the above on your record and disseminate the same for the information of investors.

Thanking you,

Yours faithfully,

**For Kemp & Company Limited**

Kunal Chhatwani  
Company Secretary

Encl.: As above

**KEMP**

**KEMP & COMPANY LIMITED**

139<sup>th</sup> Annual Report 2019-20



# 139<sup>th</sup> Annual Report

**BOARD OF DIRECTORS**

Mrs. Shalini D. Piramal - Managing Director  
Mr. Ranjan Sanghi  
Mr. Raj Kumar Kataria  
Mr. Satyen Dalal  
Mr. M.K. Arora  
Mr. Maneck Davar (w.e.f. 14<sup>th</sup> February, 2020)

**CHIEF FINANCIAL OFFICER**

Mr. Sunil Kumar Gupta

**COMPANY SECRETARY**

Mr. Kunal Chhatwani

**STATUTORY AUDITORS**

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

**INTERNAL AUDITORS**

M/s. Suresh Surana & Associates LLP  
Chartered Accountants

**BANKERS**

Central Bank of India

**REGISTERED OFFICE**

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

**INVESTORS' SERVICES DEPARTMENT**

DGP House, 5<sup>th</sup> Floor, 88C, Old Prabhadevi Road,  
Mumbai- 400 025, Maharashtra  
Email id: [kemp-investor@kempnco.com](mailto:kemp-investor@kempnco.com); Website: [www.kempnco.com](http://www.kempnco.com)  
Tel: +91 22 6653 9000, Fax: +91 22 6653 9089

**REGISTRAR & SHARE TRANSFER AGENT**

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

## KEMP & COMPANY LIMITED

NOTICE is hereby given that the 139<sup>th</sup> Annual General Meeting (“AGM”) of the Members of KEMP & COMPANY LIMITED will be held on Tuesday, 29<sup>th</sup> September, 2020, at 11:00 a.m. IST through Video Conferencing (“VC”)/Other Audio Visual Means (“OAVM”) to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2020 together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on equity shares for the financial year 2019-20.
3. To appoint a Director in place of Mrs. Shalini D. Piramal (DIN- 01365328), who retires by rotation and being eligible, seeks re-appointment.

### SPECIAL BUSINESS:

4. **Appointment of Mr. Maneck Davar (DIN- 01990326), as Non- Executive Independent Director of the Company for a period of 5 (five) years w.e.f. 14<sup>th</sup> February, 2020 to 13<sup>th</sup> February, 2025**

To consider and if thought fit, to pass the following resolution as **Ordinary Resolution**:

“RESOLVED THAT pursuant to Section 149, 152, 161 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications(s) or enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Mr. Maneck Davar (DIN- 01990326), who was appointed as an Additional Director (Non-Executive, Independent) of the Company pursuant to the provisions of Section 161(1) of the Act with effect from 14<sup>th</sup> February, 2020 and who hold office up to the date of this Annual General Meeting, who qualifies for being appointed as Non- Executive Independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as Non-executive, Independent Director of the Company, not liable to retire by rotation, to hold office for a period of 5 (five) years with effect from 14<sup>th</sup> February, 2020 to 13<sup>th</sup> February, 2025.”

5. **Re-appointment of Mrs. Shalini D. Piramal (DIN- 01365328) as Managing Director of the Company for a period of 5 (five) years w.e.f. 26<sup>th</sup> March, 2020 to 25<sup>th</sup> March, 2025**

To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to provisions of Sections 196, 197 and other applicable provisions of the Companies Act, 2013 (“the Act”) read with Schedule V to the Act and the Companies(Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and applicable Regulations of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, approval of Members of the Company is accorded to re-appoint Mrs. Shalini D. Piramal (DIN- 01365328) as the Managing Director of the Company for a further period of 5 years effective from 26<sup>th</sup> March, 2020 to 25<sup>th</sup> March, 2025, liable to be retire by rotation, on the following terms and conditions:

**Salary:** Basic salary of ₹ 1,40,000/- per month in the scale of ₹ 1,40,000/- — ₹ 4,00,000/-. Increments within the salary scale will be decided by the Board of Directors from time to time as they may deem fit.

**Perquisites:** Following perquisites on a monthly basis in addition to salary not exceeding three times the monthly basic salary shall be allowed as per the rules of the Company within the overall ceiling fixed by the Company. For the purpose of calculating the ceiling, the perquisites and allowances shall be evaluated as per Income-tax Rules, wherever applicable. In the absence of any such Rules, they shall be evaluated at actual cost.

**Housing:** Residential accommodation with furnishings or house rent allowance in lieu thereof as per the policy of the Company.

**Medical Reimbursement:** Reimbursement of actual expenses for self and family as per the rules of the Company.

**Leave Travel Concession:** For self and family once in a year as per the rules of the Company.

**Other Allowances and Contributions:** As per the policy of the Company

**Earned/Privilege Leave:** On full pay and allowance as per the policy of the Company. Encashment of leave accumulated but not availed during the tenure of office, as the case may be, in accordance with the policy of the Company.

**Sitting Fees:** The Managing Director shall not be paid any sitting fees for attending any meetings of the Board/ Committee(s) / General Meeting(s) etc.

**General:** The Managing Director shall be subject to the other service conditions, rules and regulations of the Company as may be prescribed from time to time.

**Minimum Remuneration:** In the absence or inadequacy of the profits in any financial year, the remuneration shall be paid as specified under Section II of Part II of Schedule V to the Companies Act, 2013 to the Managing Director".

**By the Order of the Board of Directors**

Place: Mumbai  
Date: 29<sup>th</sup> June, 2020

Kunal Chhatwani  
Company Secretary

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

**NOTES:**

1. All documents referred in the accompanying Notice and the Explanatory Statement shall be available for inspection electronically. Members seeking to inspect such documents can visit the website of the Company i.e. [www.kempnco.com](http://www.kempnco.com).
2. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
3. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking appointment / re-appointment at this AGM is annexed.
4. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company.  
Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
5. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities.  
In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, Link Intime India Private Limited ("Link Intime") for assistance in this regard.
6. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with Link Intime in case the shares are held by them in physical form.
7. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to Link Intime in case the shares are held by them in physical form.
8. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them.  
Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to Link Intime in case the shares are held in physical form.
9. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or Link Intime, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.

10. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
11. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 27<sup>th</sup> September, 2020 through email on [kemp-investor@kempnco.com](mailto:kemp-investor@kempnco.com). The same will be replied by the Company suitably.
12. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in).

During the financial year 2019-20, the Company has transferred to the IEPF, the following unclaimed dividends and corresponding shares thereto:

Particulars	Amount of Dividend	No. of shares
Final Dividend for the Financial Year 2011-12	6,810	681

13. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website [www.kempnco.com](http://www.kempnco.com), websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and on the website of NSDL <https://www.evoting.nsdl.com>
14. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
15. Pursuant to Section 91 of the Companies Act, 2013, the Register of Members and the Share Transfer Books of the Company will be closed from Wednesday, 23<sup>rd</sup> September, 2020 up to Tuesday, 29<sup>th</sup> September, 2020 (both days inclusive) for the purpose of payment of dividend.
16. The dividend as recommended by the Board of Directors, if approved by the Members at the ensuing AGM will be paid on or after 3<sup>rd</sup> October, 2020 as under to:
  - a. Members holding shares in physical form, whose name appear in the Company's Register of Members as on 29<sup>th</sup> September, 2020.
  - b. Beneficial owners, whose name appears in the beneficial owners list to be furnished for this purpose by the National Securities Depository Limited and the Central Depository Services (India) Limited as on the close of business hours on 22<sup>nd</sup> September, 2020.
17. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company (in case of shares held in physical mode) and depositories (in case of shares held in demat mode). A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to [kemp-investor@kempnco.com](mailto:kemp-investor@kempnco.com) by 11:59 p.m. IST on 22<sup>nd</sup> September, 2020.

Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%. Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to [kemp-investor@kempnco.com](mailto:kemp-investor@kempnco.com). The aforesaid declarations and documents need to be submitted by the shareholders by 11:59 p.m. IST on 22<sup>nd</sup> September, 2020. In the event the Company is unable to pay the dividend to any shareholder by electronic mode, due to non-registration of the bank account, the Company shall dispatch the dividend warrant/cheque to such shareholder, at the earliest once normalcy is restored.

18. Process for registration of email id for obtaining Annual Report and user id/password for e-voting and updation of bank account mandate for receipt of dividend:

Physical Holding Send a request to the Registrar and Transfer Agents of the Company, providing Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) for registering email address.

Following additional details need to be provided in case of updating Bank Account Details:

- a. Name and Branch of the Bank in which you wish to receive the dividend,
  - b. the Bank Account type,
  - c. Bank Account Number allotted by their banks after implementation of Core Banking Solutions
  - d. 9 digit MICR Code Number, and
  - e. 11 digit IFSC Code
  - f. a scanned copy of the cancelled cheque bearing the name of the first shareholder. Demat Holding please contact your Depository Participant (DP) and register your email address and bank account details in your demat account, as per the process advised by your DP.
19. At the 136<sup>th</sup> AGM held on 4<sup>th</sup> August, 2017 the Members approved appointment of M/s. M L Bhuwania and Co., LLP, Chartered Accountants, (Firm Registration No. 101484W/W100197) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the 141<sup>st</sup> AGM, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. In view of the same at 137<sup>th</sup> AGM of the Company, members of the Company have partially modified the previous resolution passed at the 136<sup>th</sup> AGM for the appointment of Statutory Auditors and approved their appointment till the balance tenure of their appointment i.e. upto 141<sup>st</sup> AGM of the Company without seeking ratification of their appointment. Accordingly, no resolution is being proposed for ratification of appointment of Statutory Auditors at the 139<sup>th</sup> AGM.
20. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
21. Instructions for e-voting and joining the AGM are as follows:

**A. VOTING THROUGH ELECTRONIC MEANS**

- i. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below.
- ii. The remote e-voting period commences on Saturday, 26<sup>th</sup> September, 2020 at 9:00 a.m. and ends on Monday, 28<sup>th</sup> September, 2020 at 5:00 p.m.  
  
During this period, Members holding shares either in physical form or in dematerialized form, as on Tuesday, 22<sup>nd</sup> September, 2020 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
- iii. The Board of Directors has appointed Ms. Ragini Chokshi (Membership No. 2390) of M/s. Ragini Chokshi & Co., Company Secretaries as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.
- iv. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
- v. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
- vi. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.
- vii. The details of the process and manner for remote e-voting are explained herein below:  
  
Step 1: Log-in to NSDL e-voting system at <https://www.evoting.nsdl.com/>  
  
Step 2: Cast your vote electronically on NSDL e-voting system.



## Details on Step 1 are mentioned below:

How to Log-in to NSDL e-voting website?

1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsd.com/> either on a personal computer or on a mobile.
2. Once the home page of e-voting system is launched, click on the icon “Login” which is available under “Shareholders” section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsd.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. cast your vote electronically.
4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
A) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****
B) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example, if EVEN is 123456 and folio number is 001*** then user ID is 123456001***

5. Your password details are given below:
  - a) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you by NSDL. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
  - c) How to retrieve your ‘initial password’?
    - i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL in your mailbox from [evoting@nsdl.com](mailto:evoting@nsdl.com). Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
    - ii) In case you have not registered your email address with the Company/ Depository, please follow instructions mentioned below in this notice.
6. If you are unable to retrieve or have not received the ‘initial password’ or have forgotten your password:
  - a) Click on “Forgot User Details/Password?” (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
  - b) “Physical User Reset Password?” (If you are holding shares in physical mode) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d) Members can also use the one-time password (OTP) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, click on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-voting will open.

**Details on Step 2 are mentioned below:**

How to cast your vote electronically on NSDL e-voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-voting. Click on e-voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of the Company, which is "113980".
4. Now you are ready for e-voting as the Voting page opens
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional / Corporate shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc., with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by email to: [mail@csraginichokshi.com](mailto:mail@csraginichokshi.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/ Password?" or "Physical User Reset Password?" option available on <https://www.evoting.nsdl.com> to reset the password.
3. In case of any queries relating to e-voting you may refer to the FAQs for Shareholders and e-voting user manual for Shareholders available at the download section of <https://www.evoting.nsdl.com> or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

In case of any grievances connected with facility for e-voting, please contact Ms. Pallavi Mhatre, Manager, NSDL, 4<sup>th</sup> Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013. Email: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)/[pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in), Tel: +91 22 2499 4545/ 1800-222-990

**Process for registration of email id for obtaining Annual Report and user id/password for e-voting:**

Physical Holding	Send a request to the Registrar and Transfer Agents of the Company, Link Intime at <a href="mailto:mt.helpdesk@linkintime.co.in">mt.helpdesk@linkintime.co.in</a> providing Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) for registering email address. Following additional details need to be provided in case of updating Bank Account Details:
Demat Holding	Please contact your Depository Participant (DP) and register your email address and bank account details in your demat account, as per the process advised by your DP.

**B. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC / OAVM ARE AS UNDER:**

1. Members will be able to attend the AGM through VC / OAVM or view the live webcast of AGM provided by NSDL at <https://www.evoting.nsdl.com> by using their remote e-voting login credentials and selecting the EVEN for Company's AGM.  
Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further, Members can also use the OTP based login for logging into the e-voting system of NSDL.
2. The Shareholders can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned herein in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 Shareholders on 'first come first serve' basis. This will not include large Shareholders (i.e. Shareholders holding 2% or more), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of 'first come first serve' basis.
3. Members who need assistance before or during the AGM, can contact NSDL on [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)/1800-222-990 or contact Mr. Amit Vishal, Senior Manager – NSDL at [amitv@nsdl.co.in](mailto:amitv@nsdl.co.in)/ 022-24994360.

4. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at [kemp-investor@kempnco.com](mailto:kemp-investor@kempnco.com) from 22<sup>nd</sup> September, 2020 (9:00 a.m. IST) up to 24<sup>th</sup> September, 2020 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
5. Members are encouraged to join the Meeting through Laptops for better experience.
6. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
7. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

### Other Instructions

1. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
2. The result declared along with the Scrutinizer's Report shall be placed on the Company's website [www.kempnco.com](http://www.kempnco.com) and on the website of NSDL <https://www.evoting.nsdl.com> immediately. The Company shall simultaneously forward the results to BSE Limited, where the shares of the Company are listed.

**By the Order of the Board of Directors**

**Place: Mumbai**  
**Date: 29<sup>th</sup> June, 2020**

**Kunal Chhatwani**  
**Company Secretary**

**Registered Office:**  
**5<sup>th</sup> Floor, DGP House, 88C, Old Prabhadevi Road,**  
**Mumbai - 400 025, Maharashtra, India**  
**CIN: L24239MH1982PLC000047**

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

As required by Section 102(1) of the Companies Act, 2013 (“the Act”), the following Explanatory Statement sets out the material facts relating to the Special Business mentioned under item Nos. 4 & 5 in the accompanying Notice:

**ITEM NO. 4**

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on 14<sup>th</sup> February, 2020 has appointed Mr. Maneck Davar, (DIN- 01990326), as an Additional Director (Non-Executive, Independent) of the Company for a period of 5 (five) years w.e.f. 14<sup>th</sup> February, 2020 to 13<sup>th</sup> February, 2025, subject to member's approval.

Mr. Maneck Davar is an Indian business entrepreneur and has over 41 years of experience in print journalism and publishing. Mr. Davar holds degree in Arts and is presently on the board of Spenta Multimedia Private Limited as Chairman and Managing Director, the largest customised magazine publisher. He is also the Chairman and Managing Director of Spenta Digital Media Private Limited, The Smart Manager Media Private Limited and MW Com Private Limited. He is a member of Central Governing Council and Chairman of Services Export Promotion Council (SEPC) of the Ministry of Commerce, Government of India. Further, he is also an Independent Director of ECGC (Export Credit Guarantee Corporation) Ministry of Commerce, Government of India. Mr. Davar is also associated with various public organizations.

The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Mr. Maneck Davar for the office of Director of the Company. The Company has also received a declaration from Mr. Maneck Davar that he meets the criteria for Independent Director as provided under section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”).

In the opinion of the Board, Mr. Maneck Davar fulfils the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations, as amended from time to time. Details of Mr. Maneck Davar, is provided in the “Annexure 1” to the Notice pursuant to the provisions of the Listing Regulations and Secretarial Standard on General Meetings (“SS-2”) issued by the Institute of Company Secretaries of India. Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Mr. Maneck Davar is appointed as Non-Executive Independent Director. Copy of the letter for appointment of Mr. Maneck Davar as Non-Executive Independent Director setting out the terms and conditions is available for inspection by the members. The resolution seeks the approval of members for the appointment of Mr. Maneck Davar as Non Executive Independent Director of the Company and he shall not be liable to retire by rotation.

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

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

**ITEM NO. 5**

The Board of Directors of the Company had appointed Mrs. Shalini D. Piramal as Managing Director of the Company on 26<sup>th</sup> March, 2015 for the period of 5 (five) years. The said term of Mrs. Shalini D. Piramal ended on 25<sup>th</sup> March, 2020. Considering the vast experience and expertise of Mrs. Shalini D. Piramal, the Board of Directors of the Company (“Board”), on recommendation of the Nomination and Remuneration Committee, has re-appointed Mrs. Shalini D. Piramal as Managing Director for a further term of 5 (five) years with effect from 26<sup>th</sup> March, 2020 to 25<sup>th</sup> March, 2025 (both days inclusive) upon the terms & conditions including the remuneration as detailed in the Agreement to be entered into between the Company, subject to requisite approval of the members.

Mrs. Shalini D. Piramal, is a Graduate and is in the employment of the Company since 2007. She has over 13 years of experience in business related activities.

Mrs. Shalini D. Piramal fulfils the conditions specified in the Act and the rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, as amended from time to time.

Details of Mrs. Shalini D. Piramal is provided in the “Annexure 1” to the Notice pursuant to the provisions of the Listing Regulations and Secretarial Standard on General Meetings (“SS-2”) issued by the Institute of Company Secretaries of India.

The draft of the Agreement to be entered into between the Company and Mrs. Shalini D. Piramal, as ‘Managing Director’ of the Company is open for inspection by the Members up to the date of the AGM.

The Particulars of the information, pursuant to the provisions of Schedule V, Part II, Section II, clause (A) of the Act are as under:

## 1. General Information

- a. Nature of Industry: The Company is mainly engaged in the business of real estate activities, trading in hard and soft luggage and investments.
- b. Date or expected date of commencement of commercial production: Not applicable (Company is an existing company).
- c. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable
- d. Financial Performance based on given indicators: The Revenue from Operations of your Company for the year ended 31<sup>st</sup> March, 2020 was at Rs. 30,720 thousand (Previous Year Rs. 32,570 thousand), a de-growth of around 5.68%. Profit after Tax for the year under review amounted to Rs. 10,543 thousand (Previous Year Rs. 5,172 thousand).
- e. Foreign Investment or collaborations, if any: The Company has not entered into any material foreign collaboration and no direct capital investment has been made in the Company.

## 2. Information about the Appointee

- a. Background details: Mrs. Shalini D. Piramal, is a Graduate and is in the employment of the Company since 2007. She has over 13 years of experience in business related activities.
- b. Past remuneration: The details of the past remuneration are mentioned in Annexure A of the Board's Report under Table VI which relates to Remuneration of Directors and Key Managerial Personnel.
- c. Job profile and her suitability: The Board of Directors of the Company had appointed Mrs. Shalini D. Piramal as Managing Director of the Company on 26<sup>th</sup> March, 2015 for the period of 5 (five) years. The said term of Mrs. Shalini D. Piramal ended on 25<sup>th</sup> March, 2020. Considering the vast experience and expertise of Mrs. Shalini D. Piramal, the Board of Directors of the Company ("Board"), on recommendation of the Nomination and Remuneration Committee, has re-appointed Mrs. Shalini D. Piramal as Managing Director for a further term of 5 (five) years with effect from 26<sup>th</sup> March, 2020 to 25<sup>th</sup> March, 2025 (both days inclusive) upon the terms & conditions including the remuneration as detailed in the Agreement to be entered with the Company.

Taking into consideration, the qualifications, varied experience and achievements, the Board had bestowed upon Mrs. Shalini D. Piramal, the responsibilities of Managing Director of the Company and continues to consider her suitable for the position.

- d. Remuneration proposed: In accordance with the terms of appointment approved by the members at the 134<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 2015, the Company proposes to pay Minimum Remuneration to Mrs. Shalini D. Piramal in case of absence/ inadequacy of profits as per the Schedule V of the Companies Act, 2013
- e. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person: Remuneration of Mrs. Shalini D. Piramal is as per the industry and size of the Company. The proposed remuneration is commensurate with the prevailing level for position of business leaders in the market.
- f. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any: Except for drawing remuneration in her professional capacity, there is no other pecuniary relationship with the Company or with the managerial personnel of the Company.

## 3. Other Information

- a. Reasons of loss or inadequate profits: The Company's business area predominantly relates to real estate and trading in hard and soft luggage, the pace of progress in these sectors to a large extent affects the results of the Company. As there was no significant demand in the real estate business from quite some time and also the performance of the Company was adversely affected due to outbreak of COVID-19 pandemic, therefore the Company has inadequate profits.

- b. Steps taken or proposed to be taken for improvement: The Company is on a growth path and is expected to make profits in future.
- c. Expected increase in productivity and profits in measurable terms: The Company has drawn up an Annual Business Plan which it will endeavor to achieve.

Taking into consideration the above and the terms of appointment (including payment of Minimum Remuneration) agreed with Mrs. Shalini D. Piramal as previously approved by the members of the Company at the AGM held on 30<sup>th</sup> September, 2015 and based on the recommendations of the Nomination and Remuneration Committee has re-appointed Mrs. Shalini D. Piramal as Managing Director for a further term of 5 (five) years with effect from 26<sup>th</sup> March, 2020 to 25<sup>th</sup> March, 2025 (both days inclusive) upon the terms & conditions including the remuneration as detailed in the Agreement to be entered into between the Company, subject to requisite approval of the members.

The Company has not defaulted in payment of dues to any bank or public financial institution or non-convertible debenture holders or other secured creditor.

In the event of absence or inadequacy of profits in any financial year during the tenure of the Managing Director, salary in addition to the perquisites subject to the limits stipulated under Schedule V read with Sections 196 and 197 of the Companies Act, 2013, are payable.

Save and except, Mrs. Shalini D. Piramal and her relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

The Board recommends passing of Ordinary Resolution set out at Item No. 5 of the Notice for approval by the members.

**Annexure 1**
**DETAILS OF THE DIRECTOR SEEKING APPOINTMENT/RE-APPOINTMENT**

<b>Name of the Director</b>	<b>Mrs. Shalini D. Piramal</b>	<b>Mr. Maneck Davar</b>
Date of Birth	01.03.1965	05.03.1958
Date of First Appointment	26.03.2015	14.02.2020
Experience in specific functional area	Corporate Management	Corporate Management
Qualifications	Bachelor of Commerce	Degree in Arts
Key terms and conditions of appointment/ reappointment	As per Agreement	As per letter of appointment
Number of Meetings of the Board attended during FY 2019-20	4 out of 4	1* out of 1
No. of Equity shares held in the Company	Nil	Nil
Directorship held in other Companies	1. DGP Enterprises Private Limited 2. DGP Securities Limited 3. Gazelle Travels Private Limited 4. Alcon Finance and Investments Limited 5. DGP Capital Management Limited	1. Spenta Publishers Private Limited 2. Spenta Management Private Limited 3. Spenta Digital Media Private Limited 4. Spenta Multimedia Private Limited 5. Mumbai Boat Show Private Limited 6. Smart Manager Media Private Limited 7. MW COM (India) Private Limited 8. Foods and Inns Limited
Remuneration sought to be paid	As per existing approved terms and conditions	Sitting Fees
Remuneration last drawn	₹ 36,28,800/-	₹ 20,000/-
Membership/Chairmanship of Committees of other public companies	DGP Securities Limited - CSR Committee: Member	-
Relationship with other Directors/Managers, KMP's	None	None

\* Mr. Maneck Davar has been appointed as an additional director (Non Executive, Independent) of the Company at the board meeting held on 14<sup>th</sup> February, 2020

**By the Order of the Board of Directors**

Kunal Chhatwani  
Company Secretary

Place: Mumbai

Date: 29<sup>th</sup> June, 2020

Registered Office:

5<sup>th</sup> Floor, DGP House, 88C,

Old Prabhadevi Road, Mumbai - 400 025

Maharashtra, India

CIN: L24239MH1982PLC000047

**BOARDS'S REPORT**

Your Directors are pleased to present the 139<sup>th</sup> Annual Report together with the Audited Financial Statements and Auditor's Report for the financial year ended 31<sup>st</sup> March, 2020.

(₹ In Thousands)

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
Revenue from operations	30,720	32,570
Profit before Depreciation and Tax	11,351	3,685
Depreciation and Amortization expenses	2,560	2,496
Profit before tax and Exceptional/Extraordinary Items	8,791	1,189
Profit Before Tax	8,791	1,189
Tax expenses		
1. Deferred Tax	(1,752)	(3,982)
2. Excess provision for tax relating to prior year	-	(1)
Profit for the year	10,543	5,172

**OVERALL PERFORMANCE AND OUTLOOK**

During the financial year ended 31<sup>st</sup> March, 2020, revenue from operations was ₹ 30,720 thousand as against ₹ 32,570 thousand during previous year, registering a decline of 5.68%. Profit before tax was at ₹ 8,791 thousand as against ₹ 1,189 thousand in the previous year. Profit after tax for the year under review was at ₹ 10,543 thousand against ₹ 5,172 thousand in the previous year.

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

**RESERVES & DIVIDEND**

During the year under review, as well as the previous year, the Company has not transferred any amount to the General Reserves. As on 31<sup>st</sup> March, 2020, Reserves and Surplus of the Company were at ₹ 10,06,547 thousand. An amount of ₹ 10,543 thousand is proposed to be retained as surplus in the statement of Profit & Loss.

Your Directors are pleased to recommend for your consideration, a dividend of Re. 0.50/- ( Fifty paise only) per equity share of ₹ 10/- each (previous year ₹ 0.50/- per equity share of ₹ 10/- each) for the financial year 2019-20.

**ANNUAL RETURN**

The extracts of Annual Return pursuant to the provisions of Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 in the prescribed Form MGT-9 is annexed herewith as **Annexure "A"** and copy of Annual Return is available on the Company's website at [www.kempnco.com](http://www.kempnco.com).

**COMPLIANCE WITH SECRETARIAL STANDARDS**

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

**NUMBER OF MEETINGS OF THE BOARD**

During the financial year ended 31<sup>st</sup> March, 2020, four(4) Board Meetings and four (4) Audit Committee Meetings were convened and held. A calendar of Meetings is prepared and circulated in advance to your Directors. The intervening gap between the two Meetings was within the period prescribed under the Companies Act, 2013. In addition, the Independent Directors had a meeting during the year under review.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirements under Section 134(3)(c) of the Companies Act, 2013 with respect to the Directors' Responsibility Statement, based on their knowledge and belief and the information and explanations obtained, your Directors confirm that:

- in the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures;



- b) such accounting policies selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the financial year ended 31<sup>st</sup> March, 2020 and of the profit and loss of your Company for that period;
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) annual accounts for the financial year ended 31<sup>st</sup> March, 2020 have been prepared on a going concern basis;
- e) internal financial controls had been laid down and followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) proper systems had been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### DECLARATION OF INDEPENDENT DIRECTORS

Pursuant to Section 134(3)(d) of the Companies Act, 2013 ("the Act"), your Company confirm having received necessary declarations from all the Independent Directors under section 149(7) of the Companies Act, 2013 declaring that they meet the criteria of independence laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### NOMINATION AND REMUNERATION POLICY

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed a policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management Personnel and their remuneration. The policy formulates the criteria for determining qualifications, competencies, positive attributes and independence for the appointment of a Director (Executive/Non-Executive) and also the criteria for determining the remuneration of the Directors, KMP and other employees.

Nomination and Remuneration Policy of the Company has been displayed on the Company's website i.e. [www.kempnco.com](http://www.kempnco.com).

### AUDITORS

#### Statutory Auditors

In the Annual General Meeting (AGM) held on 4<sup>th</sup> August, 2017, M/s. M L Bhuwania and Co., LLP, Chartered Accountants (Firm Registration No. 101484W/W100197) have been appointed as Statutory Auditors of the Company for a period of 5 (five) years commencing from the conclusion of 136<sup>th</sup> AGM till the conclusion of 141<sup>st</sup> AGM, subject to ratification of appointment by the members of the Company at every AGM.

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

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

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

#### Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Board of Directors of your Company have re-appointed M/s. Ragini Chokshi & Co., Company Secretaries in Practice to undertake the Secretarial Audit of your Company for the financial year 2020-21.

The Secretarial Audit Report for the financial year 2019-20 in the prescribed Form MR-3 forms part of this Annual Report and is appended as **Annexure "B"** to the Board's report. The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks.

### BOARD EVALUATION

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

**COST RECORDS**

The Company is not required to maintain cost records under Section 148(1) of the Companies Act, 2013.

**FAMILIARISATION PROGRAMME**

The Board members are provided with necessary documents/brochures, reports and internal policies to enable them to familiarise with your Company's procedures and practices. Periodic presentations are made at the Board Meetings and the Board Committee Meetings on business and performance updates of your Company, global business environment, business strategy and risks involved. The details of programmes for familiarisation for Independent Directors are on the website of the Company i.e. [www.kempnco.com](http://www.kempnco.com).

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

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

**CODE OF BUSINESS CONDUCT AND ETHICS FOR DIRECTORS/ MANAGEMENT PERSONNEL**

The Code of Business Conduct and Ethics for Directors/Management Personnel ('the Code'), as adopted by the Board, is a comprehensive Code applicable to Directors and Senior Management Personnel of your Company. The Code, while laying down in detail, the standards of business conduct and ethics also deals with governance aspects. A copy of the Code has been uploaded on your Company's website [www.kempnco.com](http://www.kempnco.com).

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

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

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

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

Your Company has established a Policy for determining related party transactions. The Audit Committee oversees the related party transactions. Related Party Transaction Policy of the Company has been displayed on the Company's website [www.kempnco.com](http://www.kempnco.com).

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

Pursuant to Section 134 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, the particulars of such transactions are provided in Form AOC-2 which is annexed herewith as **Annexure "C"** to this report. Related Party disclosures as per IndAS have been provided in Note No. 38 of the Financial Statements.

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

There are no adverse material changes or commitments occurred after 31<sup>st</sup> March, 2020 which may affect the financial position of the Company or may require disclosure.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

As the Company is not engaged in any manufacturing activity, there are no particulars to be disclosed under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 as regards conservation of energy or technology absorption.

Further, during the year under review, the Company has neither earned nor spent any foreign exchange.

**RISK MANAGEMENT**

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

## DIRECTORS

### Appointment of Director

Mr. Maneck Davar was appointed as an Additional Director (Non-Executive, Independent Director) of the Company with effect from 14<sup>th</sup> February, 2020.

### Retirement by rotation

Mrs. Shalini D. Piramal, Managing Director (DIN - 01365328) of your Company retires by rotation and being eligible offers herself for re-appointment.

## KEY MANAGERIAL PERSONNEL

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

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

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

## PUBLIC DEPOSITS

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

## SIGNIFICANT AND MATERIAL ORDERS

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

## MANAGEMENT DISCUSSION AND ANALYSIS

Your Company's business operations includes dealing in real estate, investments and trading in hard & soft luggage. Covid-19 is the largest threat to the all the industries across the globe including the Company. Your Company has assessed the possible effects that may result from the COVID-19 pandemic on the carrying amounts of receivables, unbilled revenues, intangibles, investments and other assets / liabilities. Considering the threats, opportunities and the strengths of your Company, the key task at hand is to survive Covid-19 to the best possible degree.

Your Company has undertaken necessary cost cutting measures in order to ensure the Company's financial positions remains stable and secure.

Your Company has appointed M/s. Suresh Surana & Associates as Internal Auditors of your Company to ensure adequacy of internal controls. The internal audit function maintains internal controls to safeguard your Company's assets against losses, provides a high degree of assurance regarding the effectiveness and efficiency of operations, assesses the reliability of financial controls and compliance with laws and regulations. The Internal Auditors submit their reports to the Audit Committee on quarterly basis.

All significant changes, if any, in the accounting policies during the year, have been disclosed in the notes to the financial statement.

The Revenue from Operations of your Company for the year ended 31st March, 2020 was at Rs. 30, 720 thousand (Previous Year Rs. 32,570 thousand), a de-growth of around 5.68%. Profit after Tax for the year under review amounted to Rs. 10,543 thousand (Previous Year Rs. 5,172 thousand).

During the year under review, Human Resources department of your Company focused on effective execution of plans through qualified workforce. Through a structured recruitment and training process your Company identified the need of training and trained the workforce to improve capabilities. A structured recruitment process has helped your Company attract the right talent at all levels. The employee strength as on 31st March 2020 was 4 (Four).

## INTERNAL FINANCIAL CONTROL

Your Company has put in place adequate internal financial controls with reference to the financial statements. The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures. During the year, such controls were tested and no reportable material weaknesses in design or operation were observed.

**VIGIL MECHANISM**

Your Company has established a Vigil Mechanism Policy for your Directors, employees and stakeholders to safeguard against victimization of persons who use vigil mechanism and report genuine concerns. The Audit Committee oversees the vigil mechanism complaints. The Vigil Mechanism Policy of the Company has been displayed on the Company’s website i.e. [www.kempnco.com](http://www.kempnco.com).

**PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE**

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

**SHARE CAPITAL**

The paid-up Equity Share Capital of the Company as on 31<sup>st</sup> March, 2020 stood at ₹ 10,80,2000/-. During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity.

As on 31<sup>st</sup> March, 2020, none of the Directors of the Company holds instruments convertible into equity shares of the Company.

**AUDIT COMMITTEE**

The Audit Committee comprises of Mr. Ranjan Sanghi, Mrs. Shalini D. Piramal and Mr. Satyen Dalal. All the recommendations made by the Audit Committee were deliberated and accepted by the Board.

Mr. Ranjan Sanghi, Chairman of the Audit Committee, was present at the 138<sup>th</sup> Annual General Meeting of the Company held on 30<sup>th</sup> September, 2019 to answer the shareholders queries.

**PARTICULARS OF EMPLOYEES**

Your Company has no employee whose remuneration details are required to be provided as per the provisions of Section 197(12) of the Companies Act, 2013 (the Act) read with Rule 5 of the Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014.

During the year under review, no stock options have been granted by your Company.

**REMUNERATION RATIO OF THE DIRECTORS / KEY MANAGERIAL PERSONNEL (KMP) / EMPLOYEES:**

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of your Company is furnished hereunder:

(₹ In Thousands)

Sr. No.	Name	Designation	Remuneration paid for the Financial Year 2019-20
1	Mrs. Shalini D. Piramal	Managing Director	3,628.80
2	Mr. Sunil Kumar Gupta	Chief Financial Officer	3,760.49
3.	Mr. Kunal Chhatwani	Company Secretary	1,409.08

- Your Directors’ Remuneration (including commission and variable pay) to the median remuneration of the employees of your Company for the year 2019-20 was as under:

Director’s Name	Ratio of remuneration of each Director to the median employees’ remuneration
Mrs. Shalini D. Piramal	1.4X

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

Name	Designation	Increase (%)
Mrs. Shalini D. Piramal	Managing Director	9%
Mr. Sunil Kumar Gupta	Chief Financial Officer	3%
Mr. Kunal Chhatwani	Company Secretary	11%

- The percentage increase in the median remuneration of employees for the financial year 2019–20 is around 4%. The percentage increase in the median remuneration is calculated for comparable employees and does not include employees who were not eligible.
- The number of permanent employees on the rolls of the Company- 4

5. The Percentage increase in salaries of the managerial personnel at 50<sup>th</sup> percentile is 9%. The Percentage increase in salaries of the non-managerial personnel at 50<sup>th</sup> percentile is Nil. The increase/decrease in remuneration is not solely based on the Company's performance but also includes various other factors like individual performance, experience, skill sets, academic background, industry trends, economic situation and future growth prospects etc. besides the Company performance. There are no exceptional circumstances for increase in the managerial remuneration.
6. The remuneration paid to the Directors is as per the Remuneration Policy of the Company.

### **INDUSTRIAL RELATIONS**

Industrial relations remained cordial throughout the year under review.

### **ACKNOWLEDGEMENT**

Your Directors wish to place on record their appreciation for the dedicated services of the employees of your Company at all levels.

**By Order of the Board of Directors**

Place: Mumbai  
Date: 28<sup>th</sup> August, 2020

**SHALINI D. PIRAMAL**  
Managing Director  
(DIN - 01365328)

**RANJAN SANGHI**  
Director  
(DIN - 00275842)

**FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN  
As on financial year ended on 31<sup>st</sup> March 2020**

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

**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	L24239MH1982PLC000047
2.	Registration Date	27 <sup>th</sup> June, 1882
3.	Name of the Company	Kemp & Company Limited
4.	Category/Sub-category of the Company	Public Company/ Limited By Shares
5.	Address of the Registered office & contact details	5 <sup>th</sup> Floor, DGP House, 88C, Old Prabhadevi Road, Mumbai Maharashtra – 400 025 Tel: +91 22 6653 9000 Fax: +91 22 6653 9089 Email: <a href="mailto:kemp-investor@kempnco.com">kemp-investor@kempnco.com</a>
6.	Whether listed company	Yes (BSE Limited)
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Pvt. Ltd. C-101, 247 Park, LBS Marg, Vikroli (W), Mumbai - 400 083 Tel: + 91 22 491 86270 Fax: +91 22 491 86060 Email: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY** (All the business activities contributing 10% or more of the total turnover of the Company shall be stated):

Sr. No.	Name and Description of main products / services	NIC Code of the Product/Service	% to total turnover of the Company
1	Trading in Hard & Soft Luggage and Ladies Handbags	22205, 15121 & 15122	25.23
2	Real Estate	68100	38.68
3	Investment Income	66309	35.94

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	<b>Name –</b> Vibhuti Investments Company Limited <b>Add-</b> 88-C, DGP House, Old Prabhadevi Road, Mumbai 400 025	U65923MH1982PLC026041	Holding	<b>68.12</b>	2(46)

**IV SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)-**

**A) Category-wise Share Holding:**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	759480	-	759480	70.30	759480	-	759480	70.30	No Change
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-

# KEMP & COMPANY LIMITED

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Foreign</b>									
Individuals (Non-Resident Individuals/Foreign Individuals)	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A)</b>	759480	-	759480	70.30	759480	-	759480	70.30	No Change
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	100	820	920	0.08	100	820	920	0.08	No Change
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Foreign Portfolio Investor (Corporate)	-	-	-	-	-	-	-	-	-
j) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	100	820	920	0.08	100	820	920	0.08	No Change
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	43847	6173	50020	4.63	43853	6173	50026	4.63	No Change
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	17382	11328	28710	2.66	17671	10387	28058	2.60	(0.06)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	216550	-	216550	20.05	216550	-	216550	20.05	No Change
c) Others (specify)									
Non Resident Indians (Repat)	27	150	177	0.02	13027	150	13177	1.22	1.20
Non Resident Indians (Non Repat)	704	-	704	0.07	724	-	724	0.08	0.01
NBFCs registered with RBI	-	-	-	-	-	-	-	-	-
Market Maker	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	20	20	-	-	20	20	-	No Change
Clearing Members	13047	-	13047	1.21	-	-	-	-	(1.21)
Trusts	-	-	-	-	-	-	-	-	-
Hindu Undivided Family	1238	-	1238	0.11	1230	-	1230	0.11	No Change
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
IEPF	9334	-	9334	0.87	10015	-	10015	0.93	0.06
<b>Sub-total (B)(2):-</b>	302129	17671	319800	29.62	303070	16730	319800	29.62	No Change
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	302229	18491	320720	29.70	303170	17550	320720	29.70	No Change
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	1061709	18491	1080200	100	1062650	17550	1080200	100	-

**B) Shareholding of Promoter:**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Vibhuti Investments Company Ltd.	735870	68.12	0	735870	68.12	0	0
2	DGP Securities Ltd.	23260	2.15	0	23260	2.15	0	0
3	Alcon Finance and Investments Ltd.	350	0.03	0	350	0.03	0	0
	<b>Total</b>	<b>759480</b>	<b>70.30</b>	<b>0</b>	<b>759480</b>	<b>70.30</b>	<b>0</b>	<b>0</b>

**C) Change in Promoters' Shareholding:**

There is no change in promoter shareholding during the year under review.

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

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		No. of Shares held	% of total Shares of the Company	Date of Transaction	No. of Shares	No. of Shares held	% of Total Shares of the Company
1	Gita Piramal	216550	20.0472			216550	20.0472
	At the end of the year					216550	20.0472
2	DGP Capital Management Ltd.	47513	4.3985			47513	4.3985
	At the end of the year					47513	4.3985
3	Vandana Ramesh Sitlani	-	-			-	-
	Purchase			05-Apr-2019	13000	13000	1.2035
	At the end of the year					13000	1.2035
4	Investor Education and Protection Fund Authority Ministry of Corporate Affairs	9334	0.8641			9334	0.8641
	Purchase			18-Oct-2019	681	10015	0.9271
	At the end of the year					10015	0.9271
5	Hitesh Ramji Javeri	2651	0.2454			2651	0.2454
	Purchase			15-Nov-2019	4	2655	0.2458
	At the end of the year					2655	0.2458
6	V.I.P. Industries Ltd.	1909	0.1767			1909	0.1767
	At the end of the year					1909	0.1767
7	Harsha Hitesh Javeri	1748	0.1618			1748	0.1618
	Purchase			15-Nov-2019	2	1750	0.1620
	At the end of the year					1750	0.1620
8	Ravindra Vithaldas Mehta	900	0.0833			900	0.0833
	At the end of the year					900	0.0833
9	Sunil Kumar Jain HUF	530	0.0491			530	0.0491
	At the end of the year					530	0.0491
10	K R Rajagopal	500	0.0463			500	0.0463
	At the end of the year					500	0.0463
11	Seema Kothari	500	0.0463			500	0.0463
	At the end of the year					500	0.0463
12	Maliram Makharia Fin PI	13000	1.2035			13000	1.2035
	Sale			05-April-2019	13000	-	-
	At the end of the year					-	-



## E) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding of each Director and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Mrs. Shalini D. Piramal	Nil	Nil	Nil	Nil
2	Mr. Ranjan Sanghi	Nil	Nil	Nil	Nil
3	Mr. Raj Kumar Kataria	Nil	Nil	Nil	Nil
4	Mr. Satyen Dalal	Nil	Nil	Nil	Nil
5	Mr. M. K. Arora	Nil	Nil	Nil	Nil
6	Mr. Maneck Davar <sup>#</sup>	Nil	Nil	Nil	Nil
7	Mr. Sunil Kumar Gupta	Nil	Nil	Nil	Nil
8	Mr. Kunal Chhatwani	Nil	Nil	Nil	Nil

<sup>#</sup>Mr. Maneck Davar has been appointed as an Additional Director (Non- Executive, Independent) of the Company with effect from 14<sup>th</sup> February, 2020.

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

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

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

### A. Remuneration to Managing Director/Whole-time Directors

(₹ In Thousands)

Sr. No.	Particulars of Remuneration	Name of the Managing Director	
		Mrs. Shalini D Piramal	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,600.00	
	(b) Value of perquisites under section 17(2) Income-tax Act, 1961	28.80	
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	
2	Stock Option	-	
3	Sweat Equity	-	
4	Commission	-	
5	Others, please specify (Company's Contribution to retirement benefits)	-	
	<b>Total (A)</b>	3,628.80*	
	Ceiling as per the Act (@10% of profits calculated under section 198 of the Companies Act, 2013)	1,287.18	

\*The remuneration paid to Mrs. Shalini D. Piramal during the year 2019-20 is within the limits permissible under Section II of Part II of Schedule V of the Companies Act, 2013 and is also in line with the Member's approval provided at 134<sup>th</sup> Annual General Meeting

### B. Remuneration to other directors

(₹ In Thousands)

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Ranjan Sanghi	Mr. Raj Kumar Kataria	Mr. Satyen Dalal	Mr. Maneck Davar#	
1	Independent Directors					
	Fee for attending Board, committee and Independent Director's meetings	140.00	70.00	120.00	20.00	350.00
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	140.00	70.00	120.00	20.00	350.00
2	Other Non-Executive Directors/ Promoters	<b>Mr. M.K. Arora</b>				<b>Total Amount</b>
	Fee for attending board committee meetings	100.00				100.00
	Commission	-				-
	Others, please specify	-				-
	Total (2)	100.00				100.00
	<b>Total (B)=(1+2)</b>					450.00
	<b>Total Managerial Remuneration</b>	<b>Ceiling as per the Act (@1% of profits calculated under section 198 of the Companies Act, 2013)</b>				128.72

# Mr. Maneck Davar has been appointed as an Additional Director (Non- Executive, Independent) of the Company with effect from 14<sup>th</sup> February, 2020.

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

(₹ In Thousands)

Sr. No.	Particulars of Remuneration	Mr. Sunil Gupta Chief Financial Officer	Mr. Kunal Chhatwani Company Secretary	Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,544.66	1,349.44	4,894.10
	(b) Value of perquisites under section 17(2) Income-tax Act, 1961	32.40	-	32.40
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit	-	-	-
5	Others, please specify (Company's Contribution to retirement benefits)	183.43	59.64	243.07
	Total	3,760.49	1,409.08	5,169.57

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>B. DIRECTORS</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

**FORM NO MR-3  
SECRETARIAL AUDIT REPORT**

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

**FOR THE PERIOD 01-04-2019 TO 31-03-2020**

To,  
The Members,  
**KEMP AND COMPANY LIMITED**  
5<sup>th</sup> Floor, DGP House,  
88C, Old Prabhadevi Road,  
Mumbai 400 025,  
Maharashtra

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **KEMP AND COMPANY LIMITED, CIN: L24239MH1982PLC000047** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering **1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period **1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020** according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not Applicable to the Company during the Audit Period)**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"): -
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended from time to time;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time; ;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and as amended from time to time; **(Not Applicable to the Company during the Audit Period)**
  - (d) The Securities and Exchange Board of India (Share Based Employees Benefits) Regulations, 2014; **(Not Applicable during the Audit Period)**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and as amended from time to time; **(Not applicable during the Audit Period)**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not Applicable during the Audit Period)**
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable during the Audit Period)**
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable during the Audit Period)**

We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations

We are of the opinion that the management has complied with the following laws specifically applicable to the Company:

1. Income Tax Act, 1961
2. Employees' Provident Funds and Miscellaneous Provisions Act, 1974
3. MIDC, Mumbai and other local municipal Authorities & Act framed thereunder
4. Rent Act, 2016
5. Real Estate Act, 2013
6. Negotiable Instruments Act, 1881
7. Payment of Gratuity Act, 1972

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

- (i) Secretarial Standards i.e. SS-1 and SS-2 issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreements entered into by the Company with Stock Exchanges.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above:-

**We further report that** during the reporting period;

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The Changes in the composition of the Board of Directors that took place during the period under review were carried out and is in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes. There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

- Mr. Maneck Davar was appointed as an Additional Director (Non-Executive, Independent Director) of the Company w.e.f. 14<sup>th</sup> February, 2020.

**For Ragini Chokshi & Co.**

**Makarand Patwardhan**  
(Partner)

C.P. No. : 9031

ACS No. : 11872

UDIN:A011872B000578451

Place: Mumbai  
Date: 13<sup>th</sup> August, 2020

**FORM NO. AOC 2**

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

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

**1. Details of contracts or arrangements or transactions not at arm's length basis:**

- a) Name(s) of the related party and nature of relationship – Nil
- b) Nature of contracts/arrangements/transactions – Nil
- c) Duration of the contracts/arrangements/transactions – Nil
- d) Salient terms of the contracts or arrangements or transactions including the value, if any – Nil
- e) Justification for entering into such contracts or arrangements or transactions – Nil
- f) Date(s) of approval by the Board – Nil
- g) Amount paid as advances, if any – Nil
- h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188 - - Nil

**2. I. Details of material contracts or arrangement or transactions at arm's length basis**

- a) Name(s) of the related party and nature of relationship – Vibhuti Investments Company Limited
- b) Nature of contracts/arrangements/transactions – Monthly Tenancy for premises situated at DGP House, 88C, Old Prabhadevi Road, Mumbai - 400 025
- c) Duration of the contracts/arrangements/transactions – Ongoing
- d) Salient terms of the contracts or arrangements or transactions including the value, if any – Monthly Tenancy of the premises situated at DGP House, 88C, Old Prabhadevi Road, Mumbai - 400 025
- e) Date(s) of approval by the Board, if any – 30.5.2016
- f) Amount paid as advances, if any – NA

**II. Details of material contracts or arrangement or transactions at arm's length basis**

- a) Name(s) of the related party and nature of relationship – VIP Industries Limited
- b) Nature of contracts/arrangements/transactions – Purchase of goods/products for sell
- c) Duration of the contracts/arrangements/transactions – Ongoing
- d) Salient terms of the contracts or arrangements or transactions including the value, if any - Purchase of goods/products
- e) Date(s) of approval by the Board, if any – 30.5.2016
- f) Amount paid as advances, if any -NA

**By Order of the Board of Directors**

Place: Mumbai  
Date: 28<sup>th</sup> August, 2020

**Shalini D. Piramal**  
Managing Director  
(DIN - 01365328)

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

**To the Board of Directors of Kemp & Company Limited**

Dear Sirs,

**Sub: CEO / CFO Certificate**

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

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

- (a) We have reviewed the financial statements and cash flow statement of Kemp & Company Limited for the financial year ended 31<sup>st</sup> March, 2020 and that to the best of our knowledge and belief, we state that:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) To the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or propose to take for rectifying these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee that :
- (i) there are no significant changes in internal control over financial reporting during the year;
  - (ii) there are no significant changes in accounting policies made during the year and that the same have been disclosed suitably in the notes to the financial statements; and
  - (iii) there are no instances of significant frauds of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**For Kemp & Company Limited**

Place: Mumbai  
Date: 29<sup>th</sup> June, 2020

**Shalini D. Piramal**  
**Managing Director**  
**(DIN - 01365328)**

**Mr. Sunil Kumar Gupta**  
**Chief Financial Officer**

**DECLARATION UNDER SCHEDULE V OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS)  
REGULATIONS, 2015**

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Shalini D. Piramal, Managing Director of Kemp & Company Limited hereby confirm that all the Board Members and the Senior Management Personnel of the Company have affirmed compliance with the Company's code of conduct for the financial year ended 31<sup>st</sup> March, 2020.

**For Kemp & Company Limited**

Place: Mumbai  
Date: 29<sup>th</sup> June, 2020

**SHALINI D. PIRAMAL**  
**Managing Director**  
**(DIN - 01365328)**

**INDEPENDENT AUDITOR’S REPORT**

To,

The Members of **KEMP & COMPANY LIMITED**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the accompanying financial statements of **KEMP & COMPANY LIMITED** (“the Company”), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, the Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (“the financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit, other comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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

**Key Audit Matters**

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

Key Audit Matter	Auditor’s Response
<b>1. Valuation of Unquoted Investments</b>	
<p>The Company has made an investment in financial instruments amounting to Rs. 1,22,964 (in ‘000) as of March 31, 2020. The valuation of this unquoted investment is based on the valuation conducted by the Company. Therefore, there is measurement uncertainty involved in this valuation and it is based on certain assumptions. As a result, the valuation of this unquoted investment was significant to our audit.</p>	<p>Our procedures included discussion with the management on the reasonableness of the assumptions and our substantive procedures included:</p> <ul style="list-style-type: none"> <li>• we reviewed the information supplied by the Company for the valuation of the unquoted investment.</li> <li>• we reviewed the valuation report issued by the independent valuation professional for the valuation of this unquoted investment.</li> <li>• we reviewed the assumptions made in the prior years and any significant changes in the assumptions made during the year while conducting the valuation.</li> </ul>



## Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Management's Responsibility for the Financial Statements

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

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

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

## Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid financial statements have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position, read along with note no. 26 to the financial statements.

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

### **For M L BHUWANIA AND CO LLP**

Chartered Accountants  
FRN: 101484W/W100197

### **Ashishkumar Bairagra**

Partner  
Membership No. 109931  
UDIN: 20109931AAAABA9709

Place: Mumbai  
Date: 29<sup>th</sup> June, 2020

## **ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT**

Referred to in paragraph 1 of '**Report on Other Legal and Regulatory Requirements**' in the Independent Auditor's Report on the financial statements of the company for the year ended March 31, 2020, we report the following:

- i. (a) The Company is generally maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) The fixed assets are physically verified by the management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. Pursuant to the program, certain fixed assets were physically verified during the year and no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties included in property, plant and equipment, are held in the name of the Company.
- ii. During the year, inventories have been physically verified by the management. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on physical verification of inventories as compared to the book records were not material and have been properly dealt with in the books of account.
- iii. According to the information and explanations provided to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Hence sub clauses (a) to (c) of clause 3(iii) of the order are not applicable to the Company.
- iv. In our opinion and according to information and explanations provided to us the Company has complied with provisions of sections 186 of the Companies Act, 2013 in respect of investments made. Section 185 of the Companies Act, 2013 is not applicable as there were no loans, securities and guarantees given during the year.
- v. According to the information and explanations provided to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified and therefore clause 3(v) of the Order is not applicable.

- vi. The Central Government has not prescribed maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013, for any of the products of the company.
- vii. (a) According to the information and explanations provided to us and on the basis of our examination of the records, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, Income Tax, Goods and Services Tax, Custom Duty, Excise Duty, Sales Tax, Value Added Tax, Service Tax, Cess and any other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as at March 31, 2020 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records, there are no dues of Income Tax, Goods and Services Tax, Custom Duty, Excise Duty, Sales Tax, Value Added Tax, Service Tax and Cess which have not been deposited on account of any dispute.
- viii. In our opinion and according to information and explanations provided to us, the company has not taken any loan or borrowing from bank, government, financial institution, and has not issued debentures during the year.
- ix. In our opinion and according to information and explanations provided to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and through term loans during the year. Accordingly, clause 3 (ix) of the Order is not applicable to the Company.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- xii. According to the information and explanations given to us, the nature of the activities of the company does not attract any special statute applicable to Nidhi Company. Accordingly, clause 3(xii) of the order is not applicable to the company.
- xiii. According to the information and explanations given to us, and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sec 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations provided to us, and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3 (xiv) of the Order is not applicable to the Company.
- xv. According to the information and explanations given to us, and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, clause 3 (xv) of the Order is not applicable to the Company.
- xvi. According to information and explanations provided to us, the Company is not required to be registered under Sec 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi) of the Order is not applicable to the Company.

**For M L BHUWANIA AND CO LLP**

Chartered Accountants  
FRN: 101484W/W100197

**Ashishkumar Bairagra**

Partner  
Membership No. 109931  
UDIN: 20109931AAAABA9709

Place: Mumbai

Date: 29<sup>th</sup> June, 2020

**ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT****Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

Referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report on the financial statements of the company for the year ended March 31, 2020.

**Opinion**

We have audited the internal financial controls over financial reporting of KEMP & COMPANY LIMITED ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, to the best of our knowledge and according to the information and explanations provided to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Management's Responsibility for Internal Financial Controls**

The Company's management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

**Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that,

in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**For M L BHUWANIA AND CO LLP**

Chartered Accountants  
FRN: 101484W/W100197

**Ashishkumar Bairagra**

Partner  
Membership No. 109931  
UDIN: 20109931AAAABA9709

Place: Mumbai  
Date: 29<sup>th</sup> June, 2020

**BALANCE SHEET**  
**AS AT 31ST MARCH, 2020**

₹ in Thousand

Particulars	Note No.	As at	
		31 March, 2020	31 March, 2019
<b>ASSETS</b>			
<b>(1) Non - Current Assets</b>			
(a) Property, Plant and Equipment	3	5,383	6,620
(b) Investment Property	4	23,235	24,243
(c) Other Intangible Assets	5	-	-
(d) Financial assets			
(i) Non Current Investments	6	919,470	1,761,608
(ii) Trade Receivable	7	1,122	1,122
(iii) Other Financial Assets	8	1,076	1,068
(e) Other Tax Assets (Net)	9	3,422	2,280
(f) Other Non Current Assets	10	3	28,068
<b>Total Non- Current Assets</b>		<b>953,711</b>	<b>1,825,009</b>
<b>(2) Current Assets</b>			
(a) Inventories	11	3,603	2,756
(b) Financial assets			
(i) Trade Receivables	12	9,099	3,773
(ii) Cash and Cash Equivalents	13	13,827	8,846
(iii) Bank balances other than (ii) above	14	66	68
(c) Current Tax Assets (Net)	15	654	543
(d) Other Current Assets	16	64,583	325
<b>Total Current Assets</b>		<b>91,832</b>	<b>16,311</b>
<b>TOTAL ASSETS</b>		<b>1,045,543</b>	<b>1,841,320</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	17	10,802	10,802
(b) Other Equity	18	1,006,547	1,749,873
<b>Total Equity</b>		<b>1,017,349</b>	<b>1,760,675</b>
<b>LIABILITIES</b>			
<b>(1) Non Current Liabilities</b>			
(a) Financial Liabilities			
(i) Other Financial Liabilities	19	19	19
(b) Provision	20	3,599	4,197
(c) Deferred Tax Liabilities (Net)	21	17,128	70,948
<b>Total Non- Current Liabilities</b>		<b>20,746</b>	<b>75,164</b>
<b>(2) Current Liabilities</b>			
(a) Financial Liabilities			
(i) Trade Payables			
(a) Dues of micro enterprises and small enterprises	22	-	-
(b) Dues other than micro enterprises and small enterprises		4,659	3,920
(ii) Other Financial Liabilities	23	66	68
(b) Other Current Liabilities	24	485	792
(c) Provisions	25	2,238	701
<b>Total Current Liabilities</b>		<b>7,448</b>	<b>5,481</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,045,543</b>	<b>1,841,320</b>
<b>Summary of significant accounting policies</b>	2		

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

 As per our report of even date attached  
**FOR M L BHUWANIA AND CO LLP**  
**CHARTERED ACCOUNTANTS**  
**FRN: 101484W/W100197**
**ASHISHKUMAR BAIRAGRA**  
 Partner  
 Membership No. 109931

 Place: Mumbai  
 Dated: 29th June, 2020

**FOR AND ON BEHALF OF BOARD OF DIRECTORS**
**SHALINI D. PIRAMAL**  
 Managing Director  
 DIN- 01365328

**SUNIL KUMAR GUPTA**  
 Chief Financial Officer

 Place: Mumbai  
 Dated: 29th June, 2020

**RANJAN SANGHI**  
 Director  
 DIN-00275842

**KUNAL CHHATWANI**  
 Company Secretary

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

₹ in Thousand

Particulars	Note No.	2019-2020	2018-2019
Revenue from operations	27	30,720	32,570
Other income	28	17,346	11,692
<b>Total Income</b>		<b>48,066</b>	<b>44,262</b>
<b>Expenses</b>			
Purchase of Stock in Trade	29	8,869	10,961
Changes in inventories of Stock in Trade	30	(847)	534
Employee benefits expense	31	11,008	11,205
Depreciation & amortization expense	32	2,560	2,496
Other Expenses	33	17,685	17,877
<b>Total Expenses</b>		<b>39,275</b>	<b>43,073</b>
Profit/(Loss) before exceptional items & tax		8,791	1,189
Add: Exceptional Items		-	-
Profit/(Loss) before tax		8,791	1,189
Less: Tax expenses			
(1) Current tax of Earlier years		-	(1)
(2) Deferred tax of Current year		(1,752)	(3,982)
<b>Total Tax Expenses</b>		<b>(1,752)</b>	<b>(3,983)</b>
Profit after tax	A	<b>10,543</b>	<b>5,172</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss			
Equity instrument through other comprehensive income		(804,640)	563,599
Remeasurement benefit of defined benefit plan		(647)	(286)
Income tax relating to above		52,069	(56,326)
Total Other Comprehensive Income for the year	B	<b>(753,218)</b>	<b>506,987</b>
Total Comprehensive Income for the year, Net of Tax	(A+B)	<b>(742,675)</b>	<b>512,159</b>
Earning per equity share (Face Value of Rs. 10 each)	34		
(1) Basic		9.76	4.79
(2) Diluted		9.76	4.79
<b>Summary of significant accounting policies</b>	2		
The accompanying notes are an integral part of the financial statements.			

As per our report of even date attached

**FOR M L BHUWANIA AND CO LLP**  
**CHARTERED ACCOUNTANTS**  
 FRN: 101484W/W100197

**ASHISHKUMAR BAIRAGRA**  
 Partner  
 Membership No. 109931

 Place: Mumbai  
 Dated: 29th June, 2020

**FOR AND ON BEHALF OF BOARD OF DIRECTORS**
**SHALINI D. PIRAMAL**  
 Managing Director  
 DIN- 01365328

**SUNIL KUMAR GUPTA**  
 Chief Financial Officer

 Place: Mumbai  
 Dated: 29th June, 2020

**RANJAN SANGHI**  
 Director  
 DIN-00275842

**KUNAL CHHATWANI**  
 Company Secretary



**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31ST MARCH, 2020**

(₹ in Thousand)

Particulars	Year Ended	
	March, 2020	March, 2019
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before taxes	8,791	1,189
<u>Adjustment for:</u>		
Dividend income on from Equity Instrutements designated at FVOCI	(17,276)	(10,618)
Dividend income on from Mutual Fund designated at FVTPL	-	(276)
Net loss/(gain) on financial assets measured at FVTPL	-	(422)
Depreciation & amortization expense	2,560	2,496
Reclassification of remeasurement of employee benefits	(647)	(286)
Provision for Doubtful Deposits	-	500
Loss on sales of fixed asset/written off	2	15
Interest Income	-	(158)
Sundry balance written off/(back) (Net)	-	(56)
	<b>(15,362)</b>	<b>(8,805)</b>
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>(6,571)</b>	<b>(7,616)</b>
<b>ADJUSTMENTS FOR WORKING CAPITAL CHANGES :</b>		
Trade Receivables	(5,326)	(1,888)
Inventories	(847)	534
Other Financial Assets (Non Current)	(8)	(1)
Other Financial Assets (Current)	-	-
Other non current assets	15	(15)
Other current assets (Current)	(208)	21
Other financial liabilities (Non Current)	-	(200)
Provision (Non Current)	(598)	836
Trade Payables	739	(907)
Other current liabilities (Current)	(307)	570
Provision (Current)	1,537	13
	<b>(5,003)</b>	<b>(1,037)</b>
<b>Cash Generated from Operations</b>	<b>(11,574)</b>	<b>(8,653)</b>
Direct Taxes paid	(1,252)	(2)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>(12,826)</b>	<b>(8,655)</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets and Capital Advances	(36,351)	(28,154)
Sale of Fixed Assets	35	200
Sale of Investment	37,498	70,518
Purchases of Investment	-	(59,800)
Interest Received	-	158
Dividend Received	17,276	10,894
<b>NET CASH FROM INVESTING ACTIVITY</b>	<b>18,458</b>	<b>(6,184)</b>

(₹ in Thousand)

Particulars	Year Ended	
	March, 2020	March, 2019
C) CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid	(540)	(1,080)
Dividend Tax Paid	(111)	(222)
NET CASH FROM FINANCING ACTIVITY	<b>(651)</b>	<b>(1,302)</b>
NET DECREASE IN CASH & CASH EQUIVALENTS(A+B+C)	<b>4,981</b>	<b>(16,141)</b>
OPENING BALANCE OF CASH & CASH EQUIVALENTS	8,846	24,987
CLOSING BALANCE OF CASH & CASH EQUIVALENTS ( Refer Note 13)	13,827	8,846
	<b>4,981</b>	<b>(16,141)</b>

**Notes**

**Closing Balance of Cash & Cash Equivalents**

- 1 Cash and Cash Equivalents Includes:

- CASH IN HAND

47 102

**BALANCE WITH SCHEDULED BANKS**

- IN CURRENT ACCOUNT

13,780 8,744

**13,827 8,846**

- 2 Cash Flow Statement has been prepared under the indirect method as set out in Indian Accounting Standard ( Ind AS 7) Statement of Cash Flows.
- 3 Previous year figures have been regrouped and rearranged wherever considered necessary to make them comparable with those of the current year.

As per our report of even date attached

**FOR M L BHUWANIA AND CO LLP**  
**CHARTERED ACCOUNTANTS**  
**FRN: 101484W/W100197**

**ASHISHKUMAR BAIRAGRA**  
**Partner**  
**Membership No. 109931**

**Place: Mumbai**  
**Dated: 29th June, 2020**

**FOR AND ON BEHALF OF BOARD OF DIRECTORS**

**SHALINI D. PIRAMAL**  
**Managing Director**  
**DIN- 01365328**

**SUNIL KUMAR GUPTA**  
**Chief Financial Officer**

**Place: Mumbai**  
**Dated: 29th June, 2020**

**RANJAN SANGHI**  
**Director**  
**DIN-00275842**

**KUNAL CHHATWANI**  
**Company Secretary**

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 ST MARCH, 2020

**A. Equity Share Capital**

₹ in Thousand

Particulars	Note No.	No of Shares	Amount
Balance at at 31st March, 2018	17	1,080,200	10,802
Changes in equity share capital during the year	-	-	-
Balance at at 31st March, 2019	17	1,080,200	10,802
Changes in equity share capital during the year	-	-	-
Balance at at 31st March, 2020	17	1,080,200	10,802

**B. Other Equity**

Particulars	Note No.	Reservers and Surplus				Other items of Other comprehensive income		Total
		Capital Redemption Reserve	Security Premium Reserve	General Reserves	Retained Earnings	Remeasurement of net defined benefit plans	Fair Value through Other Comprehensive Income of Equity Investments	
Balance at at 31st March, 2018	18	5	3	84,996	111,699	(416)	1,042,729	1,239,016
Profit for the year		-	-	-	5,172	-	-	5,172
Final Dividend paid		-	-	-	(1,080)	-	-	(1,080)
Dividend distribution Tax paid		-	-	-	(222)	-	-	(222)
Remeasurements of Defined Benefit Plan		-	-	-	-	(229)	-	(229)
Fair Value effect of Investments of shares		-	-	-	-	-	507,217	507,217
Balance at at 31st March, 2019	18	5	3	84,996	115,569	(645)	1,549,945	1,749,873
Profit for the year		-	-	-	10,543	-	-	10,543
Final Dividend paid		-	-	-	(540)	-	-	(540)
Dividend distribution Tax paid		-	-	-	(111)	-	-	(111)
Remeasurements of Defined Benefit Plan		-	-	-	-	(492)	-	(492)
Fair Value effect of Investments of shares		-	-	-	-	-	(752,726)	(752,726)
Balance at at 31st March, 2020	18	5	3	84,996	125,461	(1,137)	797,219	1,006,547

As per our report of even date attached

**FOR M L BHUWANIA AND CO LLP**  
**CHARTERED ACCOUNTANTS**  
 FRN: 101484W/W100197

**ASHISHKUMAR BAIRAGRA**  
 Partner  
 Membership No. 109931

Place: Mumbai  
 Dated: 29th June, 2020

**FOR AND ON BEHALF OF BOARD OF DIRECTORS**

**SHALINI D. PIRAMAL**  
 Managing Director  
 DIN- 01365328

**SUNIL KUMAR GUPTA**  
 Chief Financial Officer

Place: Mumbai  
 Dated: 29th June, 2020

**RANJAN SANGHI**  
 Director  
 DIN-00275842

**KUNAL CHHATWANI**  
 Company Secretary

## Notes forming Part of the financial statements for the year ended March 31, 2020

### 1 Company Overview

The Company ("Kemp & Company Ltd" "KCL") is an existing public limited company incorporated on 27/06/1982 under the provisions of the Indian Companies Act, 1956 and deemed to exist within the purview of the Companies Act, 2013, having its registered office at DGP House, 5th Floor, 88-C, Old Prabhadevi Road, Mumbai-400 025. The Company is having retail outlet of VIP luggage in Delhi and Calcutta and also property at Mumbai. The equity shares of the Company are listed on BSE Limited ("BSE"). The financial statements are presented in Indian Rupee (₹). These financial statements were approved for issue by the Board of Directors on 29th June, 2020.

### 2 Significant Accounting Policies

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

#### (A) Basis Of Preparation Of Financial Statement

##### i) Compliance with Ind AS

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

The financial statements were authorized for issue by the Company's Board of Directors on 29th June, 2020.

##### ii) Historical cost convention

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

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

##### iii) Current and Non Current Classification.

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

#### (B) Measurement of fair values

A number of Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has establish policies and procedure with respect to measurement of fair values. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, mutual funds and forward contracts that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration.

**Notes forming Part of the financial statements for the year ended March 31, 2020****(C) Use of estimates and judgements**

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

**(D) Financial Instruments**

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

**(I) Financial Assets****(i) Classification**

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

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

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

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

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

**(ii) Measurement**

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

**(a) Debt instruments**

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

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

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

**Fair value through profit or loss (FVTPL):** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at

## Notes forming Part of the financial statements for the year ended March 31, 2020

fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other income or other expenses (as applicable) in the period in which it arises. Interest income from these financial assets is included in other income or other expenses, as applicable.

### **(b) Equity instruments**

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

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

### **(iii) Impairment of financial assets**

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

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

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

### **(iv) Derecognition of financial assets**

A financial asset is derecognised only when -

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

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

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

## **(II) Financial Liabilities**

### **(i) Measurement**

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

### **(ii) Derecognition**

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

**Notes forming Part of the financial statements for the year ended March 31, 2020****(E) Financial guarantee contracts**

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

**(F) Segment Report**

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

**(G) Inventories Valuation**

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

**(H) Cash and cash equivalents**

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

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

**(I) Cash Flow Statement**

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

**(J) Income tax, deferred tax and dividend distribution tax**

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

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

**(i) Current income tax**

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

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

**(ii) Deferred tax**

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

**Notes forming Part of the financial statements for the year ended March 31, 2020**

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

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

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

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

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

**(iii) Dividend distribution tax**

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

**(K) Property, plant and equipment**

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

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

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

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



**Notes forming Part of the financial statements for the year ended March 31, 2020****(L) Investment Property**

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

**(M) Intangible assets**

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

**(N) Leases****(i) As a lessee**

The Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis. The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics. Basis this Right to use and Lease liability is accounted in the books.

**(ii) As a lessor**

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

**(O) Revenue Recognition**

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

**(I) Sales**

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

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

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

1. The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Group performs; or

**Notes forming Part of the financial statements for the year ended March 31, 2020**

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

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

**(II) Other Income**

**(i) Interest Income**

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

**(ii) Dividend Income**

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

**(iii) Income from Services:**

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

**(P) Employee Benefit**

**(i) Short-term obligations**

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

**(ii) Other long-term employee benefit obligations**

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

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

**(iii) Post-employment obligations**

The company operates the following post-employment schemes:

**(a) Defined benefit gratuity plan:**

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

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan. The defined benefit obligation is calculated annually as per the report on independent actuary. The present value of the defined benefit

**Notes forming Part of the financial statements for the year ended March 31, 2020**

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

**(b) Defined Contribution plan:**

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

**(Q) Foreign currency translation****(i) Functional and presentation currency**

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

**(ii) Transactions and balances**

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

**(R) Borrowing Cost**

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

**(S) Earnings per share****(i) Basic earnings per share**

Basic earnings per share is calculated by dividing:

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

**(ii) Diluted earnings per share**

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

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

**Notes forming Part of the financial statements for the year ended March 31, 2020****(T) Impairment of Assets**

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

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

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

**(ii) Contingent liabilities:**

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

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

**(V) Investments**

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

**(W) Trade receivables**

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

**(X) Trade and other payables**

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

**(Y) Operating Cycle**

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

**(Z) Rounding of amounts**

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

**(AA) Recent Indian Accounting Standards (Ind AS)**

Ministry of Corporate Affairs ("MCA"), notifies new standard or amendments to existing standards. There is no such notification which would have been applicable from April 1, 2020.

**Notes forming Part of the financial statements for the year ended March 31, 2020**
**3 PROPERTY, PLANT AND EQUIPMENT**

₹ in Thousand

Particulars	Freehold Land	Office Equipment	Furniture & Fixture	Motor Vehicle	Computers	Total
<b>Gross Carrying Value</b>						
As at April 1, 2018	71	469	267	10,453	2	11,262
Additions					104	104
Disposals / derecognised				(402)		(402)
<b>Gross Carrying Value As at March 31, 2019</b>	71	469	267	10,051	106	10,964
Additions	-	193	-	-	158	351
Disposals / derecognised	-	(70)	-	-	-	(70)
<b>Gross Carrying Value As at March 31, 2020</b>	71	592	267	10,051	264	11,245

Particulars	Freehold Land	Office Equipment	Furniture & Fixture	Motor Vehicle	Computers	Total
<b>Accumulated depreciation</b>						
As at April 1, 2018	-	71	31	2,942	-	3,044
Depreciation charge during the year	-	79	15	1,378	16	1,487
Disposals / derecognised				(186)		(186)
<b>Accumulated depreciation As at March 31, 2019</b>	-	150	46	4,133	16	4,344
Depreciation charge during the year	-	75	16	1,378	83	1,551
Disposals / derecognised	-	(33)	-	-	-	(33)
<b>Accumulated depreciation As at March 31, 2020</b>	-	191	61	5,511	99	5,862
<b>Net carrying amount as at March 31, 2020</b>	71	401	206	4,540	165	5,383
<b>Net carrying amount as at March 31, 2019</b>	71	319	221	5,918	91	6,620

**4 INVESTMENT PROPERTY**

Particulars	Building	Total
<b>Gross Carrying Value</b>		
As at April 1, 2018	27,254	27,254
Addition	-	-
<b>Gross Carrying Value As at March 31, 2019</b>	27,254	27,254
Addition	-	-
<b>Gross Carrying Value As at March 31, 2020</b>	27,254	27,254
<b>Particulars</b>	<b>Building</b>	<b>Total</b>
<b>Accumulated depreciation</b>		
As at April 1, 2018	2,001	2,001
Depreciation charge during the year	1,009	1,009
<b>Accumulated depreciation As at March 31, 2019</b>	3,010	3,010
Depreciation charge during the year	1,009	1,009
<b>Accumulated depreciation As at March 31, 2020</b>	4,019	4,019
<b>Net carrying amount as at March 31, 2020</b>	23,235	23,235
<b>Net carrying amount as at March 31, 2019</b>	24,243	24,243

**Notes forming Part of the financial statements for the year ended March 31, 2020**

Amount recognised in profit or loss for Investment Properties

₹ in Thousand

Particulars	March 31 <sup>st</sup> , 2020	March 31 <sup>st</sup> , 2019
Rental Income	4,636	4,636
Direct operating expenses (Net of recovery)	6,979	6,306
Direct operating expenses from property that did not generate rental income.	1,009	1,046

There are no restrictions on the realisability of investment property.

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

The company has let out the property.

**Fair Value**

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

Particulars	March 31 <sup>st</sup> , 2020	March 31 <sup>st</sup> , 2019
Investment Property	1,390,269	1,390,269

**5 OTHER INTANGIBLE ASSETS**

Particulars	Computer Software*	Total
<b>Gross Carrying Value As at April 1, 2018</b>		
Additions	-	-
<b>Gross Carrying Value As at March 31, 2019</b>	-	-
Additions	-	-
<b>Gross Carrying Value As at March 31, 2020</b>	-	-
<b>Particulars</b>	<b>Computer Software*</b>	<b>Total</b>
<b>Accumulated depreciation As at April 1, 2018</b>	-	-
Depreciation charge during the year	-	-
<b>Accumulated depreciation As at March 31, 2019</b>	-	-
Depreciation charge during the year	-	-
<b>Accumulated depreciation As at March 31, 2020</b>	-	-
<b>Net carrying amount as at March 31, 2020</b>	-	-
<b>Net carrying amount as at March 31, 2019</b>	-	-

\* Carrying amount is Nil.

**6 NON CURRENT INVESTMENTS**

Particulars	Face Value	As at March 31, 2020		As at March 31, 2019	
		QTY	Amount	QTY	Amount
<b>Quoted</b>					
<b>In Equity Instruments (AT FVOCI)</b>					
Aarti Industries Ltd	2/-	-	-	382	601
AIA engineering Ltd	5/-	-	-	967	1,731
Arti Surfactant Ltd	10/-	19	-	-	-
Astral Poly Technik Ltd	1/-	-	-	1,523	1,764
Bajaj Finance Ltd	2/-	-	-	500	1,512
Bajaj Finserv Ltd	5/-	-	-	215	1,513
Balkrishna Industries Ltd	2/-	-	-	1,874	1,864
Berger Paints Ltd	1/-	-	-	5,037	1,630

**Notes forming Part of the financial statements for the year ended March 31, 2020**

₹ in Thousand

Particulars	Face Value	As at March 31, 2020		As at March 31, 2019	
		QTY	Amount	QTY	Amount
Britannia Industries Ltd	1/-	-	-	368	1,134
Cholamandalam Investments & Finance Co.	10/-	-	-	1,653	2,393
Eicher Motors Ltd.	10/-	-	-	100	2,054
Greenlam Industries Ltd	5/-	-	-	1,052	998
HDFC Bank Ltd.	2/-	-	-	852	1,974
Kajaria Ceramics Ltd	1/-	-	-	756	447
Mas Financial Services Ltd	10/-	-	-	3,204	1,815
P I Industries Ltd.	2/-	-	-	1,852	1,910
Page Industries Ltd	10/-	-	-	61	1,519
Pidilite Industries Ltd.	1/-	-	-	1,751	2,175
PNB Housing Finance Ltd.	10/-	-	-	1,772	1,534
Relexo Footwears Ltd	1/-	-	-	2,012	1,559
Siyaram Silk Mills Ltd	2/-	-	-	5,461	2,432
Solar Industries India Ltd.	10/-	-	-	1,559	1,678
Tasty Bite Eatables Ltd	1/-	-	-	46	384
Varun Bevarages Ltd	10/-	-	-	2,734	2,365
VIP Industries Ltd	2/-	3,318,080	796,505	3,318,080	1,612,919
<b>Total Value of quoted Investmetns</b>	<b>(A)</b>		<b>796,505</b>		<b>1,649,906</b>
<b>Unquoted</b>					
<b>In Equity Instruments</b>					
<b>Holding Company (at FVOCI)</b>					
Vibhuti Investments Company Ltd		1,770	122,964	1,770	111,701
<b>Other Company (at cost)</b>					
Alcon Finance & Investments Ltd		10	1	10	1
Dynamic Fabrica Pvt Ltd		571,230	-	571,230	-
<b>Total Value of Unquoted Equity Instruments</b>	<b>(B)</b>		<b>122,965</b>		<b>111,702</b>
<b>Total Value of Non Current Investments (A+B)</b>			<b>919,470</b>		<b>1,761,608</b>
<b>Agreegated amount of quoted investments</b>			<b>796,505</b>		<b>1,649,906</b>
<b>Agreegated amount of unquoted investments</b>			<b>122,965</b>		<b>111,702</b>
<b>Agreegated market value of quoted investments</b>			<b>796,505</b>		<b>1,649,906</b>

**7 TRADE RECEIVABLE**

Particulars	As at	As at
	March 31, 2020	March 31, 2019
(Unsecured)		
Considered Good	1,122	1,122
	<b>1,122</b>	<b>1,122</b>

**Notes forming Part of the financial statements for the year ended March 31, 2020**

₹ in Thousand

**8 OTHER FINANCIAL ASSETS (NON CURRENT)**

Particulars	As at	As at
	March 31, 2020	March 31, 2019
(Unsecured, Considered Goods, unless specified otherwise)		
Deposits	1,076	1,068
	<b>1,076</b>	<b>1,068</b>

**9 OTHER TAX ASSETS (NET)**

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Advance Tax and Tax Deducted at Source	3,422	2,280
	<b>3,422</b>	<b>2,280</b>

**10 OTHER NON CURRENT ASSETS**

Particulars	As at	As at
	March 31, 2020	March 31, 2019
(Unsecured, Considered Goods, unless specified otherwise)		
Capital Advances	-	28,050
Advance Recoverable in Cash or Kind or for Value to be Received	3	18
Balance with Government Authorities	500	500
Less: Provision for Doubtful Deposits	500	-
	<b>3</b>	<b>28,068</b>

**11 INVENTORIES**

Particulars	As at	As at
	March 31, 2020	March 31, 2019
<u>Stock-In-Trade -( At Cost)</u>		
Traded Goods	3,603	2,756
	<b>3,603</b>	<b>2,756</b>

**12 TRADE RECEIVABLES**

Particulars	As at	As at
	March 31, 2020	March 31, 2019
(Unsecured)		
<b>Considered good</b>		
- Receivable from Related Party (Refer Note No. 40)	8,059	2,844
- Receivable from Others	1,040	929
	<b>9,099</b>	<b>3,773</b>

**13 CASH AND CASH EQUIVALENTS**

Particulars	As at	As at
	March 31, 2020	March 31, 2019
<u>Balance With Banks</u>		
- On Current account	13,780	8,744
Cash on Hand	47	102
	<b>13,827</b>	<b>8,846</b>



**Notes forming Part of the financial statements for the year ended March 31, 2020**

₹ in Thousand

**14 OTHER BANK BALANCES**

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Unpaid Dividend Account (Refer Note No 14.1)	66	68
	<b>66</b>	<b>68</b>

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

**15 OTHER TAX ASSETS**

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Income tax refund receivable	654	543
	<b>654</b>	<b>543</b>

**16 OTHER CURRENT ASSETS**

Particulars	As at	As at
	March 31, 2020	March 31, 2019
(Unsecured, Considered Goods, unless specified otherwise)		
Capital Advances refund receivable	64,050	-
Advance Recoverable in Cash or Kind or for Value to be Received	303	233
Advances to Staff	-	35
Balance with Government Authorities	230	57
	<b>64,583</b>	<b>325</b>

**17 EQUITY SHARE CAPITAL**

Particulars	As at	As at
	March 31, 2020	March 31, 2019
<b>Authorized Share Capital</b>		
14,50,000 Equity shares, ₹ 10/- par value (31 March 2020: 14,50,000 equity shares ₹ 10/- each)	14,500	14,500
	<b>14,500</b>	<b>14,500</b>
<b>Issued, Subscribed and Fully Paid Up Shares</b>		
10,80,200 Equity shares, ₹ 10/- par value fully paid up (31 March 2020: 10,80,200 equity shares ₹ 10/- each)	10,802	10,802
	<b>10,802</b>	<b>10,802</b>

**Note No 17.1: The reconciliation of the number of shares outstanding at the beginning and at the end of reporting period 31-03-2020:**

Particulars	As at		As at	
	31st March, 2020		31st March, 2019	
	No. of Shares	Amount	No. of Shares	Amount
Number of shares at the beginning	1,080,200	10,802	1,080,200	10,802
Add: Shares issued during the year	-	-	-	-
Less : Shares bought back (if any)	-	-	-	-
<b>Number of shares at the end</b>	<b>1,080,200</b>	<b>10,802</b>	<b>1,080,200</b>	<b>10,802</b>

**Note No 17.2: Terms/rights attached to equity shares**

(A) The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

## Notes forming Part of the financial statements for the year ended March 31, 2020

₹ in Thousand

(B) In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Name of the shareholder	As at 31st March, 2020		As at 31st March, 2019	
	No. of shares held	% held as at	No. of shares held	% held as at
Vibhuti Investments Co Ltd	735,870	68.12	735,870	68.12
Dr Gita Piramal	216,550	20.04	216,550	20.04

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

Year	Dividend paid per share
2019-20	0.50
2018-19	0.50

### 18 OTHER EQUITY

Particulars	As at	As at
	March 31, 2020	March 31, 2019
<b>Reserves &amp; surplus *</b>		
Capital Redemption Reserve #	5	5
Securities Premium Reserve ##	3	3
General Reserves ###	84,996	84,996
Retained earnings ####	125,461	115,569
<u>Other Comprehensive Income (OCI)</u>		
-Remeasurement of net defined benefit plans	(1,137)	(645)
-Fair Value of Equity Investments through OCI	797,219	1,549,945
	<b>1,006,547</b>	<b>1,749,873</b>

\* For movement, refer statement of change in equity.

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

## Securities Premium Reserve

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

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

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

### 19 OTHER FINANCIAL LIABILITIES (NON CURRENT)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Security Deposit	15	15
Others	4	4
	<b>19</b>	<b>19</b>

**Notes forming Part of the financial statements for the year ended March 31, 2020**

₹ in Thousand

**20 PROVISIONS**

Particulars	As at March 31, 2020	As at March 31, 2019
<u>Provision for Employee Benefits</u>		
For Gratuity (Refer Note No 39)	3,210	3,726
For Leave Encashment (Refer Note No 39)	389	471
	<b>3,599</b>	<b>4,197</b>

**21 DEFERRED TAX LIABILITIES (NET)**

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred tax liabilities (Net) (Refer Note 21.1)	17,128	70,948
	<b>17,128</b>	<b>70,948</b>

**Note No. : 21.1**

Particulars	Net balance as at 1 April 2019	Recognised in statement of profit and loss	Recognised in OCI	Net balance as at 31st March 2020
<b>Deferred Tax Liabilities/(Assets)</b>				
Property, plant and equipment/Investment Property/ Other Intangible Assets	(217)	(93)	-	(310)
Equity Instruments designated at FVOCI	79,092	-	(52,052)	27,040
Short Term Capital Loss	(2,957)	-	909	(2,048)
Long Term Capital Loss	-	-	(770)	(770)
Employee Benefit through FVOCI	(226)	-	(156)	(382)
Business Loss	(3,594)	(1,502)	-	(5,095)
Employee Benefit through P&L	226	156	-	382
Expenses allowable under income tax on payment basis	(1,149)	(320)	-	(1,469)
Provision for Doubtful Deposit	(131)	4	-	(127)
Provision for Diminution of Investments	(97)	3	-	(93)
<b>Total</b>	<b>70,948</b>	<b>(1,752)</b>	<b>(52,069)</b>	<b>17,128</b>

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

**Notes forming Part of the financial statements for the year ended March 31, 2020**

₹ in Thousand

The major components of income tax expense for the year ended 31 March, 2020

Particulars	Year Ended	
	31st March, 2020	31st March, 2019
<b>Profit and Loss:</b>		
Current tax – net of reversal of earlier years : ₹ Nil (Previous Year: ₹ 1)	-	(1)
Deferred Tax	(1,752)	(3,982)
<b>Total</b>	<b>(1,752)</b>	<b>(3,983)</b>

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

Particulars	Year Ended	
	31st March, 2020	31st March, 2019
Profit before income tax expense	8,791	1,189
Tax at the Indian tax rate 25.17% (31 March 2019: 26%)	2,213	309
<b>Add: Items giving rise to difference in tax</b>		
Permanent Differences	(3,930)	1,256
Others	(34)	(155)
Income Tax for earlier years	-	(1)
Business Loss	-	(5,392)
<b>Total Income Tax Expenses</b>	<b>(1,752)</b>	<b>(3,983)</b>

**22 TRADE PAYABLES**

Particulars	As at	As at
	March 31, 2020	March 31, 2019
<b>Current</b>		
Dues of micro enterprises and small enterprises (Refer Note No 22.1)	-	-
Dues other than micro enterprises and small enterprises (Refer Note No 22.1)	4,659	3,920
	<b>4,659</b>	<b>3,920</b>

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

Particulars	March 31, 2020	March 31, 2019
(a) Dues remaining unpaid		
- Principal	-	-
- Interest on above	-	-
(b) Interest paid in terms of Section 16 of MSMED Act		
- Principal paid beyond the appointed date	-	-
- Interest paid in terms of Section 16 of MSMED Act	-	-
(c) Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	-	-
(d) Amount of interest accrued and unpaid	-	-
	-	-

**23 OTHER FINANCIAL LIABILITIES (CURRENT)**

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Unpaid Dividends	66	68
	<b>66</b>	<b>68</b>

**Notes forming Part of the financial statements for the year ended March 31, 2020**

₹ in Thousand

**24 OTHER CURRENT LIABILITIES**

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Statutory Dues Payable	205	792
Other Payable	280	-
	<b>485</b>	<b>792</b>

**25 PROVISIONS**

Particulars	As at	As at
	March 31, 2020	March 31, 2019
<u>Provision for Employee Benefits</u>		
For Gratuity (Refer Note No 39)	1,849	172
For Leave Eancashment (Refer Note No 39)	389	49
<u>Others</u>		
Incentive Payable to Employees	-	480
	<b>2,238</b>	<b>701</b>

**26 CONTINGENT LIABILITIES & COMMITMENTS**
**a) CONTINGENT LIABILITIES: #**

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Contingent Liabilities	-	-
	-	-

**Note:**
**(i) PF related matters**

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

**b) COMMITMENTS:**

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Commitments	-	-
	-	-

**27 REVENUE FROM OPERATIONS**

Particulars	2019-2020	2018-2019
Sale of Products	12,126	14,962
Sale of Services - Rental Income	4,636	4,636
<b>Other Operating Revenue</b>		
Maintenance Charges	6,707	6,707
Expenses Recoery	7,251	6,265
	<b>30,720</b>	<b>32,570</b>

**Notes forming Part of the financial statements for the year ended March 31, 2020**

₹ in Thousand

**28 OTHER INCOME**

<b>Particulars</b>	<b>2019-2020</b>	<b>2018-2019</b>
Interest Income	70	158
Dividend income on from Equity Instrutements designated at FVOCI	17,276	10,618
Dividend income on from Mutual Fund designated at FVTPL	-	276
Net gain on financial assets measured at FVTPL	-	422
<u>Other Non Operating Income</u>		
Other receipts	-	218
	<b>17,346</b>	<b>11,692</b>

**29 PURCHASE OF STOCK IN TRADE**

<b>Particulars</b>	<b>2019-2020</b>	<b>2018-2019</b>
Traded goods	8,869	10,961
	<b>8,869</b>	<b>10,961</b>

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

<b>Particulars</b>	<b>2019-2020</b>	<b>2018-2019</b>
<b><u>Inventories at the beginning of the year</u></b>		
Stock-in-trade	2,756	3,290
<b><u>Inventories at the end of the year</u></b>		
Stock-in-trade	3,603	2,756
	<b>(847)</b>	<b>534</b>

**31 EMPLOYEE BENEFIT EXPENSES**

<b>Particulars</b>	<b>2019-2020</b>	<b>2018-2019</b>
Salaries, Wages and Bonus	10,556	10,744
Contribution to Provident and other fund	255	235
Staff Welfare Expenses	197	226
	<b>11,008</b>	<b>11,205</b>

**32 DEPRECIATION & AMORTIZATION EXPENSES**

<b>Particulars</b>	<b>2019-2020</b>	<b>2018-2019</b>
Depreciation on Property, Plant and Equipment	1,551	1,487
Depreciation on Investment Property	1,009	1,009
	<b>2,560</b>	<b>2,496</b>

**Notes forming Part of the financial statements for the year ended March 31, 2020**

₹ in Thousand

**33 OTHER EXPENSES**

<b>Particulars</b>	<b>2019-2020</b>	<b>2018-2019</b>
Electricity charges	498	533
Rent	389	492
Repairs & Maintenance		
Buildings	457	377
Others	258	138
Insurance	291	243
Rates and taxes	1,902	2,009
Water Charges	4,072	3,262
Security charges	4,239	3,922
Housekeeping & Maintenance	1,198	781
Directors fees	450	490
Provision for Doubtful Deposits	-	500
Loss on sales of fixed asset/written off	2	15
Legal & Professional charges	731	1,133
Payment to Auditors (Refer Note No 33.1)	262	339
Motor car expenses	786	830
Miscellaneous Expenses	2,150	2,813
	<b>17,685</b>	<b>17,877</b>

**Note No. 33.1 : Payment to Statutory Auditors**
As Auditors :

Audit Fees (including Limited Review)	176	189
Tax Audit Fees	50	50
Towards GST/Service Tax *	41	7
	<b>267</b>	<b>246</b>

In Other Capacity :

Other Matter	36	100
Towards GST/Service Tax *	4	18
	<b>40</b>	<b>118</b>
	<b>307</b>	<b>364</b>

Note : Out of above GST credit of ₹ 45 thousand (Previous year ₹ 25 thousand ) has been taken and the same has not been debited to statement of Profit & Loss.

**34 EARNING PER SHARE**

<b>Particulars</b>	<b>2019-2020</b>	<b>2018-2019</b>
(A) Profit attributable to Equity Shareholders (₹)	10,543	5,172
(B) No. of Equity Share outstanding during the year.	1,080,200	1,080,200
(C) Face Value of each Equity Share ( ₹)	10.00	10.00
(D) Basic & Diluted earning per Share ( ₹)	9.76	4.79

**Notes forming Part of the financial statements for the year ended March 31, 2020**

₹ in Thousand

**35 SEGMENT REPORTING**

**Segment Information for the year ended 31ST March, 2020**

**Information about primary business segment**

Particulars	2019-20				2018-19			
	Segments			Total	Segments			Total
	Trading Activity	Real Estate	Unallocated		Trading Activity	Real Estate	Unallocated	
<b>Revenue</b>								
Segment Revenue	12,126	18,664	17,276	<b>48,066</b>	14,963	17,608	11,691	<b>44,262</b>
<b>Result</b>								
Segment Results	1,536	3,424	-	<b>4,961</b>	489	3,991	-	<b>4,480</b>
Add: Unallocated Corporate Income net of Unallocated corporate expenses	-	-	3,830	<b>3,830</b>	-	-	(3,291)	<b>(3,291)</b>
Less: Interest Expenses	-	-	-	-	-	-	-	-
Profit Before Tax	1,536	3,424	3,830	<b>8,791</b>	489	3,991	(3,291)	<b>1,189</b>
Less: Provision for Tax (Net of Deferred Tax)	-	-	(1,752)	<b>(1,752)</b>	-	-	(3,983)	<b>(3,983)</b>
Net Profit After Prior Period Adjustments	1,536	3,424	5,582	<b>10,543</b>	489	3,991	692	<b>5,172</b>
<b>Other Information</b>								
Segment Assets	4,084	99,067	925,265	<b>1,028,414</b>	3,104	58,679	1,779,538	<b>1,841,321</b>
Segment Liabilities	2,947	852	7,266	<b>11,065</b>	2,561	774	77,310	<b>80,645</b>
Capital Expenditure	-	-	351	<b>351</b>	-	-	104	<b>104</b>
Depreciation / Amortisation	35	1,009	1,516	<b>2,560</b>	35	1,046	1,415	<b>2,496</b>

**Notes:**

1. The Company has identified the following segments:
  - a) The Real Estate segment, which includes letting out of properties.
  - b) The Trading segment which includes retailing of plastic moulded suit cases, brief cases & vanity cases and other travel goods & accessories.

These segments have been identified considering the organizational structure, internal financial reporting system, and the risk- return profiles of the business.
2. Segment results / assets & liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.
3. All the Company's operations are conducted in India. The Commercial risks and returns involved on the basis of geographic segmentation are relatively insignificant. Accordingly, secondary segment disclosures based on geographic segments are not considered relevant.

**36 Capital Management**

**Risk Management**

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



**Notes forming Part of the financial statements for the year ended March 31, 2020**

₹ in Thousand

**37 Financial Risk Management**

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

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

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

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

**(A) Credit Risk**

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

**(B) Liquidity Risk**

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

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

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

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

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

S. No.	Related parties	Nature of Transactions during the year	2019-20	2018-19
(i)	Vibhuti Investments Co Ltd	Property Income	2,236	2,236
		Maintenance Charges Income	6,707	6,707
		Expenses Recovery	6,436	5,561
		Recovery of Property Tax	1,697	1,697
(ii)	Mrs. Shalini Dilip Piramal	Short-term benefits paid	3,629	3,333
(iii)	VIP Industries Ltd	Purchase of goods net of returns (Excluding Taxes)	8,869	10,961

**Notes forming Part of the financial statements for the year ended March 31, 2020**

₹ in Thousand

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

S. No.	Related parties	Nature of Transactions during the year	As at 31st March, 2020	As at 31st March, 2019
(i)	Vibhuti Investments Co Ltd	Amount Receivable	8,060	2,844
(ii)	VIP Industries Ltd	Trade Payable	2,746	2,501

**39 Employee Benefits**

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

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

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

Particulars	2019-20	2018-19
Provident Fund	243	223

B. Defined Benefit Plans :

(a) Gratuity:

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

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

(b) The following tables set out the funded status of the gratuity and the amounts recognised in the Company’s financial statements as at 31 March 2020 and 31 March 2019.

Particulars	Gratuity	
	2019-20	2018-19
<b>(i) Changes in present value of obligations</b>		
Present Value of Benefit Obligation at the Beginning of the Period	3,898	3,174
Interest cost	294	250
Current Service Cost	219	188
Past Service Cost	-	-
Liability Transferred In/ Acquisitions	-	-
(Liability Transferred Out/ Divestments)	-	-
(Gains)/ Losses on Curtailment	-	-
(Liabilities Extinguished on Settlement)	-	-
(Benefit Paid Directly by the Employer)	-	-
(Benefit Paid From the Fund)	-	-
The Effect Of Changes in Foreign Exchange Rates	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	338	83
Actuarial (Gains)/Losses on Obligations - Due to Experience	309	203
Present Value of Benefit Obligation at the End of the Period	5,058	3,898
PVO at end of period		

**Notes forming Part of the financial statements for the year ended March 31, 2020**

₹ in Thousand

Particulars	Gratuity	
	2019-20	2018-19
<b>(ii) Fair value of Plan Assets</b>		
Fair Value of Plan assets at beginning of period	-	-
Interest Income	-	-
Contributions by the Employer	-	-
Expected Contributions by the Employees	-	-
Assets Transferred In/AcquisitionS	-	-
(Assets Transferred Out/ Divestments)	-	-
(Benefit Paid from the Fund)	-	-
(Assets Distributed on Settlements)	-	-
Effects of Asset Ceiling	-	-
The Effect of Changes In Foreign Exchange Rates	-	-
Return on Plan Assets, Excluding Interest Income	-	-
Fair Value of Plan Assets at the End of the Period	-	-
<b>(iii) Amount recognized in the Balance Sheet</b>		
(Present Value of Benefit Obligation at the end of the Period)	(5,058)	(3,898)
Fair Value of Plan Assets at the end of the Period	-	-
Funded Status (Surplus/ (Deficit))	(5,058)	(3,898)
Net (Liability)/Asset Recognized in the Balance Sheet	(5,058)	(3,898)
<b>(iv) Net Interest</b>		
Present Value of Benefit Obligation at the Beginning of the Period	(3,898)	3,174
(Fair Value of Plan Assets at the Beginning of the Period)	-	-
Net Liability/(Asset) at the Beginning	(3,898)	3,174
Interest Cost	294	250
(Interest Income)	-	-
Net Interest Cost for Current Period	294	250
<b>(v) Expenses Recognized in the Statement of Profit or Loss</b>		
Current Service Cost	219	188
Net Interest Cost	294	250
Past Service Cost	-	-
(Expected Contributions by the Employees)	-	-
(Gains)/Losses on Curtailments And Settlements	-	-
Net Effect of Changes in Foreign Exchange Rates	-	-
Expenses Recognized	513	438
<b>(vi) Expenses Recognized in the Other Comprehensive Income (OCI)</b>		
Actuarial (Gains)/Losses on Obligation For the Period	647	286
Return on Plan Assets, Excluding Interest Income	-	-
Change in Asset Ceiling	-	-
Net (Income)/Expense For the Period Recognized in OCI	647	286

**Notes forming Part of the financial statements for the year ended March 31, 2020**

₹ in Thousand

Particulars	Gratuity	
	2019-20	2018-19
<b>(vii) Balance Sheet Reconciliation</b>		
Opening Net Liability	3,898	3,174
Expenses Recognized in Statement of Profit or Loss	513	438
Expenses Recognized in OCI	647	286
Net Liability/(Asset) Transfer In	-	-
Net (Liability)/Asset Transfer Out	-	-
(Benefit Paid Directly by the Employer)	-	-
(Employer's Contribution)	-	-
Net Liability/(Asset) Recognized in the Balance Sheet	5,058	3,898
<b>(viii) Expenses Recognized in the Statement of Profit or Loss for Next Year</b>		
Current Service Cost	139	219
Net Interest Cost	306	294
(Expected Contributions by the Employees)	-	-
Expenses Recognized	445	513
<b>(ix) Schedule III of the Companies Act 2013</b>		
Current Liability (*)	172,374	172,374
Non-Current Liability	3,726,112	3,726,112
<b>(x) Assumptions as at</b>		
Mortality	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Interest / Discount Rate	7.54%	7.54%
Rate of increase in compensation	5.00%	5.00%
Expected average remaining service	NA	NA
<b>(xi) Sensitivity Analysis</b>		
Projected Benefit Obligation on Current Assumptions	5,058	3,898
Delta Effect of +1% Change in Rate of Discounting	(230)	(238)
Delta Effect of -1% Change in Rate of Discounting	253	263
Delta Effect of +1% Change in Rate of Salary Increase	253	267
Delta Effect of -1% Change in Rate of Salary Increase	(235)	(245)
Delta Effect of +1% Change in Rate of Employee Turnover	13	38
Delta Effect of -1% Change in Rate of Employee Turnover	(14)	(41)

**(xii) Notes**

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

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

All above reported figures of OCI are gross of taxation.

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

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

**Notes forming Part of the financial statements for the year ended March 31, 2020**

₹ in Thousand

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

Para 139 (a) Characteristics of defined benefit plan:

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

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

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

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

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

Para 139 (c) Characteristics of defined benefit plans :

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

Para 147 (a) :

Gratuity plan is unfunded.

(c) Leave encashment:

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

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

41 **Fair Value measurement-**

**Financial instruments by category**

(₹ in Thousand)

Particulars	March 31, 2020		March 31, 2019	
	FVOCI	Amortised cost	FVOCI	Amortised cost
<b>Financial assets</b>				
Investments				
- Equity instruments	919,470	-	1,761,608	-
Trade receivables	-	10,221	-	4,895
Cash and cash equivalents	-	13,827	-	8,846
Bank balances other than Cash and cash equivalents	-	66	-	68
Security deposit	-	1,076	-	1,068
<b>Total financial assets</b>	<b>919,470</b>	<b>25,190</b>	<b>1,761,608</b>	<b>14,877</b>
<b>Financial liabilities</b>				
Security deposit	-	15	-	15
Trade payables	-	4,659	-	3,920
Other payables	-	70	-	72
<b>Total financial liabilities</b>	<b>-</b>	<b>4,744</b>	<b>-</b>	<b>4,006</b>

**Fair value hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements.

**Notes forming Part of the financial statements for the year ended March 31, 2020**

₹ in Thousand

To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Particulars	31-Mar-20	31-Mar-19	Fair value Hierarchy	Valuation Technique
Assets-				
Investment in Equity Instruments through OCI	796,505	1,649,906	Level-1	Quoted Market Price
Investment in Equity Instruments	122,965	111,702	Level-2	As per Valuation Certificate
<b>Total</b>	<b>919,470</b>	<b>1,761,608</b>		

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

- 42** The company has taken commercial premises on lease, these lease arrangements are not covered by Ind AS 116 as these are cancellable leases. The aggregate lease rentals of ₹ 389 Thousand (Previous Year ₹ 492 Thousand) are charged as Rent and shown under the Note No. 33 "Other Expenses".
- 43** Dividends paid during the year ended March 31, 2020 include an amount of Re. 0.50 per equity share towards final dividend for the year ended March 31, 2019. Dividends paid during the year ended March 31, 2019 include an amount of Rs. 1 per equity share towards final dividend for the year ended March 31, 2018. Dividends declared by the Company are based on profits available for distribution. On June 29, 2020, the Board of Directors of the Company have proposed a final dividend of Re. 0.50 per share in respect of the year ending March 31, 2020 subject to the approval of shareholders at the Annual General Meeting. The proposal is subject to the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of approximately ₹ 540 Thousand.
- 44** The company has assessed the possible effects that may result from the COVID-19 pandemic on the carrying amounts of receivables, unbilled revenues, intangibles, investments and other assets / liabilities. Based on the current indicators of economic conditions, the company expects to recover the carrying amount of all its assets. The Management has also assessed and concluded that no material uncertainty exists, which raises a doubt on the company's ability to continue as a going concern in the near future. The actual impact of the COVID-19 pandemic may be different from that estimated as at the date of approval of these financial statements and the company will continue to closely monitor any material changes to the economic conditions in the future.
- 45** The previous year figures have been regrouped/reclassified, wherever necessary to conform to the current presentation as per the schedule III of Companies Act, 2013.

As per our report of even date attached

**FOR M L BHUWANIA AND CO LLP**  
**CHARTERED ACCOUNTANTS**  
**FRN: 101484W/W100197**

**ASHISHKUMAR BAIRAGRA**  
**Partner**  
**Membership No. 109931**

**Place: Mumbai**  
**Dated: 29th June, 2020**

**FOR AND ON BEHALF OF BOARD OF DIRECTORS**

**SHALINI D. PIRAMAL**  
**Managing Director**  
**DIN- 01365328**

**SUNIL KUMAR GUPTA**  
**Chief Financial Officer**

**Place: Mumbai**  
**Dated: 29th June, 2020**

**RANJAN SANGHI**  
**Director**  
**DIN-00275842**

**KUNAL CHHATWANI**  
**Company Secretary**







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INVESTORS' SERVICES DEPARTMENT  
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