

KAYCEE INDUSTRIES LIMITED
CIN: L70102MH1942PLC006482

Board of Directors

| | |
|--------------------------|-------------------------------------|
| Ms. Aarti Grover | -Managing Director |
| Mr. Chandra Prakash Jain | -Executive Director |
| Mrs. Raju Grover | -Non-executive Director |
| Mrs. Sona Ramchandani | -Non-executive Independent Director |
| Mrs. Pramila Merani | -Non-executive Independent Director |
| Mrs. Savitri Butani | -Non-executive Independent Director |

Registered Office

Old Kamani Chmabers,
32- Ramjibhai Kamani Marg,
Ballard Estate, Mumbai- 400 001;
Contact: 022-22613521/22/23
Website : www.kayceeindustries.com

Factory Address

Plot No F-25,
Addl. Ambarnath Industrial Area,
Anand Nagar, Ambarnath(East),
Thane - 421502

Bankers

Saraswat Bank, Fort, Mumbai

Auditors

M/s. N.D Kapur & Co.,
Chartered Accountant,
65, Sonawala Building, 2nd Floor,
Apollo Street, Mumbai- 400 023

Registrar and Share Transfer Agent

Datamatics Financial Services Limited
Plot No. A-16 & 17, Part 'B' Cross Lane,
MIDC, Andheri(E), Mumbai- 400 093
Contact : 022-66712188
Website : www.datamatics .com

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**NOTICE TO THE MEMBERS**

NOTICE is hereby given that the SEVENTY FOURTH ANNUAL GENERAL MEETING OF THE MEMBERS OF KAYCEE INDUSTRIES LIMITED will be held at Jainam Banquet Hall, Jainam Arcade, B.M.T. Compound, 100, L.B.S. Marg, Bhandup (W), Mumbai 400 078, on Thursday , the 28th September, 2017 at 11.30 A.M to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements (including audited consolidated Financial Statements) for the Financial Year ended 31st March, 2017 and the Reports of the Directors and Auditors thereon.
2. To declare Final Dividend on Equity Shares for the Financial Year Ended 31st March, 2017
3. To re-appoint a Director in place of Mr. Chandra Prakash Jain (DIN 07337778), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Statutory Auditors and to fix their remuneration by passing the following resolution, with or without modification(s) as an ORDINARY RESOLUTION

“RESOLVED THAT pursuant to section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, M/s. A R Sodha & Co., Chartered Accountants, ICAI Registration No. 110324W, be and are hereby appointed as the Statutory Auditors of the Company, in place of M/s. N.D.Kapur & Co, Chartered Accountants, Mumbai to hold office from the conclusion of 74th Annual General Meeting till the conclusion of 79th Annual General Meeting, subject to ratification by the shareholders at every Annual General Meeting to be held during the said period.

RESOLVED FURTHER THAT the Board of Directors or the Audit Committee thereof, be and is hereby authorized to decide and finalize the terms and conditions of appointment, including the remuneration of the Statutory Auditors.”

SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 94(1) and other applicable provisions of the Companies Act, 2013 read with rule 5 (2) of the Companies (Management and Administration) Rules, 2014, consent of the members of the Company be and is hereby accorded to maintain and keep the Company’s registers required to be maintained under Section 88 of the Companies Act, 2013 and copies of annual returns filed under Section 92 of the Companies Act, 2013 or any one or more of them, at the office of Company’s Registrar and Share Transfer Agent, viz., Datamatics Financial Services Limited, Plot No B-5, Part B Cross Lane, MIDC, Andheri (East), Mumbai, Maharashtra 400093 or at such other place as the Board may from time to time decide instead of and/or in addition to the said registers or copy of returns being kept and maintained at the Registered Office of the Company.

RESOLVED FURTHER THAT Mrs. Raju Grover, Director be and is hereby authorized to take such steps and to do all such acts, deeds, matters and things as may be required to give effect to the foregoing resolution.”

By Order of the Board of
Kaycee Industries Limited

Aarti Grover
Managing Director
DIN: 02625342

Raju Grover
Director
DIN: 01584366

Place: Mumbai
Date: 14th August, 2017

**NOTE:**

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the Annual General Meeting (AGM) is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

Pursuant to Section 105 of the Companies Act, 2013, a person can act as a Proxy on behalf of not more than fifty members holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Members holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as Proxy, who shall not act as a Proxy for any other Member. If a Proxy is appointed for more than fifty Members, the Proxy shall choose any fifty Members and confirm the same to the Company not later than 48 hours before the commencement of the meeting. In case, the Proxy fails to do so, the first fifty proxies received by the Company shall be considered as valid. The instrument of Proxy, in order to be effective, should be deposited, either in person or through post, at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.

3. Corporate Members intending to send their authorised representatives to attend the Annual General Meeting, pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company, a certified copy of relevant Board Resolution together with the respective specimen signatures of those representative(s) authorised under the said resolution to attend and vote on their behalf at the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 23rd September, 2017 to Thursday, 28th September, 2017 (both days inclusive).
5. The Final Dividend for the Financial Year ended 31st March, 2017, as recommended by the Board, if approved at the Annual General Meeting, will be paid to those Members whose name appears in the Register of Members of the Company as on the book closure dates.
6. Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participants, with whom they maintain their demat accounts, will be used by the Company for the payment of dividend. The Company or its Registrar cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the Depository Participants of the Members. Members holding shares in demat form are requested to intimate any change in their address and / or bank mandate immediately to their Depository Participants.
7. Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to Datamatics Financial Services Limited / Investor Service/ Secretarial Department of the Company immediately.
8. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made there under, companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository



Participant(s). Members who have not registered their e-mail address with the Company can now register the same by submitting a duly filled-in 'E-communication Registration Form' available on the website of the Company www.kayceeindustries.com to Datamatics Financial Services Limited or Investor Service/ Secretarial Department of the Company. Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company who have registered their e-mail address are also entitled to receive such communication in physical form, upon request.

9. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s), unless the Members have registered their request for the hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail address with the Company or Depository Participant(s) shall be sent to their registered address. Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the Registration Counter at the AGM.
10. Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of Listing Regulations, the Company is pleased to provide the facility to Members to exercise their right to vote on the resolutions proposed to be passed at AGM by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Friday, 22nd September, 2017, i.e. the date prior to the commencement of book closure, being the cut-off date, are entitled/eligible to vote on the Resolutions set forth in this Notice. Members may cast their votes on electronic voting system from any place other than the venue of the meeting (remote e-voting). The remote e-voting period will commence at 9 a.m. on Monday, 25th September, 2017 and will end at 5 p.m. on Wednesday, 27th September, 2017. In addition, the facility for voting through electronic voting system shall also be made available at the AGM and the Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to vote at the AGM. The Company has appointed Mr. Aashit Doshi, Practising Company Secretary, to act as the Scrutinizer, to scrutinize the entire e-voting process in a fair and transparent manner. The Members desiring to vote through remote e-voting are requested to refer to the detailed procedure given hereinafter.

PROCEDURE FOR REMOTE E-VOTING

- (i) Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Reg 44 of SEBI (LODR), the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting (remote e-voting).
- (ii) The facility for voting, either through electronic voting system or through ballot/polling paper shall also be made available at the venue of the 74th AGM. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the AGM but shall not be entitled to cast their vote again at the AGM.

The Company has appointed Mr. Aashit Doshi, ACS, a Company Secretary in practice as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner.



- (iii) The Company has engaged the services of Central Depository Services Limited (“CDSL”) as the Agency to provide e-voting facility.
- (iv) Voting rights shall be reckoned on the paid-up value of shares registered in the name of member/ beneficial owner (in case of electronic shareholding) as on cut-off date i.e 22nd September, 2017.
- (v) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date , i.e 22nd September, 2017 only shall be entitled to avail the facility of remote e-voting/voting at the meeting.

The instructions for shareholders voting electronically are as under:

The voting period begins on 25th September, 2017 at 9.00 a.m and ends on 27th September, 2017 by 5.00 p.m. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 22nd September, 2017 , may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

The shareholders should log on to the e-voting website www.evotingindia.com.

Click on Shareholders. Now Enter your User ID

For CDSL: 16 digits beneficiary ID,

For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

Members holding shares in Physical Form should enter Folio Number registered with the Company. Next enter the Image Verification as displayed and Click on Login. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

If you are a first time user follow the steps given below:

| | For Members holding shares in Demat Form and Physical Form |
|-----------------------|---|
| PAN | <p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)-</p> <ul style="list-style-type: none"> ● Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field. ● In case the sequence number is less than 8 digits enter the applicable number of 0’s before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Rakesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. |
| DOB | Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format. |
| Dividend Bank Details | Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned. |

After entering these details appropriately, click on “SUBMIT” tab.



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

For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

1. Click on the EVSN for the relevant <Company Name> on which you choose to vote.
2. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
3. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
4. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
5. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
6. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
7. If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com
- The Company has appointed, Mr.Aashit Doshi, Practising Company Secretary (Membership No. FCS 9321) as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

- The Scrutinizer shall, immediately after the conclusion of voting at the General Meeting, would count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairperson or a person authorised by him in writing who shall countersign the same
 - The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.kayceeindustries.com and on the website of CDSL www.evoting.cdsl.com immediately after the result is declared. The Company shall simultaneously forward the results to BSE Limited ("BSE") where the shares of the Company are listed.
11. The route map of the venue of the AGM is given herein below. The prominent landmark near the venue is State Bank of India, Bhandup, Mumbai.





EXPLANATORY STATEMENT

Item no. 05

As required under the provisions of Section 94 the Companies Act, 2013, certain documents such as the Register of Members, Index of Members and certain other registers, certificates, documents etc., are required to be kept at the registered office of the Company. However, these documents can be kept at any other place within the city, town or village in which the registered office is situated or any other place in India in which more than one-tenth of the total members entered in the register of members reside, if approved by a Special Resolution passed at a general meeting of the Company.

Accordingly, the approval of the members is sought in terms of Section 94(1) of the Companies Act, 2013, for keeping the aforementioned registers and documents at the office of the Registrar and Transfer Agent ("RTA"), Datamatics Financial Services Limited, Plot No B-5, Part B Cross Lane, MIDC, Andheri (East), Mumbai, Maharashtra 400093 or any other its office or place within the Mumbai city.

A copy of the proposed resolution is being forwarded in advance to the Registrar of Companies, Maharashtra, Mumbai, as required under the said Section 94 (1) of the Companies Act, 2013. The Directors recommend the said resolution proposed vide Item No. 05 to be passed as Special Resolution by the members. None of the Directors, Key Managerial Personnel of the Company, and/or their relatives may be deemed to be concerned or interested in the said resolution.

ADDITIONAL INFORMATION WITH REGARD TO DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE SEVENTY FOURTH ANNUAL GENERAL MEETING:

| Particulars | Chandra Prakash Jain |
|---|--|
| Date of Birth | 08/03/1960 |
| Date of Appointment | 12/02/2016 |
| Qualifications | B.Com & C.A Intern |
| Experience | More than 31 years |
| Expertise in specific functional areas | Information Technology and Manufacturing |
| Terms and condition of appointment / re-appointment along with remuneration to be drawn | NIL |
| Relationship with other Directors, Manager and other KMP | NIL |
| No. of Board meeting attended during the year | 5 |
| Directorships held in other companies (excluding foreign companies) | NIL |
| Memberships / Chairpersonships of Committees of the Company | NIL |
| Memberships / Chairpersonships of Committees of the other Company | NIL |
| Number of shares held in the Company | 319 |



DIRECTORS' REPORT

The Members
Kaycee Industries Limited
 Mumbai

Your Directors have pleasure in presenting the 74th Annual Report and Financial Statements for the Financial Year ended 31st March, 2017.

In line with the requirements of the Companies Act, 2013 ('the Act') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the SEBI Regulations'), this report covers the financial results and other developments during the Financial Year April 1, 2016 to March 31, 2017.

FINANCIAL HIGHLIGHTS:

| Particulars | 2016-2017 (Rs.) | 2015-2016 (Rs.) |
|-----------------------------------|--------------------|--------------------|
| Sales & Other Income | 24,43,69,029 | 23,61,63,294 |
| Profit before Depreciation | (5,41,822) | (13,05,319) |
| Less :Depreciation & Amortization | 32,56,027 | 34,48,830 |
| Profit/(Loss) Before Taxation | 27,14,205 | (21,43,511) |
| Less : Taxation | 37,06,623 | 6,09,010 |
| Profit/(Loss) after Taxation | 64,20,828 | (27,52,521) |

DIVIDEND

The Directors recommend payment of Dividend of Rs. 5/- Per equity share of Rs. 100 each, amounting to Rs. 3,17,350/- and Dividend distribution tax of Rs. 51,482/- there on equity shares, for the year ended March 31, 2017.

PERFORMANCE REVIEW

During the year under review, total income of the Company was Rs. 24, 43, 69,029 as against Rs. 23, 61, 63,294 in previous year ended 31st March, 2016. Net profit incurred during the year amounting to Rs. 64, 20,828 as against Net loss of Rs. 27, 52,521 in the previous year. Your company is recurring low profit due to sluggish market conditions. Your Directors are putting in their best efforts to improve the performance of the Company.

Measures taken by the new Government are positive for overall industrial sectors including electrical distribution and other components of industry .The situation is expected to improve and the initiatives and measures on policy matters will have its genuine effect in contribution to economic growth over next 2 years period and hence, medium to long term outlook seems positive, subject to future risks and uncertainties relating to general economic and industry conditions, currency exchange rates, interest rates, implementation of policies and other factors affecting the industry.

If the government's initiative shows positive in the next two years, then the company's revenue and profit will show a positive sign and it is good to the manufacturing industry and also to the company's progress.

RESERVES

No amount has been transferred in reserves during the current Financial Year.

DEPOSITS

The company has not accepted any deposits from the public during the year under report.



HUMAN RESOURCES

Your Directors wish to place on record their deep appreciation for its Human Resources. The Company continues its focus on development of human resource, which is one of its most critical assets. Learning, training and development has been strengthened to bring value addition in employees and to enhance team building and core competencies. The Company focuses on providing the employees friendly environment and culture and career growth opportunities. The Company also enhances the skills of the employees by providing various inputs and information's and also gives the training to its employees on the products and components of the company.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

The unclaimed dividend amount aggregating to Rs. 16,270/- for the Financial Year on 31st March, 2009 was transferred to the Investor Education and Protection Fund established by the Central Government, for the Financial Year ended March 31, 2016, pursuant to Section 205C of the Companies Act, 1956.

DISCLOSURE OF PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The disclosure of particulars relating to conservation of energy and technology absorption and foreign exchange earnings and outgo as required by Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is given in **Annexure - I**.

DIRECTORS' RESPONSIBILITY STATEMENT UNDER SECTION 134 (5) OF THE COMPANIES ACT, 2013

The Directors confirm that:

- 1) In the preparation of the annual accounts, the applicable accounting standards have been followed by the Company;
- 2) Such accounting policies have been selected and consistently applied and judgments and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2017 and of the profit/loss of the Company for the year ended on that date;
- 3) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the applicable provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- 4) Annual accounts have been prepared on a going-concern basis;
- 5) Internal financial controls to be followed by the Company have been laid down and that such internal financial controls are adequate and were operating effectively.
- 6) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of the Companies Act, 2013, Mr. Chandra Prakash Jain, Executive Director is liable to retire by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting. Your Board recommends his re-appointment.

The Company has received declaration from all the Independent Directors of the Company, viz Mrs. Sona Ramchandani, Mrs. Pramila Merani and Mrs. Savitri Butani confirming that they meet with the criteria of independence as prescribed under the Companies Act, 2013 and Listing Obligation & Disclosure Requirement (LODR).

All the directors being appointed or re-appointed have confirmed that they are not disqualified from being appointed as Directors in terms of section 164 of the Companies Act, 2013.

The Composition of the Board and KMP as on date is as under:

- | | | | |
|-----|--------------------------|---|-------------------------|
| (1) | Ms. Aarti Grover | - | Managing Director (KMP) |
| (2) | Mr. Chandra Prakash Jain | - | Executive Director |



- | | | |
|-----|-----------------------|--------------------------------------|
| (3) | Mrs. Raju Grover | - Non-executive Director |
| (4) | Mrs. Sona Ramchandani | - Non-executive Independent Director |
| (5) | Mrs. Pramila Merani | - Non-executive Independent Director |
| (6) | Mrs. Savitri Butani | - Non-executive Independent Director |
| (7) | Ms. Kamaleshwari Bind | - Company Secretary (KMP) |
| (8) | Mr. Deepak Potdar | - Chief Financial Officer (KMP) |

The details of programmes for familiarisation of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company.

VARIOUS COMMITTEES OF THE BOARD AND THEIR COMPOSITIONS

| | | |
|----|--|--|
| A] | Audit Committee | Mrs. Sona Ramchandani - Chairperson Mrs. Raju Grover Mrs. Pramila Merani |
| B] | Nomination & Remuneration Committee | Mrs. Raju Grover Mrs. Sona Ramchandani - Chairperson Mrs. Pramila Merani |
| C] | Share Transfer- Cum- Stakeholder Grievance Committee | Mrs. Sona Ramchandani - Chairperson Mrs. Raju Grover Mrs. Pramila Merani |

NUMBER OF MEETINGS OF THE BOARD

During the FY 2016-17, Five (5) meetings of the Board of Directors were held.

BOARD EVALUATION

The Board of Directors has carried out an annual evaluation of its own performance, Board committees and individual Directors pursuant to the proper performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of the criteria such as the Board composition and structure, effectiveness of Board processes, information and functioning, etc.

The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee (“NRC”) reviewed the performance of the individual Directors on the basis of the criteria such as the contribution of the individual Director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairperson was also evaluated on the key aspects of his/her role.

In a separate meeting of independent Directors, performance of non-independent Directors, performance of the Board as a whole and performance of the Chairperson was evaluated, taking into account the views of Executive Directors and Non-executive Directors. The same was discussed in the Board meeting that followed the meeting of the Independent Directors, at which the performance of the Board, its committees and Individual Directors was also discussed.

MATERIAL CHANGES AND COMMITMENTS

There were no material changes and commitments that occurred subsequent to the end of the Financial Year till the date of this report, which affects the financial position of the Company.

**CHANGE IN NATURE OF BUSINESS**

There has no change in the nature of business of the Company. Your Company continues to be one of the leading manufacturing Companies.

INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to Financial Statements. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed. The company continues to keep the internal control system intact and in tandem with the industry.

AUDITORS

The terms of office of M/s. N.D Kapur & Co., Chartered Accountant, Mumbai, as Statutory Auditors of the Company will be ending with the conclusion of forthcoming Annual General Meeting of the Company. The Board place on record its appreciation for the services rendered by M/s. N.D Kapur & Co., Chartered Accountant, Mumbai as the Statutory Auditors of the Company.

The Board of Directors of the Company have, subject to approval of the Members, decided to make a change in the Statutory Auditors. A resolution proposing appointment of M/s. A R Sodha & Co., Chartered Accountants, Mumbai as the Statutory Auditors of the Company pursuant to Section 139 of the Companies Act, 2013 forms part of the Notice.

The Report given by the Auditors on the Financial Statements of the Company is part of the Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

DEMERGER OF PROPERTY LEASING BUSINESS OF KAYCEE INDUSTRIES LIMITED INTO RDJ CONSTRUCTIONS PRIVATE LIMITED

Kaycee Industries Limited ('KIL' or 'Demerged Company') is primarily engaged in the business of manufacturing and trading of industrial switches, counters, water meters, electrical components, etc. Further, KIL along with its wholly owned subsidiary i.e. RDJ Constructions Private Limited ('RCPL' or Resulting Company') jointly owns an immovable property comprising of land and building which is utilized by KIL for its property leasing business.

Currently, manufacturing and trading of industrial switches, counters, water meters, electrical components, etc. forms part of its core business activities and the property leasing business forms part of its non-core business activities. In order to ensure better management focus on its core business activities, the management of KIL proposed to demerge its non-core business activities along with all the related assets into the RCPL such that the shareholders of the KIL have direct participation in property owning and leasing company.

Accordingly, the Board of Directors of the respective companies on 5th May 2017, approved the draft Scheme of Arrangement between Kaycee Industries Limited and RDJ Constructions Private Limited and their respective shareholders and creditors under section 230 to 232 read with section 66 and 52 of the Companies Act, 2013 ('Scheme') with an appointed date of 1st April 2017 which envisages the demerger of specified undertaking of KIL comprising of the property leasing business along with all the related operations, employees, assets including the investment in the RCPL, liabilities, rights, etc. and vesting the same into RCPL.

Subsequently, the Scheme along with all the requisite documents has been filed with the Bombay Stock Exchange (i.e. the Designated Stock Exchange for the purpose of coordinating with SEBI for the Scheme and matters connected therewith) on 23rd May 2017.



Pending the approval of the said Scheme by NCLT, the Company has not given effect to the said demerger in the books of accounts.

SCHEME OF DEMERGER BETWEEN CMS COMPUTERS LIMITED AND CMS TRAFFIC SYSTEMS LIMITED :

Pursuant to a Scheme of Arrangement (“Scheme”) between CMS Computers Limited (“CMS Computers”) and CMS Traffic Systems Limited (“CMS Traffic”) and their respective shareholders and creditors and as approved by the National Company Law Tribunal (NCLT) vide its order dated 16th March 2017, CMS Traffic had demerged its Investment Business (including shares of the Company) into CMS Computers. Pursuant to the Scheme, CMS Traffic ceases to be the shareholder and promoter of your Company and CMS Computers becomes the holding company of your Company.”

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

The Contracts or Arrangements with related parties are done on arm’s length and in ordinary course of business which are detailed in Note 25 in Notes to Accounts of the Financial Statements for the year ended 31st March, 2017. **(Annexure II)**

There are no contracts or arrangements entered into with related parties, except payment of managerial remuneration to Managing Director (MDs). Further, the policy on Related Party Transactions duly approved by the Board of Directors of the Company has been posted on the www.kayceeindustries.com.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The particulars of employees required to be furnished pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed herewith as **(Annexure III)** to this Report. However, as per the provisions of Section 136 of the Companies Act, 2013, the Annual Report is being sent to all members of the Company.

During the year under review, none of the employees of the Company was in receipt of remuneration aggregating Rs. 1,02,00,000/- or more per annum, if employed throughout the year, or Rs. 8,50,000/- or more per month, in case employed for part of the year. Hence, there are no particulars to be annexed to this report as required under sub-rules 2 and 3 of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

SECRETARIAL AUDIT REPORT

The Board has appointed Mr. Aashit Doshi, Practicing Company Secretary, to conduct Secretarial Audit for the Financial Year 2016-17. The Secretarial Audit Report for the Financial Year ended March 31, 2017 is annexed herewith marked as **(Annexure IV)** to this Report. There has been no qualification, adverse remark or disclaimer given by the Secretarial Auditors in their Report.

PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The Company has not made any loans or advances or investments or provided securities to other bodies corporate during the year.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company has M/S. RDJ Construction Private Limited as Subsidiary Company.

M/ s CMS Computers Limited is a Holding Company and other group company of CMS group covered under the definition of Associate Companies. Furthermore, company is not having any joint venture.

**EXTRACT OF ANNUAL RETURN**

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration), 2014 is furnished in **Annexure V** and is attached to this Report.

CORPORATE GOVERNANCE

The Company is committed to good corporate governance in line with the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015. However, since the Net worth and paid up capital of the Company is below Rs. 25 Crores and Rs 10 Crores respectively the Regulation 27 and Para C, D and E of Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 are not applicable and hence Corporate Governance Report does not forms part of the Annual Report. As good Corporate Governance the companies intimate to the Stock Exchange its non-applicability for each quarter.

DISCLOSURE UNDER SECTION 22 OF THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL), ACT, 2013

The Company's policy on prevention of sexual harassment of women provides for the protection of women employees at the workplace and for prevention and redressal of such complaints. There were no complaints pending for the redressal at the beginning of the year and no complaints received during the Financial Year.

DEPOSITORY SERVICES

The Company's Equity Shares have been admitted to the depository mechanism of the National Securities Depository Limited (NSDL) and also the Central Depository Services Limited (CDSL). As a result the investors have an option to hold the shares of the Company in a dematerialized form in either of the two Depositories. The Company has been allotted ISIN No. INE813G01015.

Shareholders' therefore are requested to take full benefit of the same and lodge their holdings with Depository Participants [DPs] with whom they have their Demat Accounts for getting their holdings in electronic form.

LISTING

The Shares of the Company are listed on the Bombay Stock Exchange (BSE) at Mumbai. The Company has paid the Listing fees for the year 2017-18 to the Bombay Stock Exchange (BSE).

CORPORATE RESPONSIBILITY STATEMENT (CSR)

Your Directors state that the provisions of Section 135 of the Companies Act, 2013 regarding the provisions Corporate Social Responsibility is not applicable to the Company as the Company is not falling under the said parameters.

VIGIL MECHANISM

The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in terms of the Listing Agreement, includes an Ethics & Compliance Task Force comprising senior executives of the Company. Protected disclosures can be made by a whistle blower through an e-mail, or dedicated telephone line or a letter to the Task Force or to the Chairperson of the Audit Committee. The Policy on vigil mechanism and whistle blower policy may be accessed on the Company's website.

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. No material changes and commitments affecting the financial position of the Company occurred between the ends of the Financial Year to which these financial statements relate on the date of this report.



2. The Company does not have any Risk Management Policy as the element of risk threatening the Company's existence is very minimal.
3. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
4. Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

MANAGEMENTS DISCUSSION AND ANALYSIS REPORT

The Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34(2)(e) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is presented in separate section forming part of the Annual Report. **(Annexure VI)**

ACKNOWLEDGEMENT

Your Directors take this opportunity to thank all stakeholders and employees of the Company for their hard work, dedication and commitment and appreciate the co-operation received from the Bankers, Clients, Customers, Vendors and other Government authorities during the year under review.

For and on behalf of the Board

Sd/-

AARTI GROVER
Managing Director
DIN : 02625342

Sd/-

RAJU GROVER
Director
DIN : 01584366

Place: Mumbai
Dated: 14th August, 2017

**Form AOC - I**

(Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiary company

| | | |
|-----|---|----------------------------------|
| 1. | Sl. No. | 1 |
| 2. | Name of the subsidiary | RDJ Construction Private Limited |
| 3. | Reporting period for the subsidiary concerned | 01.04.2016 to 31.03.2017 |
| 4. | Reporting currency | Rupees |
| 5. | Share capital | 1,00,000/- |
| 6. | Reserves & surplus | 1,23,21,249/- |
| 7. | Total assets | 4,24,28,156/- |
| 8. | Total Liabilities | 3,00,06,907/- |
| 9. | Investments | NIL |
| 10. | Turnover | 1,25,16,967/- |
| 11. | Profit before taxation | 1,16,72,316/- |
| 12. | Provision for taxation | 22,71,955/- |
| 13. | Profit after taxation | 94,00,322/- |
| 14. | Proposed Dividend | NIL |
| 15. | % of shareholding | 100 % |



PARTICULAR OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO REQUIRED UNDER THE COMPANIES (ACCOUNTS OF THE COMPANIES) RULES, 2014.

In terms of Section 134 (3) (m) of the Companies Act, 2013 and the Companies (Accounts of Companies) Rule, 2014, your Directors furnish hereunder the additional information, which form part of the Directors' Report:

CONSERVATION OF ENERGY

General awareness is being brought about among the entire work force at Company's plant to reduce the consumption of energy in particular to avoid wastage.

| POWER AND FUEL CONSUMPTION | CURRENT YEAR 31.03.2017 | PREVIOUS YEAR 31.03.2016 |
|-----------------------------------|------------------------------------|-------------------------------------|
| a. Ambernath Factory | | |
| Unit (KWH) | 73423 | 65192 |
| Total Amount (Rs.) | 728780 | 599210 |
| Rate/KWH (Average) Rs. | 10.07 | 10.88 |
| b. Bhandup Factory | | |
| Unit (KWH) | Nil | Nil |
| Total Amount (Rs.) | Nil | Nil |
| Rate/KWH (Average) Rs. | Nil | Nil |

TECHNOLOGY ABSORPTION

The Company's manufacturing process is based on indigenous technology. The Company has not imported any technology during the year.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange Earning: Rs. 31,17,091/-
Foreign Exchange Outgo: Rs. 40,499/-

By Order of the Board of
Kaycee Industries Ltd.

Sd/-

AARTI GROVER
Managing Director
DIN : 02625342

Sd/-

RAJU GROVER
Director
DIN : 01584366

Place: Mumbai
Dated: 14th August, 2017

Form No. AOC-2

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

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

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

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

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

| Particulars | Key Management Person | Enterprises which are owned, or have significant influence of or are partner with Key Management Personnel and their relatives | | | Subsidiary Company |
|---------------------------------------|-----------------------|--|-----------------------|---------------------|----------------------------------|
| | Aarti Grover | CMS Traffic Systems Limited | CMS Computers Limited | Royal Virgo Travels | RDJ Construction Private Limited |
| Purchase & Service Expenses | | | 9,84,386 | | |
| Interest Paid | | | | 54,137 | |
| Reimbursement of Expenses | | 14,88,473 | | | 6,90,000 |
| Received | | | | | |
| Service Charges | | | | | |
| Sales | | 18,18,562 | 28,61,064 | | |
| Commission | | | | | |
| Remuneration | 17,04,600 | | | | |
| Rent Received | | | 41,37,000 | | |
| Computer Maintenance Charge Paid | | | | | |
| Unsecured Loans Repaid | | | | 20,00,000 | |
| Amount Paid as Advances, if any | | | | | |
| Date of Approval by the Board, if any | | | | | |

By Order of the Board of
Kaycee Industries Limited

Sd/-
Aarti Grover
Managing Director
DIN: 02625342

Sd/-
Raju Grover
Director
DIN : 01584366

Place: Mumbai
Date: 14th August 2017

**DETAILS OF THE REMUNERATION OF DIRECTORS, KMP'S AND EMPLOYEES**

[Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

1. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2016-17:

| Sr. No. | Name of Director | Remuneration | Median Remuneration of Employees | Ratio |
|---------|--------------------------------------|--------------|----------------------------------|-------|
| 1 | Ms. Aarti Grover - Managing Director | 1704600 | 336335 | 19.73 |
| 2 | Mr. Chandra Prakash Jain | 1189273 | 336335 | 28.28 |

2. Percentage increase in remuneration of each Director in the financial year 2016-17

| Sr. No. | Name of Director | Designation | Percentage increase in remuneration |
|---------|--------------------------|--------------------|-------------------------------------|
| 1 | Ms. Aarti Grover | Managing Director | Nil |
| 2 | Mr. Chandra Prakash Jain | Executive Director | Nil |

3. Percentage increase in the median remuneration of employees in the Financial Year 2016-17 is 11.73%
4. The number of permanent employees on the rolls of the Company, as on 31st March, 2017 is 107.
5. There are no employees of the Company who received remuneration in excess of the highest paid Director during the Financial Year 2016-2017.
6. It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

By Order of the Board of
Kaycee Industries Limited

Sd/-
Aarti Grover
Managing Director
DIN: 02625342

Sd/-
Raju Grover
Director
DIN : 01584366

Place: Mumbai
Date: 14th August 2017



SECRETARIAL AUDIT REPORT

Form No. MR-3

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2017

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

To
The Members
KAYCEE INDUSTRIES LIMITED
Old Kamani Chambers
32-Ramjibhai Kamani Marg
Ballard Estate, Mumbai-400001.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **KAYCEE INDUSTRIES LIMITED** having CIN: L70102MH1942PLC006482 (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on 31st March, 2017 generally 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended 31st March, 2017 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) 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;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; and
 - (c) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

As per the explanations given to me in the representations made by the management and relied upon by me, during the period under review, provisions of the following regulations / guidelines were not applicable to the Company:

- (i) 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; and
- (ii) 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 (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;



- (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

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

- (i) Secretarial Standards 1 & 2 issued by the Institute of Company Secretaries of India under the Companies Act, 2013.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above to this report to the extent applicable.

I further report that:

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 in compliance with the provisions of the Act.

Adequate notice is generally given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally 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 and as informed, there were no dissenting members' views and hence not recorded as part of the minutes.

As per the explanations given to me in the representations made by the management and relied upon by me, 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, however the same needs to be strengthened.

As per the explanations given to me in the representations made by the management and relied upon by me, I further report that, during the audit period, there were no other specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines, etc., having a major bearing on the Company's affairs.

Sd/-

Aashit Doshi
Practicing Company Secretary
ACS: 28415 CP: 10190

Date: 30th May, 2017

Place: Mumbai



This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

Annexure "A"

To
The Members
KAYCEE INDUSTRIES LIMITED
Old Kamani Chambers
32-Ramjibhai Kamani Marg
Ballard Estate, Mumbai-400001

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Sd/-
Aashit Doshi
Practicing Company Secretary
ACS: 28415 CP: 10190

Date: 30th May, 2017
Place: Mumbai



**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2017

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

I. REGISTRATION & OTHER DETAILS :

| I. | REGISTRATION & OTHER DETAILS | |
|----|--|---|
| 1. | CIN | L70102MH1942PLC006482 |
| 2. | Registration Date | 006482 |
| 3. | Name of the Company | KAYCEE INDUSTRIES LIMITED |
| 4. | Category/Sub-category of the Company | COMPANY LIMITED BY SHARES |
| 5. | Address of the Registered Office & contact details | OLD KAMANI CHAMBERS, 32-RAMJIBHAI KAMANI MARG, BALLARD ESTATE, MUMBAI-400001 |
| 6. | Whether listed Company | YES |
| 7. | Name, Address & Contact details of the Registrar & Transfer Agent, if any. | Datamatics Financial Services Limited Plot No.A-16 & 17 part 'B' Cross Lane, MIDC Andheri (E), Mumbai 400 093 Contact : 022-66712188 |

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 | SWITCHES | 27104 | 80.76% |
| 2 | COUNTERS | 26519 | 7.70% |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

| S.NO | Name And Address Of The Company | CIN/GIN | Holding/ Subsidiary/ Associate | % Of Shares Held | Applicable Section |
|------|-----------------------------------|-----------------------|--------------------------------|------------------|--------------------|
| 1. | RDJ Constructions Private Limited | U45200MH2000PTC125073 | Subsidiary | 99.99% | 2(87)(i)(ii) |

**IV. (A) SHARE HOLDING PATTERN (Equity Share Capital Break Up as Percentage of Total Equity)
Category-wise Holding**

| Category of Shareholders | No. of Shares held at the beginning of the year (As on 31 March 2016) | | | | No. of Shares held at the end of the year (As on 31 March 2017) | | | | % change during the year |
|--|---|-------------|--------------|-------------------|---|-------------|--------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| A. Promoters | | | | | | | | | |
| (1) Indian | — | — | — | — | — | — | — | — | — |
| a) Individual/HUF | — | — | — | — | — | — | — | — | — |
| b) Central Govt | — | — | — | — | — | — | — | — | — |
| c) State Govt(s) | — | — | — | — | — | — | — | — | — |
| d) Bodies Corp. | 45601 | — | 45601 | 71.8465 | 45601 | 298 | 45899 | 72.3161 | 0.4695 |
| e) Bank/FI | — | — | — | — | — | — | — | — | — |
| f) Any other | — | — | — | — | — | — | — | — | — |
| Total shareholding of Promoter (A) | 45601 | | 45601 | 71.8465 | 45601 | 298 | 45899 | 72.3161 | 0.4695 |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | — | — | — | — | — | — | — | — | — |
| b) Banks/FI | — | 158 | 158 | 0.2489 | — | 158 | 158 | 0.2489 | 00 |
| c) Central Govt | — | — | — | — | — | — | — | — | — |
| d) State Govt(s) | — | — | — | — | — | — | — | — | — |
| e) Venture Capital Funds | — | — | — | — | — | — | — | — | — |
| f) Insurance Companies | — | — | — | — | — | — | — | — | — |
| g) FIs | — | — | — | — | — | — | — | — | — |
| h) Foreign Venture Capital Funds(Specify) | — | — | — | — | — | — | — | — | — |
| Sub-total (B)(1):- | — | 158 | 158 | 0.2489 | — | 158 | 158 | 0.2489 | 00 |
| | — | — | — | — | — | — | — | — | — |
| 2.Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | 605 | 19 | 624 | 0.9831 | 456 | 19 | 475 | 0.7484 | -0.2348 |
| ii) Overseas | — | — | — | — | — | — | — | — | — |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto Rs. 1 Lakh | 11272 | 4858 | 16130 | 25.4136 | 10715 | 4425 | 15140 | 23.8538 | -1.5598 |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | — | — | — | — | 1012 | — | 1012 | 1.5945 | 1.5945 |
| c)Others (specify) | | | | | | | | | |
| Non Resident Indians | 141 | 644 | 785 | 1.2368 | 27 | 644 | 671 | 1.0572 | -0.1796 |
| Non Resident Indians Non-rept | 172 | 0 | 172 | 0.2710 | 115 | 0 | 115 | 0.1812 | -0.0898 |
| Overseas Corporate bodies | — | — | — | — | — | — | — | — | — |
| Foreign Nationals | — | — | — | — | — | — | — | — | — |
| Clearing Members | — | — | — | — | — | — | — | — | — |
| Trusts | — | — | — | — | — | — | — | — | — |
| Foreign Bodies- DR | — | — | — | — | — | — | — | — | — |
| Sub-Total (B)(2):- | 12190 | 5521 | 17711 | 27.9045 | 12325 | 5088 | 17413 | 27.4350 | -0.4695 |
| Total Public Shareholding (B)=(B)(1)+(B)(2) | 12190 | 5679 | 17869 | 28.1535 | 12325 | 5246 | 17571 | 27.6839 | -0.4695 |
| C. Shares held by custodian for GDRs & ADRs | — | — | — | — | — | — | — | — | — |
| Grand Total (A+B+C) | 57791 | 5679 | 63470 | 100 | 57926 | 5544 | 63470 | 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 Pldeged/encumbered to total shares | |
| 1 | CMS TRAFFIC SYSTEMS LIMITED | 21656 | 34.1201 | — | 21656 | 34.1201 | — | — |
| 2 | CMS COMPUTERS LIMITED | 13769 | 21.6937 | — | 13804 | 21.7488 | — | — |
| 3 | CMS COMPUTERS LIMITED | 10176 | 16.0328 | — | 10176 | 16.0328 | — | — |
| 4 | CMS COMPUTERS LIMITED | — | — | — | 263 | 0.4144 | — | — |
| | Total | 45601 | 71.8465 | — | 45899 | 72.3161 | — | — |

C) Change in Promoter's Shareholding (Please specify, if there is no change)

| SN. | Particulars | 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 |
| | At the beginning of the year | 45601 | 71.8466 | 45601 | 71.8466 |
| | Date wise Increase <i>(CMS Computers Limited purchased shares through market approach on 21st October, 2016)</i> /Decrease in Promoters Shareholding during the bonus/sweat equity etc); | — | — | 298 | 0.4695 |
| | At the end of the year | 45899 | 72.3161 | 45899 | 72.3161 |

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

| S.N. | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year | | shareholding at the end of the year | |
|------|-------------------------------------|---|----------------------------------|-------------------------------------|----------------------------------|
| | | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| 1. | JYOTI C JAIN | 633 | 0.997 | 1012 | 1.594 |
| 2. | CUSTODIAN OF ENEMY PROP FOR (I) | 629 | 0.991 | 629 | 0.991 |
| 3. | ASLAM QADAR KHAN | 330 | 0.520 | 330 | 0.520 |
| 4. | CHANDRA PRAKASH JAIN | 319 | 0.503 | 319 | 0.503 |
| 5. | RIA MAHESH IDNANI | 0 | 0 | 279 | 0.440 |
| 6. | ARUNA P CHOKSHI | 215 | 0.339 | 215 | 0.339 |
| 7. | CHIRAG JAIN | 90 | 0.142 | 208 | 0.328 |
| 8. | CHETAN RAMNIKLAL SHAH | 0 | 0 | 206 | 0.325 |
| 9. | EKTA CHANDRA PRAKASH JAIN | 191 | 0.301 | 191 | 0.301 |
| 10. | SANJIV KUMAR BATTA | 171 | 0.269 | 171 | 0.269 |

E) Shareholding of Directors and Key Managerial Personnel

| SN. | Shareholding of each Directors and each Key Managerial Personnel | Shareholding at the beginning of the year | | Cumulative shareholding during the year | |
|-----|---|---|----------------------------------|---|----------------------------------|
| | | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| 1. | Mr. Chandra Prakash Jain | | | | |
| | At the beginning of the year | 319 | — | 319 | 319 |
| | Date wise Increase/Decrease in Promoters Shareholding during the bonus/sweat equity etc); | | | | |
| | At the end of the year | 319 | — | 319 | 319 |

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

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the Financial Year | | | | |
| i) Principal Amount | 3,27,32,072 | Nil | Nil | 3,27,32,072 |
| ii) Interest due but not paid | 0 | Nil | Nil | Nil |
| iii) Interest accrued but not due | 0 | | Nil | Nil |
| Total (i+ii+iii) | | | Nil | Nil |
| Change in Indebtedness during the Financial Year | | | Nil | Nil |
| *Addition | Nil | Nil | Nil | Nil |
| *Reduction | Nil | Nil | Nil | Nil |
| Net Change | Nil | Nil | Nil | Nil |
| Indebtedness at the end of the Financial Year | Nil | Nil | Nil | Nil |
| i) Principal Amount | Nil | Nil | Nil | Nil |
| ii) Interest due but not paid | | | | |
| iii) Interest accrued but not due | | | | |
| Total (i+ii+iii) | Nil | Nil | Nil | 3,27,32,072 |

VI. REMUNERATION OF DIRECTORS ANY KEY MANAGERIAL PERSONNEL:-
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

| Sl. No. | Particulars of Remuneration | Name of MD/WTD/ Manager | | | | Total Amount |
|---------|--|-------------------------|---------------|-------------------|----------------------|--------------|
| | | AARTI GROVER | DEEPAK POTDAR | KAMALESHWARI BIND | CHANDRA PRAKASH JAIN | |
| 1 | Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income- tax Act, 1961 | 17,04,600 | 7,11,282 | 6,91,569 | 11,89,273 | 42,96,724 |
| | (b) Value of perquisite u/s 17(2) Income-tax Act,1961 | 0 | 0 | 0 | | |
| | (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961 | 0 | 0 | 0 | | |
| 2 | Stock Option | | | | | |
| 3 | Sweat Equity | | | | | |
| 4 | Commission -as % of profit- Others Specify | | | | | |
| 5 | Others, please specify Total (A) Ceiling as per the Act | | | | | |

B. Remuneration to Managing Director, Whole-time Directors and/or Manager:

| Sl. No. | Particulars of Remuneration | Name of Directors | | | Total Amount |
|---------|--|-----------------------|---------------------|---------------------|--------------|
| | | Mrs. Sona Ramchandani | Mrs. Pramila Merani | Mrs. Savitri Butani | |
| 1 | Independent Directors | NIL | NIL | NIL | NIL |
| | Fee for attending Board Committee meetings | — | — | — | |
| | Commission | — | — | — | |
| | Others, please specify | — | — | — | |
| | Total (1) | | | | |
| 2 | Other Non-Executive Director | — | — | — | |
| | Fee for attending board committee meetings | — | — | — | |
| | Commission | — | — | — | |
| | Others, please specify | — | — | — | |
| | Total (2) | — | — | — | |
| | Total (B)= (1+2) | — | — | — | |
| | Total Managerial Remuneration | — | — | — | |
| | Overall Ceiling as per the Act | — | — | — | |



C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

| SN | Particulars of Remuneration | Key Managerial Personnel | | | |
|----|---|--------------------------|----------|----------|-----------|
| | | CEO | CS | CFO | Total |
| 1 | Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income-tax act, 1961 | - | 6,91,569 | 7,11,282 | 14,02,851 |
| | (b) Value of perquisite u/s 17(2) Income- tax at, 1961 | | | | |
| | (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 Others, specify | — | — | — | — |
| 5 | Others, please specify Total | — — | — | — | — |

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) |
|---------------------------------|------------------------------|-------------------|--|---------------------------|------------------------------------|
| COMPANY | | | | | |
| Penalty | NIL | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| DIRECTORS | | | | | |
| Penalty | NIL | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| OTHER OFFICER IN DEFAULT | | | | | |
| Penalty | NIL | | | | |
| Punishment | | | | | |
| Compounding | | | | | |



MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and Developments Kaycee Industries Limited is pioneer in the field of engineering offering high quality products and services to its clients in India. The Company forayed into and started manufacturing in the year 1942 and developed manufacturing its products. The Company now manufactures high-end electrical equipments, indigenously designed through extensive research and development in the vital fields across the country to its clients. The products are:

- Water Meter
- Lugs
- Rotary Switch
- Limit Switches
- Toggle Switches
- Cam
- Rotary Toggle Switches
- Monitoring Device
- Timer
- Universal Counter
- Temperature Indicator/Controller
- P.B & Lamp
- Digicount
- Digital Time Totalizer

By providing continuous R&D efforts, it has been possible to update the existing products and processes, improved customer satisfaction, improved quality and performance of the products, making more cost effective products and upgrading products to latest relevant standards.

Kaycee Industries Limited products are specially designed and developed using state of the art and indigenous technology to have high reliability and long life. Continual Improvements are being done based on current technology and customer feedback. Design and development centre is well equipped with required software, qualified engineers and latest national and international standards.

The Company has taken several bold steps to remain competitive and to ensure survival by reducing cost and streamlining the overall operations process. Despite severe competition and reduced demand, optimism about the mid and long term growth prospects remain and will continue to remain in the coming years.

OPPORTUNITIES AND THREATS

Recent government measures aimed at structural reforms in the Indian economy are in right direction and moving towards economic development and growth. Considering the 74 years presence and experience in the Company in electrical sector a huge business potential is anticipated. The Company has strong, well established distribution network. The Company has a wide range of products in electrical categories with new product variants with similar distribution channels being added regularly. The Company is deepening penetration into market for its products and continuing focus on products expansion targeting a very good and substantial business in the future. Barring unforeseen circumstances, the Company expects to increase its volume of business in the current year.



OUTLOOK

Electrical equipment/products manufacturing is a very important sector for a developing country like India. The demand for electrical products is expected to grow. Keeping in view the above, the long term outlook for these sectors appears to be bright. There is ample scope and opportunity for companies having businesses in these sectors not to mention the potential of your Company and its large presence in these sectors for many years.

RISK AND CONCERNS

It must be clearly understood that each industry in particular and each industry segment in general has its own risk, from which it cannot be fully isolated but mitigated by means of proper risk management. In line with our commitment to provide sustainable returns to all our stakeholders, your Company has formalized defined system and policies for timely addressing key business challenges and opportunities.

However, the industry is hopeful for a brighter future under the present Government especially with its new initiatives like ease of doing business in India, Digital India, Make in India, Start up, etc. The availability and cost of the funds remain very important factors impacting on the plans of the Company and threatening the viability itself.

INTERNAL CONTROL SYSTEMS

The Company has an adequate system of internal control procedures which is commensurate with the size and nature of business. Detailed procedures are in place to ensure that all the assets are safeguarded, protected against loss and all transactions are authorized, recorded and reported correctly. The internal control systems of the Company are monitored and evaluated by internal auditors and their audit reports are periodically reviewed by the Audit Committee of the Board of Directors. The observations, recommendation and comments of the Audit Committee are placed before the Board of Directors for its approval from time to time.

FINANCIAL PERFORMANCE AND OPERATIONAL EFFICIENCY

The Company's net sales were slightly higher at 24,43,69,029/- in the Financial Year 2016-17 compared to 23,61,63,294/- of the previous year. The sales remained lower due to various factors as mentioned in the Board's Report. Despite this various corrective measures taken by the Company to reduce the expenses resulted in maintaining reasonable amount of profit at 64, 20,828/-.

HUMAN RESOURCE

The Company believes that employees are the most valuable assets of the Company; hence the key focus is to train and develop its employees. The Company aims to create a motivated team and to provide them with unlimited opportunities for career enhancement and growth.

The Management continued to pay special attention to various aspects like training, welfare and safety and thereby further strengthening the human resource. To face challenging business environment, the Company continued to build the capability of its human resources through various initiatives in development and training of employees at all levels.

Various internal as well as external development programs were organized to develop and motivate the employees. Relations with the employees remained cordial throughout the year. The work and jobs at all levels in the Company are designed, organized and managed effectively by interaction between the management and employees. The Company has a total manpower of 107 as on 31st March, 2017.

CAUTIONARY STATEMENT

The statements in the Boards' Report and the Management Discussion and Analysis describing the Company's objectives, explanations and predictions, may be forward looking within the meaning of applicable securities laws and regulations.

Actual results may differ materially from those expressed in the statements. Important factors that could influence the company's operations include domestic demand and supply conditions affecting selling prices, new capacity additions, availability of critical materials and their cost, changes in government policies and tax laws, economic development of the country and other factors which are material to the business operations of the Company.

**INDEPENDENT AUDITOR'S REPORT**

To
**THE MEMBERS OF
KAYCEE INDUSTRIES LIMITED**

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **KAYCEE INDUSTRIES LIMITED** ('the Company'), which comprise the balance sheet as at 31 March 2017, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by 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 31 March 2017 and its profit and its cash flows for the year ended on that date.

**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 the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid standalone 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 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 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"; and
 - (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, in our opinion and to the best of our information and according to the explanations given to us:
 - i. there is no pending litigation as on 31 March 2017 and therefore the Company has not made any disclosure in this regard in its financial statements;
 - ii. the Company did not have any long-term contracts including derivatives contracts and therefore no provision is required to be made in this regard;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. the Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 and these are in accordance with the books of accounts maintained by the Company.

For N. D. KAPUR & CO.

Chartered Accountants

Firm's Registration No: 001196N

Sd/-

S. K. AGRAWAL

Partner

Membership No. 13968

Mumbai

Date: 30th May, 2017

**Annexure - A to the Auditors' Report**

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2017, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventory has been physically verified by the respective Management of the Company at reasonable intervals during the year and no material discrepancies were noticed.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, and hence clause 3(iii) of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.
- (iv) (a) the Company has not given any loan, including any loan represented by a book debt, to any of its directors or to any other person in whom the director is interested or given any guarantee or provided any security in connection with any loan taken by him/her or such other person in terms of Section 185 of Companies Act, 2013 during the financial year ended on 31-3-2017 and hence clause 3(iv) of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.
- (b) (i) the Company has not made given any loan to any person or other body corporate, nor given any guarantee or provide security in connection with a loan to any other body corporate or person, nor acquired by way of subscription, purchase or otherwise, the securities of any other body corporate, in terms of Section 186 of Companies Act, 2013 during the financial year ended on 31-3-2016 and hence clause 3(iv) of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.
- (ii) the Company has made investment in its subsidiary company during the financial year ended on 31-3-2017, which is in compliance with Section 186 of Companies Act, 2013.
- (v) The Company has not accepted any deposits from the public and hence clause 3(v) of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.
- (vi) As informed to us, the maintenance of Cost Records has not been prescribed by Central Government under Section 148 of the Act for any of the goods sold or services rendered by the Company for the for the accounting year ended on 31st March 2017.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.



- (b) According to the information and explanations given to us, there are no material dues of duty of customs which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of duty of excise have not been deposited by the Company on account of disputes:

| Name of the Statute | Nature of the dues | Year | Forum where dispute is pending | Amount (Rs in lacs) |
|-----------------------------|--------------------|---------|--------------------------------|---------------------|
| The Central Excise Act 1944 | Excise Duty | 2007-08 | Superintendent of Excise | 3.96 |

- (viii) The Company not defaulted in repayment of any loans or borrowings from any financial institution, banks or government during the year. The Company has not issued any debentures and therefore question of default in repayment of dues to debenture holders does not arise.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during accounting year ended on 31st March 2017.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (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 sections 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 give 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.
- (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 non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For N. D. KAPUR & CO.
Chartered Accountants
 Firm's Registration No: 001196N

Sd/-

S. K. AGRAWAL
Partner
 Membership No. 13968

Mumbai
 Date: 30th May, 2017

**Annexure - B to the Auditors' Report Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of KAYCEE INDUSTRIES LIMITED ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and



directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, 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 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For N. D. KAPUR & CO.

Chartered Accountants

Firm's Registration No: 001196N

Sd/-

S. K. AGRAWAL

Partner

Membership No. 13968

Mumbai

Date: 30th May, 2017



BALANCE SHEET AS AT 31ST MARCH, 2017

| Particulars | Note No. | 31st March, 2017 Rupees | 31st March, 2016 Rupees |
|--|----------|----------------------------|----------------------------|
| I. EQUITY AND LIABILITIES | | | |
| 1 SHAREHOLDERS' FUND : | | | |
| (a) Share Capital | 1 | 63,47,000 | 63,47,000 |
| (b) Reserves & Surplus | 2 | 11,62,72,853 | 11,02,20,857 |
| | | 1,22,619,853 | 11,65,67,857 |
| 2 SHARE APPLICATION MONEY PENDING ALLOTMENT : | | | |
| | | - | - |
| 3 NON- CURRENT LIABILITIES | | | |
| (a) Long term Borrowings | 3 | 2,96,746 | 23,95,920 |
| (b) Long term Provisions | 5 | 30,41,889 | 44,86,340 |
| | | 33,38,635 | 68,82,260 |
| 4 CURRENT LIABILITIES | | | |
| (a) Short Term Borrowings | 6 | 3,48,74,815 | 3,97,95,145 |
| (b) Trade payables | 7 | 5,37,52,109 | 4,96,72,390 |
| (c) Other Current Liabilities | 8 | 70,79,031 | 81,23,098 |
| (d) Short Term Provisions | 9 | 38,98,495 | 53,58,048 |
| | | 9,96,04,451 | 10,29,48,681 |
| | | | |
| TOTAL | | 22,55,62,939 | 22,63,98,797 |
| II. ASSETS | | | |
| 1 NON CURRENT ASSETS | | | |
| (a) Fixed Assets | | | |
| (i) Tangible Assets | 10 | 2,66,74,244 | 2,86,29,771 |
| (ii) Capital Work in Progress | | 1,47,66,844 | 1,47,66,844 |
| (b) Non current Investment | 11 | 1,22,900 | 1,09,900 |
| (c) Deferred Tax Assets | 4 | 51,33,137 | 3,26,514 |
| (d) Other Non Current Assets | 12 | 8,76,320 | 8,76,320 |
| | | 4,75,73,444 | 4,47,09,349 |
| 2 CURRENT ASSETS | | | |
| (a) Inventories | 13 | 5,51,42,911 | 5,70,84,831 |
| (b) Trade Receivables | 14 | 9,78,92,842 | 10,31,15,255 |
| (c) Cash and cash equivalents | 15 | 1,48,98,617 | 1,16,41,602 |
| (d) Short-term loans and advances | 16 | 57,13,514 | 56,48,077 |
| (e) Other current assets | 17 | 43,41,610 | 41,99,683 |
| | | 17,79,89,494 | 18,16,89,448 |
| | | | |
| TOTAL | | 22,55,62,939 | 22,63,98,797 |

Notes Forming Part of the Accounts
In terms of our report attached.

1 TO 27

For and on behalf of the Board

For N.D KAPUR & CO.

Firm Registration No:001196N

Chartered Accountants

Sd/-

S.K.AGRAWAL

Partner

MUMBAI

Date: 30th May, 2017

Sd/-

AARTI GROVER
Managing Director

Sd/-

Deepak Potdar
Chief Financial Officer

Sd/-

RAJU GROVER
Director

Sd/-

Kamleshwari Bind
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2017

| Particulars | Note No. | 31st March, 2017 Rupees | 31st March, 2016 Rupees |
|---|----------|----------------------------|----------------------------|
| A CONTINUING OPERATION | | | |
| 1 Revenue from operations | 18 | 23,62,91,086 | 23,00,53,953 |
| 2 Other Income | 19 | 8,077,943 | 61,09,341 |
| 3 Total Revenue | | 24,43,69,029 | 23,61,63,294 |
| 4 Expenses | | | |
| (a) Cost of materials consumed | 20 | 12,50,42,417 | 11,06,88,712 |
| (b) Purchases of stock-in-trade | 21 | 35,53,107 | 49,87,498 |
| (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | 22 | 47,01,501 | 47,05,258 |
| (d) Employee Benefit Expenses | 23 | 4,97,99,538 | 5,56,09,777 |
| (e) Finance cost | 24 | 45,22,225 | 53,46,948 |
| (f) Depreciation and Amortisation Expenses | 10 | 32,56,027 | 34,48,830 |
| (g) Other Expenses | 25 | 5,07,80,009 | 5,35,19,780 |
| Total Expenses | | 24,16,54,824 | 23,83,06,805 |
| 5 Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4) | | 27,14,205 | (21,43,511) |
| 6 Exceptional items | | - | - |
| 7 Profit / (Loss) before extraordinary items and tax (5 - 6) | | 27,14,205 | (21,43,511) |
| 8 Extraordinary items | | - | - |
| 9 Profit / (Loss) before tax (7 - 8) | | 27,14,205 | (21,43,511) |
| 10 Tax Expenses | | | |
| (a) Current tax | | (7,00,000) | - |
| (a) Prior Period | | (4,00,000) | - |
| (b) Deferred Tax | | 48,06,623 | (6,09,010) |
| 11 Profit / (Loss) from continuing operations (9 - 10) | | 64,20,828 | (27,52,521) |
| Earning per equity share of face value of Rs.100 each (Basic & Diluted) | | 101.16 | (43.37) |

Notes Forming Part of the Accounts
In terms of our report attached.

1 TO 27

For and on behalf of the Board

For N.D KAPUR & CO.

Firm Registration No:001196N

Chartered Accountants

Sd/-

S.K.AGRAWAL

Partner

MUMBAI

Date: 30th May, 2017

Sd/-

AARTI GROVER
Managing Director

Sd/-

Deepak Potdar
Chief Financial Officer

Sd/-

RAJU GROVER
Director

Sd/-

Kamleshwari Bind
Company Secretary



CASH FLOW FOR THE YEAR ENDED 31ST MARCH 2017

| | 2016-2017 | | 2015-2016 | |
|-----------|---|-------------|--------------------|-------------|
| | RS | RS | RS | RS |
| A. | Cash Flow From Operating Activities | | | |
| | | 27,14,205 | | (21,43,511) |
| | Net Profit/(Loss) Before Tax and extra Ordinary Items Adjusted for | | | |
| | | | | |
| | 23,08,443 | | 21,05,196 | |
| | 32,56,027 | | 34,48,830 | |
| | (2,77,191) | | (1,54,643) | |
| | (1,500) | | (1,500) | |
| | 15,375 | | (24,393) | |
| | (72,82,500) | | (54,75,000) | |
| | - | | (4,20,472) | |
| | 45,22,225 | 25,40,879 | 53,46,948 | 48,24,966 |
| | Operating profit before working capital changes | | 26,81,455 | |
| | Adjustments for: | | | |
| | | | (1,43,85,474) | |
| | 28,85,593 | | 93,46,123 | |
| | 19,41,920 | | (14,383) | |
| | (6,12,146) | 4,347,015 | 7,654,523 | 26,00,789 |
| | 1,31,648 | | | |
| | Cash generated from operations | | 52,82,244 | |
| | | (6,18,039) | | (6,05,758) |
| | | 89,84,061 | | 46,76,486 |
| | | - | | - |
| | NET CASH FROM OPERATING ACTIVITIES (A) | | 46,76,486 | |
| B. | Cash flow from investing activities | | | |
| | Inflow | | | |
| | | 2,77,191 | | 1,54,643 |
| | | 1,500 | | 1,500 |
| | | 72,82,500 | | 54,75,000 |
| | Outflow | | | |
| | | (13,00,498) | | (41,97,827) |
| | | - | | 5,15,000 |
| | NET CASH USED IN INVESTING ACTIVITIES (B) | | 19,48,316 | |
| C. | Cash flow from financing activities | | | |
| | Inflow | | | |
| | | (70,19,503) | | 46,15,708 |
| | Outflow | | | |
| | | (3,68,832) | | (3,68,832) |
| | | (45,22,225) | | (53,46,948) |
| | NET CASH USED IN FINANCING ACTIVITIES (C) | | (11,00,072) | |
| | NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C) | | 55,24,729 | |
| | | 1,16,89,233 | | 61,64,504 |
| | | 1,50,23,427 | | 1,16,89,233 |

AS PER OUR REPORT OF EVEN DATE ATTACHED FOR N.D KAPUR & CO.

Firm Registration No:001196N

Chartered Accountants

Sd/-

S.K.AGRAWAL

Partner

MUMBAI

Date: 30th May, 2017

For and on behalf of the Board

Sd/-

AARTI GROVER
Managing Director

Sd/-

Deepak Potdar
Chief Financial Officer

Sd/-

RAJU GROVER
Director

Sd/-

Kamleshwari Bind
Company Secretary

Notes On Financial Statements for the Year ended 31st March 2017

| Note : 1 | As at 31st March 2017 | As at 31st March 2016 |
|---|---|--------------------------------------|
| SHARE CAPITAL | | |
| AUTHORISED | | |
| 97,500 Equity Shares of Rs. 100/- each | 97,50,000 | 97,50,000 |
| ISSUED, SUBSCRIBED AND PAID UP: | | |
| 63,470 (P.Y 63,470) Equity Shares of Rs.100/- each | 63,47,000 | 63,47,000 |
| Includes 3125 Shares issued to erstwhile Deferred Shareholders pursuant to scheme of conversion sanctioned by Hon'ble Bombay High Court on 10th July, 1985. | | |
| a) Reconciliation of the number of equity shares and share capital: | | |
| Issued, subscribed and fully paid up equity shares outstanding at beginning of the year | 63,470 | 63,470 |
| Add: Shares issued during the year | - | - |
| Issued, subscribed and fully paid up equity shares outstanding at end of the year | 63,470 | 63,470 |
| b) Details of Shareholder Holding more than 5% Shares | | |
| <u>Name of the Shareholder</u> | | |
| No. of Shares Held | Cms Traffic System Limited 21,656 | Cms Traffic System Limited 21,656 |
| % of Holding | 34.12% | 34.12% |
| <u>Name of the Shareholder</u> | | |
| No. of shares Held | Cms Traffic System Limited 24,243 | Cms Traffic System Limited 23,945 |
| % of Holding | 38.20% | 37.73% |
| Note : 2 | As at 31st March 2017 | As at 31st March 2016 |
| RESERVES AND SURPLUS | | |
| Share Premium Account | | |
| Opening Balance | 5,73,74,552 | 5,73,74,552 |
| Add : Share Premium Credited on Share Issue | - | - |
| Closing Balance | 5,73,74,552 | 5,73,74,552 |
| General Reserve | | |
| Opening Balance | 2,14,69,208 | 2,14,69,208 |
| Less : Adjustment Related to Fixed Assets (Refer Note 27) | - | - |
| Closing Balance | 2,14,69,208 | 2,14,69,208 |
| Profit and Loss Account | | |
| Opening Balance | 3,13,77,097 | 3,44,98,450 |
| Add Profit/(Loss) for The year | 64,20,828 | (27,52,521) |
| | 3,77,97,925 | 3,17,45,929 |
| Less: Appropriations | | |
| Transfer to General Reserve | - | - |
| Proposed Dividend on equity shares | 3,17,350 | 3,17,350 |
| Tax On dividend | 51,482 | 51,482 |
| Closing Balance | 3,74,29,093 | 3,13,77,097 |
| TOTAL | 11,62,72,853 | 11,02,20,857 |

Notes On Financial Statements for the Year ended 31st March 2017

| Note : 3 | As at 31st March 2017 | As at 31st March 2016 |
|---|--------------------------|--------------------------|
| LONG TERM BORROWINGS | | |
| Secured | | |
| Vehicle Loan Mahindra & Mahindra Financial Services Ltd (Secured Against Mahindra Bolero Vehicle) | 2,96,746 | 3,95,920 |
| Unsecured | | |
| Loan From Director | - | 20,00,000 |
| | 2,96,746 | 23,95,920 |
| The Company do not have Any long term borrowing In the form of Term loan , debentures and Bonds in the reported financials year | | |

| Note : 4 | As at 31st March 2017 | As at 31st March 2016 |
|---|--------------------------|--------------------------|
| (a) Deferred Tax Liabilities | | |
| i) on Depreciation/amortisation of Fixed Assets | 7,99,456 | 7,39,593 |
| ii) on Provision for doubtful debts | - | - |
| iii) on Other Timing Difference | - | - |
| TOTAL | 7,99,456 | 7,39,593 |
| (b) Deferred Tax Assets | | |
| i) on Provision for Gratuity & Leave encashment | 9,09,351 | 10,66,107 |
| ii) on Provision for doubtful debts | 8,31,096 | - |
| iii) Brought forward loss of previous year | 41,92,146 | - |
| TOTAL | 59,32,593 | 10,66,107 |
| TOTAL | 51,33,137 | 3,26,514 |

| Note : 5 | As at 31st March 2017 | As at 31st March 2016 |
|---------------------------------|--------------------------|--------------------------|
| LONG TERM PROVISIONS | | |
| Provision for Employee Benefits | | |
| Leave Encashment | 29,82,549 | 27,50,182 |
| Gratuity | 59,340 | 17,36,158 |
| TOTAL | 30,41,889 | 44,86,340 |

| Note : 6 | As at 31st March 2017 | As at 31st March 2016 |
|--|--------------------------|--------------------------|
| SHORT TERM BORROWINGS | | |
| SECURED LOANS : | | |
| Working Capital loans from The Saraswat Co- Op Bank Ltd ODBD | 3,24,35,326 | 3,72,80,645 |
| | 3,24,35,326 | 3,72,80,645 |
| Secured against hypothecation of Raw Materials, Finished Goods, Semi-Finished goods and Book Debts, block of assets of Company including factory land and Building at Ambernath) | | |
| DEPOSITS : | | |
| Unsecured (Dealer,Distributor & Stockist) | 24,39,489 | 25,14,500 |
| TOTAL | 3,48,74,815 | 3,97,95,145 |



Notes On Financial Statements for the Year ended 31st March 2017

| Note : 7 | As at 31st March 2017 | As at 31st March 2016 |
|---|--------------------------|--------------------------|
| TRADE PAYABLES | 5,37,52,109 | 4,96,72,390 |
| TOTAL | 5,37,52,109 | 4,96,72,390 |
| <p>Note : As per the information available with the Company till date none of the suppliers have informed the company about their having registered themselves under the "Micro, Small and Medium Enterprises Development Act, 2006". As such, information as required under this Act, cannot be compiled and therefore, not disclosed for the year.</p> | | |

| Note : 8 | As at 31st March 2017 | As at 31st March 2016 |
|---------------------------------------|--------------------------|--------------------------|
| OTHER CURRENT LIABILITIES | | |
| Outstanding Liabilities | 27,56,698 | 32,44,647 |
| Statutory Dues | 8,60,726 | 2,683,646 |
| Unclaimed Dividends | 3,76,890 | 4,67,926 |
| Unclaimed amount for fractional Share | 664 | 664 |
| Other Deposits | 12,00,000 | 12,00,000 |
| Advance From Customers | 18,84,053 | 5,26,216 |
| | 70,79,031 | 81,23,098 |

| Note : 9 | As at 31st March 2017 | As at 31st March 2016 |
|--|--------------------------|--------------------------|
| SHORT TERM PROVISIONS | | |
| Others : | | |
| Provision for Employee Benefit | 13,80,008 | 22,68,139 |
| Provision for Excise duty | 21,49,655 | 2,721,077 |
| Proposed Dividend | 3,17,350 | 3,17,350 |
| Dividend Distribution tax on proposed dividend | 51,482 | 51,482 |
| | 38,98,495 | 53,58,048 |

| Notes On Financial Statements for the Year ended 31st March 2017 | | | | | | | | | | | |
|---|-----------------------------|------------------|-----------------|--------------------------|------------------------|----------------------------------|---------------------------------------|--------------------------|--------------------------|--------------------------|--------|
| Note No. 10 FIXED ASSETS | | | | | | | | | | | |
| Description of Assets | Gross Block | | | | Depreciation | | | | Net Block | | |
| | Cost as on 1.4.2016 ₹ | Additions ₹ | Deductions ₹ | As at 31.03.2017 ₹ | As at 1.4.2016 ₹ | Provided for the year ₹ | Deductions during the year ₹ | As at 31.03.2017 ₹ | As at 31.03.2017 ₹ | As at 31.03.2016 ₹ | |
| Tangible Assets : | | | | | | | | | | | |
| Land | 29,618 | | | 29,618 | | | | | | | 29,618 |
| Building (Factory & Ambernath) | 1,73,55,400 | | | 1,73,55,400 | 58,00,217 | 4,90,005 | | 62,90,222 | 1,10,65,178 | 1,15,55,183 | |
| Plant & Machinery | 3,33,33,845 | 10,22,639 | | 3,43,56,484 | 2,25,05,894 | 12,81,744 | | 2,37,87,638 | 1,05,68,846 | 1,08,27,951 | |
| Computers | 45,16,140 | 31,000 | | 45,47,140 | 35,76,344 | 3,55,495 | | 39,31,839 | 6,15,301 | 9,39,796 | |
| Furniture, Fitting & Office Equipment | 1,02,55,457 | 2,46,859 | | 1,05,02,316 | 67,94,647 | 8,07,451 | | 76,02,098 | 29,00,218 | 34,60,810 | |
| Motor Vehicles | 7,82,006 | | | 7,82,006 | 2,74,278 | 95,198 | | 3,69,476 | 4,12,530 | 5,07,728 | |
| Electrical Fitting | 32,61,922 | | | 32,61,922 | 19,53,237 | 2,26,134 | | 21,79,371 | 10,82,551 | 13,08,685 | |
| SUB TOTAL (A) | 6,95,34,388 | 13,00,498 | | 7,08,34,886 | 4,09,04,617 | 32,56,026 | | 4,41,60,643 | 2,66,74,244 | 2,86,29,771 | |
| Intangible Assets : | | | | | | | | | | | |
| SUB TOTAL (B) | | | | | | | | | | | |
| Capital Work in Progress : | | | | | | | | | | | |
| Building under Construction (Refer Note) | 1,47,66,844 | | | 1,47,66,844 | | | | | 1,47,66,844 | 1,47,66,844 | |
| SUB TOTAL (C) | 1,47,66,844 | | | 1,47,66,844 | | | | | 1,47,66,844 | 1,47,66,844 | |
| SUB TOTAL A + B + C | 8,43,01,232 | 13,00,498 | | 8,56,01,730 | 4,09,04,617 | 32,56,026 | | 4,41,60,643 | 4,14,41,088 | 4,33,96,615 | |
| Previous Year | 8,03,37,204 | 74,52,933 | | 8,43,01,231 | 3,75,95,058 | 34,48,830 | 1,39,272 | 4,09,04,616 | 4,33,96,615 | 4,27,42,146 | |

Note : Additional Floor of the Building is completed and capitalisation pending for completion certificate to be received from B.M.C

Notes On Financial Statements for the Year ended 31st March 2017

| Note : 11 | As at 31st March 2017 | As at 31st March 2016 |
|--|--------------------------|--------------------------|
| NON CURRENT INVESTMENTS | | |
| Investment (Unquoted) : | | |
| Saraswat Bank (1000 Equity shares of Rs 10 each) | 10,000 | 10,000 |
| RDJ Constructions Pvt Ltd (Subsidiary) 10000 (P.Y 9990) Equity Shares | 1,12,900 | 99,900 |
| | 1,22,900 | 1,09,900 |

| Note : 12 | As at 31st March 2017 | As at 31st March 2016 |
|------------------------------------|--------------------------|--------------------------|
| OTHER NON CURRENT ASSETS | | |
| ASSETS & LIABILITIES IN PAKISTAN : | 8,76,320 | 8,76,320 |
| | 8,76,320 | 8,76,320 |

| Note : 13 | As at 31st March 2017 | As at 31st March 2016 |
|---|--------------------------|--------------------------|
| INVENTORIES : | | |
| (At cost or Net realisable value which ever is less) | | |
| Raw Materials & Stores | 1,57,08,906 | 1,29,89,035 |
| Materials in process | 88,57,798 | 84,20,929 |
| Finished Goods | 1,93,46,896 | 2,44,85,266 |
| Trading Goods | 1,12,29,311 | 1,11,89,601 |
| | 5,51,42,911 | 5,70,84,831 |

| Note : 14 | As at 31st March 2017 | As at 31st March 2016 |
|--|--------------------------|--------------------------|
| TRADE RECEIVABLES | | |
| (Unsecured) | | |
| Debts outstanding for a period exceeding six months from the date they were due for payment. | | |
| Considered Good | 1,28,09,334 | 1,70,10,716 |
| Considered Doubtful | 69,64,069 | 6,379,630 |
| | 1,97,73,403 | 2,33,90,346 |
| Less: Provision for Doubtful Debts | 69,64,069 | 63,79,630 |
| | 1,28,09,334 | 1,70,10,716 |
| Others: Considered Good | 8,50,83,508 | 8,61,04,539 |
| | 9,78,92,842 | 10,31,15,255 |

| Note : 15 | As at 31st March 2017 | As at 31st March 2016 |
|-------------------------------------|--------------------------|--------------------------|
| CASH AND CASH EQUIVALENTS : | | |
| Cash in Hand | 57,949 | 2,22,019 |
| With Scheduled Banks : | | |
| In Current Account | 82,51,823 | 88,24,554 |
| Bank Guarantee Margin | 70,900 | 70,900 |
| In Fixed Deposits | 42,97,773 | 2,97,496 |
| In Fixed Deposits against LC Margin | 18,43,282 | 17,58,707 |
| In Dividend Account | 3,76,890 | 4,67,926 |
| | 1,48,98,617 | 1,16,41,602 |

Notes On Financial Statements for the Year ended 31st March 2017

| Note : 16 | As at 31st March 2017 | As at 31st March 2016 |
|---|----------------------------------|----------------------------------|
| SHORT TERM LOANS AND ADVANCES | | |
| Unsecured, Considered Good | | |
| Loans & Advances to employees (including. Rs.1,00,000/- to Director) | 1,52,000 | 1,10,000 |
| Prepaid Expenses | 5,90,566 | 3,53,382 |
| Advance Tax | 15,52,311 | 20,34,272 |
| Other Receivable | 4,354 | 2,618 |
| <u>Balances with Govt Authorities :</u> | | |
| Modvat | 88,444 | 28,120 |
| Service Tax | 4,87,578 | 2,70,591 |
| Excise Receivable | 525,628 | 5,25,628 |
| Central Excise Duty (PLA) | 24,174 | 88,031 |
| Sales Tax Receivable | 22,88,459 | 22,35,435 |
| | 57,13,514 | 56,48,077 |
| Note : 17 | As at 31st March 2017 | As at 31st March 2016 |
| OTHER CURRENT ASSETS | | |
| Accrued Interest on FD | 1,24,810 | 47,631 |
| <u>Sundry Deposits :</u> | | |
| Unsecured ,Considered Goods | 35,32,389 | 35,46,669 |
| Advances to suppliers for Raw Material | 3,25,223 | 53,601 |
| Capital Advances | 3,59,188 | 5,51,782 |
| | 43,41,610 | 41,99,683 |
| Note : 18 | As at 31st March 2017 | As at 31st March 2016 |
| SALES : | | |
| Sale of Manufactured Goods | 26,09,61,086 | 25,05,99,226 |
| Less : Excise Duty | 3,93,37,924 | 3,79,87,242 |
| | 22,16,23,162 | 21,26,11,984 |
| Export Sale | 31,96,511 | 43,11,421 |
| Sale of Trading Goods | 71,34,674 | 82,01,728 |
| Repair Charges | 1,34,917 | 2,09,744 |
| Sale of Scrap | 42,01,822 | 47,19,076 |
| | 23,62,91,086 | 23,00,53,953 |
| Note : 19 | As at 31st March 2017 | As at 31st March 2016 |
| OTHER INCOME : | | |
| Interest from Bank on : Deposits | 2,77,191 | 1,54,643 |
| Dividend Income From : Shares | 1,500 | 1,500 |
| Other Non operating income Comprises : | | |
| Rental Income | 72,82,500 | 54,75,000 |
| Interest From Customers | 48,297 | 57,726 |
| Insurance Claim Received | 4,68,455 | - |
| Profit on sale of Fixed Assets | - | 4,20,472 |
| | 80,77,943 | 61,09,341 |



Notes On Financial Statements for the Year ended 31st March 2017

| Note : 20 | As at 31st March 2017 | As at 31st March 2016 |
|--|--------------------------|--------------------------|
| Cost of Material Consumed: | | |
| Opening Stocks Raw Materials & Stores: | 1,29,89,035 | 1,64,08,765 |
| Add: Raw Material & Stores Purchases | 12,77,62,288 | 10,72,68,982 |
| | 14,07,51,323 | 12,36,77,747 |
| Closing Stocks Raw Material & Stores | 1,57,08,906 | 1,29,89,035 |
| | 12,50,42,417 | 11,06,88,712 |

| Note : 21 | As at 31st March 2017 | As at 31st March 2016 |
|------------------------------------|--------------------------|--------------------------|
| Purchases of Stock in Trade | | |
| Opening Stocks of Trading Goods | 1,11,89,601 | 1,24,10,736 |
| Add : Purchases | 3,592,817 | 3,766,363 |
| | 1,47,82,418 | 1,61,77,099 |
| Closing Stock | 1,12,29,311 | 1,11,89,601 |
| | 35,53,107 | 49,87,498 |

| Note : 22 | As at 31st March 2017 | As at 31st March 2016 |
|--|--------------------------|--------------------------|
| Changes in Inventory of Finished goods, work-in-progress and stock in trade | | |
| Opening Stocks : | | |
| Materials in Process | 84,20,929 | 69,08,536 |
| Finished Goods | 2,44,85,266 | 3,07,02,917 |
| | 3,29,06,195 | 3,76,11,453 |
| Less : Closing Stocks : | | |
| Materials in Process | 88,57,798 | 84,20,929 |
| Finished Goods | 1,93,46,896 | 2,44,85,266 |
| | 2,82,04,694 | 3,29,06,195 |
| | 47,01,501 | 47,05,258 |

| Note : 23 | As at 31st March 2017 | As at 31st March 2016 |
|---|--------------------------|--------------------------|
| EMPLOYEE BENEFIT EXPENSES : | | |
| Salaries, Wages, Bonus, Exgratia & Gratuity | 4,38,62,121 | 4,92,01,219 |
| Contribution to Provident & other funds & Schemes | 25,73,889 | 27,05,216 |
| Welfare Expenses | 33,63,527 | 37,03,343 |
| | 4,97,99,538 | 5,56,09,777 |


Notes On Financial Statements for the Year ended 31st March 2017

| Note : 24 | As at 31st March 2017 | As at 31st March 2016 |
|-----------------------|----------------------------------|----------------------------------|
| FINANCE COST : | | |
| Interest - Banks | 40,51,326 | 38,24,855 |
| Interest - Others | 97,679 | 2,86,171 |
| Bank Charges | 3,73,220 | 12,35,923 |
| | 45,22,225 | 53,46,948 |

| Note : 25 | As at 31st March 2017 | As at 31st March 2016 |
|--|----------------------------------|----------------------------------|
| OTHER EXPENSES : | | |
| Component Processing and other charges | 2,21,05,045 | 2,34,76,443 |
| Power, Fuel & Water Charges | 7,79,947 | 8,36,683 |
| Octroi, Transportation & Forwarding, etc. | 24,13,778 | 33,06,375 |
| Conveyance & Traveling | 51,88,482 | 56,29,583 |
| Printing & Stationery | 4,06,415 | 419,275 |
| Postage & Telephone | 11,73,193 | 11,00,643 |
| Cash Discount | 19,37,830 | 18,01,913 |
| Maintenance & Repairs : | | |
| Machinery | 65,830 | 86,857 |
| Building | 8,49,238 | 49,000 |
| Others | 4,01,068 | 9,83,896 |
| | 13,16,136 | |
| Insurance & Keyman Insurance | 6,58,708 | 7,55,050 |
| Rent, Rates & Taxes | 9,33,087 | 6,85,619 |
| Indirect Taxes Paid | 8,05,229 | 5,44,546 |
| Discounts | 34,16,828 | 42,56,713 |
| Bad Debts & Misc Written Off | 62,208 | 4,11,455 |
| Provision for Doubtfull Debts | 23,08,443 | 21,05,193 |
| Legal & Professional Charges (Refer No.18 for Auditors Remuneration) | 39,20,296 | 27,99,918 |
| Advertisement & Publicity | 1,26,481 | 89,645 |
| Sales Commission | - | 1,80,579 |
| Sales Promotion | 1,04,826 | 5,27,707 |
| Miscellaneous Expenses | 31,23,076 | 34,72,688 |
| | 5,07,80,009 | 5,35,19,780 |



NOTE NO. 26

NOTES FORMING PART OF THE ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES

1 Background

KAYCEE INDUSTRIES LIMITED is a manufacturing and trading company in the field of industrial switches, counters, water meters, electrical components, etc.

2 BASIS OF PREPARATION OF FINANCIAL STATEMENT

a) The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principal (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standard as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, and the provision of the Act.

b) Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities at the date of the financial statements and reported amounts of income and expenses during the year. Actual results could differ from those estimates.

3 REVENUE RECOGNITION:

Revenue is recognised when the significant risks and rewards of ownership of the goods have been passed to the buyer and are recorded net of returns, trade discounts, rebates, sales tax & excise duty where ever applicable.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. Dividend income is recognised when the Company's right to receive dividend is established by the Balance Sheet date.

4 EMPLOYEE BENEFITS**I) Short Term Employees Benefits:**

All short term employee benefits such as salaries, wages, bonus, short term compensated absences, awards, ex gratia, performance pay, medical benefits, which fall due within 12 months of the period in which the employee renders the related service which entitles him to avail such benefits and non accumulating compensated absences are recognized on an undiscounted basis and charged to profit and loss account

II) Post Employment Benefit:**a) Defined Contribution Plan**

Company's contribution to the provident fund based on a percentage of salary is made to Provident Fund Trust, which are administered by the trustees.

**b) Defined Benefit Plan
Gratuity:**

The Company provides the gratuity benefit through annual contributions to a fund managed by the Life Insurance Corporation of India (LIC). Under this plan, the settlement obligation



remains with the Company, although the Life Insurance Corporation of India administers the plan and determines the contribution premium on Projected Unit Credit Method, which is required to be paid by the Company and is debited to the profit and loss account on an accrual basis. Actuarial gains or losses arising during the year are recognized in the profit and loss account.

- c) Leave encashment is provided for on the basis of an actuarial valuation carried out by an Actuary at the end of each financial year and debited to the profit and loss account.

5 **Inventories**

Inventories of Raw Material, Components, Material in Process, Finished goods, Stores & Packing materials and traded goods are stated 'At Cost or Net Realizable value' whichever is lower.

Cost of inventories comprises of cost of purchase, cost of conversion and other cost incurred in bringing the inventory to their present location and condition.

Company uses FIFO method for valuation. Cost of finished goods includes excise duty.

6 **Fixed Assets**

Tangible Assets

Fixed assets are stated at cost less accumulated depreciation, amortization and impairment loss if any. The company capitalizes direct costs including taxes, duty, freight and incidental expenses attributable to the acquisition and installation of fixed assets. Capital work-in-progress is stated at cost.

7 **Depreciation**

Depreciation on tangible asset is provided on the straight-line method over the useful lives of assets estimated by the Management, which is as per Schedule II of the Companies Act, 2013. Depreciation on assets purchased / sold during a period is proportionally charged. The Management estimates the useful lives of fixed assets as follows :-

| | Years |
|------------------------|-------|
| Buildings | 30 |
| Plant and Machinery | 15 |
| Office equipment | 5 |
| Electrical fittings | 10 |
| Computer – Servers | 5 |
| Computer – Others | 3 |
| Furniture and Fixtures | 10 |
| Vehicles | 6 |

8 **Impairment Policy**

The company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's net selling price or its value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

9 **Investments**

Investments that are readily realizable and intend to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Long term investments are stated at cost less any diminution in their value, which is other than temporary. Current Investments



are stated at lower of cost and market value. Unquoted long term investments are valued at lower of cost or latest available break up value.

10 Research and Development

Revenue expenditure on research and development is charged against the profit of the year in which it is incurred. Capital expenditure on research and development is shown as an addition to Fixed Assets.

11 Foreign currency transaction

Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are restated at year-end rates. The exchange difference on restatement of monetary assets and liabilities and realized gains and losses on foreign exchange transactions other than those relating to fixed assets are recognized in the profit and loss account. Exchange difference in respect of liabilities incurred to acquire fixed assets is adjusted to the carrying amount of such. Fixed assets

12 Segment Reporting Policies

Identification of segment is based on the major manufacturing products.

13 Earnings per share

Basic and diluted earnings per share are calculated by dividing the net profit/ loss for the year by the weighted average number of equity shares outstanding during the period.

14 Provisions and contingent liabilities

A provision is recognized when the company has a present obligation resulting from past events and it is probable that an outflow of resources will be required to settle the obligation for which a reliable estimate can be made. Provisions are based on management's best estimate of the amount required to settle the obligation at the balance sheet date. Provisions are reviewed at each balance sheet date and adjusted to reflect revision in estimates

The company has decided to provide for doubtful debts if debtors remain outstanding above one year.

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 recognized 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 recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

15 Provision for Taxation

- a) Provision for Taxation comprises of current and deferred tax and includes any adjustments related to past periods in current and / or deferred tax adjustments that may become necessary due to certain developments or reviews during the relevant period.
- b) Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961.
- c) Deferred tax is recognized on timing differences between the accounting income and the taxable income for the year. The tax effect is calculated on the accumulated timing differences at the end of the accounting period based on prevailing enacted or subsequently enacted tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date.
- d) Deferred tax liabilities are recognized for all timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent there is reasonable certainty that sufficient

future taxable income will be available against which such deferred tax assets can be realized. The carrying amount of deferred tax assets are reviewed at each Balance Sheet date.

- 16 Company has not provided Liability towards pending C forms have not been provided on account of uncertainty.
- 17 Pakistan unit of the Company continues to be under the control of Pakistan Government. It has not been possible to establish any communication with the said unit so far. Therefore, statement of Assets and Liabilities as at 30th June 1964 based on the last reports received have been incorporated in the Balance sheet as pre devaluation rate of rate of exchange.

18 PAYMENT TO THE AUDITORS :

INCLUSIVE OF SERVICE TAX.

| | | 2016-2017 | 2015-2016 |
|-----|----------------------------|------------------|-----------|
| | | Rupees | Rupees |
| a | As Audit Fee – Statutory | 3,45,000 | 2,86,250 |
| b | In Other Capacities : | | |
| i | Certification | 1,99,489 | 2,12,599 |
| ii | Gratuity Audit | 5,750 | 5,725 |
| iii | Tax Audit Fees | 1,15,000 | 85,875 |
| iv | Vat Audit Fees | 74,750 | 74,425 |
| v | Corporate Governance | Nil | 57,125 |
| vi | Consolidated Balance Sheet | 28,750 | 57,125 |
| vii | Expenses Reimbursed | 25,000 | 22,500 |

19 MANAGERIAL REMUNERATION:

| | 2016-2017 | 2015-2016 |
|---------------------------------|------------------|-----------|
| Salary and Allowances | 17,04,600 | 17,04,600 |
| Contribution to Statutory Funds | 1,44,000 | 1,44,000 |

Working Under Section 197 of Companies Act 2013 for FY 2016-17

| | 2016-2017 | 2015-16 |
|---|------------------|--------------|
| | Rs. | Rs. |
| Profit/(Loss) before tax | 27,14,205 | (21,43,511) |
| Limit Under Section 197 read with Clause A of Section II of Part II of Schedule V to the Companies Act 2013 - | | |
| Effective Capital - | | |
| Share Capital | 63,47,000 | 63,47,000 |
| Reserves and Surplus | 11,62,72,853 | 11,02,20,857 |
| long-term loans repayable after one year | ---Nil--- | 20,00,000 |
| Effective capital - | 12,26,19,853 | 11,85,67,857 |
| Limit on remuneration - | 42,00,000 | 42,00,000 |

20 Details of Licensed and Installed Capacity, Production, Stock and Turnover.

20 A Licensed And Installed Capacity And Production:

| | Licensed Capacity | Installed Capacity | Actual Production |
|-------------------|-------------------|--------------------|-------------------|
| a Rotary Switches | Not Specified | Not Specified | 8,62,262 |
| | | | (7,25,438) |
| b Micro Switches | Not Specified | Not Specified | 4,86,929 |
| | | | (4,77,139) |
| c Counters | Not Specified | Not Specified | 69,251 |
| | | | (80,973) |
| d Water Meters | Not Specified | Not Specified | 47 |
| | | | (149) |

20 B Turnover

| MANUFACTURED GOODS | | 2016-2017 | | 2015-2016 | |
|--------------------|----------------|-----------|---------------------|-----------|---------------------|
| | | Unit Nos. | Amount Rs. | Unit Nos. | Amount Rs. |
| a | Rotary Switch | 8,73,459 | 19,45,84,375 | 7,45,650 | 17,45,90,242 |
| b | Micro Switches | 5,01,746 | 3,07,68,756 | 4,75,212 | 2,95,67,803 |
| c | Counters | 73,074 | 2,04,67,094 | 83,544 | 2,00,95,286 |
| d | Water Meters | 79 | 8,75,487 | 271 | 37,15,421 |
| e | Others | | 1,74,61,884 | | 2,69,41,895 |
| f | Traded Goods | 17,592 | 71,34,674 | 45,350 | 82,01,728 |
| | Total | | 27,12,92,271 | | 26,31,12,375 |

20 C OPENING STOCK AND CLOSING STOCK OF FINISHED GOODS:

| | | Opening Stock | | Closing Stock | |
|---|----------------|--------------------------|----------------------------|-------------------------|--------------------------|
| | | Qty Nos. | Value Rs. | Qty Nos. | Value Rs. |
| a | Rotary Switch | 51,261 (71,473) | 70,07,969 (1,05,03,088) | 40,064 (51,261) | 58,08,386 (70,07,969) |
| b | Micro Switches | 40,209 (38,282) | 15,48,278 (21,75,465) | 25,392 (40,209) | 9,78,273 (15,48,278) |
| c | Counters | 7,871 (10,442) | 8,54,763 (20,88,277) | 4,048 (7,871) | 5,33,393 (8,54,763) |
| d | Water Meters | 699 (821) | 80,54,098 (91,84,337) | 667 (699) | 78,19,444 (80,54,098) |
| e | Others | 11,42,803 (27,58,529) | 70,20,158 (67,51,751) | 7,54,771 (11,42,803) | 42,07,400 (70,20,158) |

Previous year's Figures are given in brackets.



20 D DETAILS OF TRADING ITEMS :

| | | 2016-2017 | | 2015-2016 | |
|---|---------------|-----------|-------------|-----------|-------------|
| | | Unit Nos. | Amount Rs. | Unit Nos. | Amount Rs. |
| a | Opening Stock | 59,284 | 1,11,89,601 | 80,722 | 1,24,10,736 |
| b | Purchases | 18,955 | 35,92,817 | 23,912 | 37,66,363 |
| c | Turnover | 17,592 | 71,34,674 | 45,350 | 82,01,728 |
| d | Closing Stock | 60,647 | 1,12,29,311 | 59,284 | 1,11,89,601 |

20 E DETAILS OF RAW MATERIALS & STORES CONSUMED :

| | | 2016-2017 | | 2015-2016 | |
|---|--------------------------------------|-----------|---------------------|-----------|---------------------|
| | | Unit Nos. | Amount Rs. | Unit Nos. | Amount Rs. |
| a | Bimetal Tips & Components | 44,91,815 | 1,10,81,238 | 40,78,386 | 1,12,82,035 |
| b | Copper & PB | 3,676 | 21,22,822 | 5,826 | 34,23,223 |
| c | Brass | 6,049 | 22,08,482 | 3,008 | 11,18,511 |
| d | Steel & Aluminium | 53,009 | 34,09,310 | 50,757 | 33,57,465 |
| e | Plastic Powder & Moulding Components | 4,64,658 | 38,56,626 | 4,58,710 | 30,43,900 |
| f | Motors | 10,172 | 24,92,140 | 6,896 | 15,58,925 |
| g | Others | | 9,98,71,799 | | 8,69,04,653 |
| | Total | | 12,50,42,417 | | 11,06,88,712 |

20 F VALUE OF IMPORTS (C.I.F.):

| | | 2016-2017 Rupees | 2015-2016 Rupees |
|---|--------------------------|---------------------|---------------------|
| a | Raw Materials | 30,90,651 | 8,26,576 |
| b | Finished Goods (Trading) | 26,19,025 | 19,83,574 |

20 G CONSUMPTION OF RAW MATERIALS & STORES

| | | 2016-2017 | | 2015-2016 | |
|---|------------|---------------------------------------|------------------|---------------------------------------|------------------|
| | | Percentage Of Total Consumption | Amount Rupees | Percentage of Total Consumption | Amount Rupees |
| a | Imported | 2.32% | 30,90,651 | 0.69% | 8,26,576 |
| b | Indegenous | 97.68% | 13,02,06,374 | 99.31% | 11,95,54,892 |

**21 EARNINGS IN FOREIGN CURRENCY :**

| | | 2016-2017 Rupees | 2015-2016 Rupees |
|----|-------------------------|-----------------------------|---------------------|
| a) | F.O.B. Value of Exports | 31,17,091 | 41,10,661 |

22 EXPENDITURE IN FOREIGN CURRENCY :

| | | 2016-2017 Rupees | 2015-2016 Rupees |
|----|------------------------|-----------------------------|---------------------|
| a) | Foreign bank charges | 40,499 | 56,529 |
| b) | Brokerage & Commission | Nil | 30,759 |

23 Employee Benefits

With effect from 1st April 2007, the company has adopted revised Accounting Standard 15 "Employee Benefits". Pursuant to the adoption, no adjustment was required to be made to general reserve of revised As -15 as the impact was insignificant. .

As per Accounting Standard 15 " Employee Benefits", the disclosure of Employee benefits as defined in the Accounting Standard are given below:

I Defined Contribution Plan

Contribution to Defined Contribution Plan, Recognized as expenses for the year as under :

| | 2016-17 Rupees | 2015-16 Rupees |
|---|---------------------------|-------------------|
| Employer's Contribution to Provident Fund | 6,98,837 | 8,91,031 |
| Employer's Contribution to Pension Fund | 13,08,781 | 13,36,328 |

The Company's Provident Fund is Exempted under section 17 of Employees' Provident Fund Act, 1952. Condition of grant of exemption stipulates that the employer shall make good deficiency, if any, in the interest rate declared by the trust vis- a vis statutory rate.

II Defined Benefit Plans

Under both the Gratuity and Leave Encashment, The Present Value of Obligation is determined based on actuarial valuation using the projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

| PARTICULARS | AS AT 31.03.2017 | | AS AT 31.03.2016 | |
|---|---------------------------|---------------------------------|---------------------------|---------------------------------|
| | Gratuity Funded | Leave Encashment Unfunded | Gratuity Funded | Leave Encashment Unfunded |
| A. Changes in Present Value of obligation | | | | |
| Present Value of Obligation | 1,00,64,492 | 27,50,182 | 11,296,744 | 32,40,551 |
| Interest Cost | 8,05,159 | 2,03,238 | 9,03,740 | 2,57,948 |
| Current Service Cost | 14,11,650 | 4,99,947 | 13,22,780 | 4,42,551 |
| Benefit Paid | 22,27,454 | 7,72,251 | 29,98,114 | 12,27,269 |
| Actuarial Gain/Loss on Obligations | 10,88,558 | -301433 | 460,658 | -36,401 |
| Present Value of Obligation | 89,65,289 | 29,82,549 | 10,064,492 | 27,50,182 |
| B. Fair Value of Plan Assets | Gratuity Funded | Leave Encashment Unfunded | Gratuity Funded | Leave Encashment Unfunded |
| Fair Value of the Plan Assets | 96,82,520 | N.A | 10,455,730 | N.A |
| Expected return on Plan Assets | 7,99,045 | N.A | 8,38,713 | N.A |
| Contributions | 16,74,440 | N.A | 13,86,191 | N.A |
| Benefits Paid | 22,27,454 | N.A | 2,998,114 | N.A |
| Actuarial Gain/Loss on Plan Assets | NIL | N.A | NIL | N.A |
| Fair Value of the Plan Assets | 99,28,551 | N.A | 96,82,520 | N.A |
| C. Amount Recognized in the Balance Sheet. | Gratuity Funded | Leave Encashment Unfunded | Gratuity Funded | Leave Encashment Unfunded |
| Present Value of Obligation | 89,65,289 | 29,82,549 | 10,064,492 | 27,50,182 |
| Fair Value of the Plan Assets | 99,28,551 | N.A | 96,82,520 | N.A |
| D. Reconciliation of Balance Sheet. | Gratuity Funded | Leave Encashment Unfunded | Gratuity Funded | Leave Encashment Unfunded |
| Present Value of Obligation | 1,00,64,492 | 27,50,182 | 11,296,744 | 32,40,511 |
| Total Expenses recognized in Profit & Loss A/c | 59,339 | 1,004,618 | 1,739,158 | 7,36,940 |
| Actuarial Gain/Loss | -5,15,898 | N.A | 1,585,219 | N.A |
| Employer's Contribution | 16,74,440 | 7,72,251 | 13,86,191 | 12,27,269 |
| Present Value of Obligation | 89,65,289 | 29,82,549 | 10,064,492 | 27,50,182 |
| E. Assumptions | Gratuity Funded | Leave Encashment Unfunded | Gratuity Funded | Leave Encashment Unfunded |
| Actuarial Return on Plan Asset | 7,99,045 | N.A | 8,38,713 | N.A |
| Mortality Table | LIC (1994-96) Ultimate | LIC (1994-96) Ultimate | LIC (1994-96) Ultimate | LIC (1994-96) Ultimate |
| Discount Rate | 8% | 7.39% | 8% | 7.96% |
| Expected Rate of Return on Plan Assets | 8% | 8% | 8% | 8% |
| Salary Escalation | 4% | 6% | 4% | 6% |

24 During the year, the company has taken physical verification of fixed assets and noted discrepancy of Rs Nil (W.D.V.) (P. Y Nil) of Fixed Assets and the same were adjusted and discarded in the books of accounts



25 Disclosure of Related Parties / Transactions With Related Parties:-

| Relationship | Name of Related Party |
|--|---|
| Subsidiary company | RDJ Construction Private Limited |
| Group Companies (Enterprise over which Director and/or his relatives has significant influence) | CMS Traffic Systems Limited CMS Computers Limited Jess Prasad Engg. And Metallurgical Services Pvt. Ltd ST Energy Solution Private Limited CMS Engineering Services Private Limited G.G. Constructions Private Limited Datacom Computer Services Private Limited Dynamic Hydro Machines Private Limited Mailtek Services (India) Limited Netprint Solution India Private Limited New Video Private Limited Dominant Developers Pvt. Ltd. Acu-Soft Technologies Pvt. Ltd. CMS-DITL Limited Royal Virgo Travels Systime Computers Limited CMS Universal Solution P Ltd CMS Info System Ltd. Resergent Infotech Pvt.Ltd. People Upliftment Foundation Money ease Capital Pvt. Ltd. CMS I.T Services Pvt.Ltd |
| Key Management Personnel (KMP) | <u>Directors :</u> Mrs. Raju R. Grover Ms. Aarti R. Grover Mrs. Sona P. Ramchandani Mrs. Pramila Prakash Merani Mrs. Savitri Lal Butani Mr. Chandraprakash Jain Mr. Deepak Potdar (CFO) Miss. Kamaleshwari Bind (CS) |
| Spouse of Director | Mrs. Jyoti C.Jain |

Transactions during F.Y 2016-17

| Sr. No. | Name of the Related Party | Relationship | Nature | Amount Rs. | O/S as on 31.03.2017 |
|------------|---------------------------------|-------------------------|--------------------------------|--------------------------|--|
| I | Holding Companies | | | | |
| 1 | CMS Traffic Systems Ltd. | Group Company | Sales | 18,18,562 (21,81,598) | 39,17,141.11 Dr. (37,40,797.93) Dr. |
| 2 | CMS Traffic Systems Ltd. | Group Company | Reimbursement Of Salary | 14,88,473 (10,76,082) | |
| II | Group Companies | | | | |
| 3 | CMS Computers Limited | Group Company | Rent Received | 41,37,000 (41,01,660) | 70,18,595.33 Cr. (34,18,287.96) Cr. |
| 4 | CMS Computers Limited | Group Company | Reimbursement of Water Charges | Nil (Nil) | |
| 5 | CMS Computers Limited | Group Company | Sales | 28,61,064 (78,46,703) | |
| 6 | CMS Computers Limited | Group Company | Reimbursement Of Salary | Nil (96,848) | |
| 7 | CMS Computers Limited | Group Company | Purchases | 9,84,386 (Nil) | |
| 8 | Royal Virgo Travels | Director's firm | Interest on Loan | 54,137 (2,60,000) | |
| 9 | Royal Virgo Travels | Director's firm | Repayment of Loan | 20,00,000 (NIL) | |
| 10 | RDJ Construction Pvt. Ltd | Subsidiary Company | Reimbursement Of Salary | 6,90,000 (6,87,000) | 6,90,000 Dr (6,27,000)Dr. |
| III | Key management Personnel | | | | |
| 11 | Ms. Aarti Grover | Managing Director | Salary & Perquisites | 17,04,600 (17,04,600) | Nil (Nil) |
| 12 | Mr. Deepak Potdar | Chief Financial Officer | Salary & Perquisites | 7,11,282 (6,94,669) | Nil (Nil) |
| 13 | Miss Kamaleshwari Bind | Company Secretary | Salary & Perquisites | 6,91,569 (5,58,071) | Nil (Nil) |
| 14 | Mr. Chandraprakash Jain | Executive Director | Salary & Perquisites | 11,89,273 (11,88,342) | 1,00,000 Dr (1,00,000) Dr |
| IV | Others | | | | |
| 15 | Mrs. Jyoti C. Jain | Spouse of Director | Professional Fees | 4,00,000 (3,45,420) | 90,000 Cr. (1, 72,710) Cr. |

- Related party relationship have been identified by the management and relied upon by the auditors

- 26** The equity shares of the company are listed in Bombay Stock Exchange and company has paid annual listing fees to the stock exchange for the year 2016-2017.
- 27** Segment wise Reporting as per Note No. 27.
- 28** During the year the Company has reviewed Accounts Receivable and made provision for doubtful debts Rs. 23,08,443. (P.Y.Rs 21,05,193).
- 29** In the opinion of the Board Current Assets, Loans & Advances have a value on realization in the ordinary Course of Business at least equal to the amount at which they are stated in accounts and all current liabilities have been provided for.
- 30** Sundry Debtors and Creditors are subject to confirmation and reconciliation, if any.
- 31.** Excise Receivable Rs.5,25,628/- Company had paid under dispute Rs 5,25,628/- towards F.Y 2003-2004 and Legal matter is going on.



- 32** Company has provided for bonus as per the Payment of Bonus Act, 2015 for F.Y 2016-2017. For F.Y 2014-2015, additional provision Rs.4,86,642/- is not made considering stay given by High Court of Kerala on 27.01.2016.
- 33** Company submitted Draft Scheme of Arrangement (between Kaycee Industries Limited & RDJ Constructions Private Limited for demerger of Company's business of leasing of immovable properties) to Bombay Stock Exchange on 23-5-2017.
- 34** Previous Years figures have been regrouped / rearranged wherever necessary.
- 35** DETAILS OF SPECIFIED BANK NOTES (SBN) HELD AND TRANSACTED DURING THE PERIOD FROM 8TH NOVEMBER, 2016 TO 30TH DECEMBER, 2016 IS PROVIDED IN TABLE BELOW.

| | Specified Bank Notes (SBN) | Other Denomination Notes | Total |
|---------------------------------------|----------------------------|--------------------------|----------|
| Closing cash in hand as on 08.11.2016 | 58,000 | 1,71,292 | 2,29,292 |
| (+) Permitted receipts | - | 2,80,000 | 2,80,000 |
| (-) Permitted payments | - | - | - |
| (-) Amount deposited in Banks | 58,000 | - | 58,000 |
| Closing cash in hand as on 30.12.2016 | - | - | 2,06,237 |

As per our report of even date attached

For N.D KAPUR & CO.

Firm Registration No:001196N

Chartered Accountants

Sd/-

S.K.AGRAWAL

Partner

MUMBAI

Date: 30th May 2017

For and on behalf of the Board

Sd/-

AARTI GROVER
Managing Director

Sd/-

RAJU GROVER
Director

Sd/-

Deepak Potdar
Chief Financial Officer

Sd/-

Kamleshwari Bind
Company Secretary

**NOTE NO. 27**

1. Segments have been identified in line with the accounting standard on segment reporting (AS-17) taking into account the organisation's product revenue.
2. The company recognise switches as primary segment.
3. Assets used in the company's business or liabilities contracted have not been identified to any of the reportable segments as assets are used interchangeably between segments.

Management believes that it is not practicable to provide segment disclosure relating to total assets and total liabilities, since a meaningful segregation of available data could be onerous.

SEGMENTWISE REPORTING

| | 2016-2017 | 2015-2016 |
|--|---------------------|--------------|
| 1. Segment Reserve (Net Sale/ Income from) | | |
| a. Segment - Switches | 17,96,82,441 | 16,57,66,747 |
| b. Segment - Counters | 2,29,59,288 | 2,39,01,364 |
| c. Segment - Others | 3,36,49,357 | 4,03,85,842 |
| TOTAL | 23,62,91,086 | 23,00,53,953 |
| Less : Intersegment Revenue | - | 23,00,53,953 |
| 2. Segment Results (Profit)(+)/Loss(-) before tax and interest from segment | | |
| a. Segment - Switches | 4,29,00,071 | 4,06,10,574 |
| b. Segment - Counters | 33,64,342 | 43,13,259 |
| c. Segment - Others | 1,02,93,638 | 1,28,42,217 |
| TOTAL | 5,65,58,051 | 5,77,66,050 |
| Add : Other Income | 80,77,943 | 61,09,341 |
| Less : (I) Interest | 45,22,225 | 53,46,948 |
| (ii) Other unallocable expenditure net off unallocable income | 5,73,99,564 | 6,06,71,954 |
| Total Profit/(Loss) before Tax | 27,14,205 | (21,43,511) |

For N.D KAPUR & CO.
Firm Registration No:001196N
Chartered Accountants

Sd/-
S.K.AGRAWAL
Partner

MUMBAI
Date: 30th May 2017

For and on behalf of the Board

Sd/-
AARTI GROVER
Managing Director
Sd/-
Deepak Potdar
Chief Financial Officer

Sd/-
RAJU GROVER
Director
Sd/-
Kamleshwari Bind
Company Secretary

**INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS**

To the Members of
Kaycee Industries Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Kaycee Industries Limited ("the Holding Company") and its subsidiary (collectively referred to as "the Company" or "the Group"), comprising of the consolidated balance sheet as at 31 March 2017, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of the consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 (hereinafter referred to as "the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014. The Board of Directors of the Company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by 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 consolidated



state of affairs of the Company, as at 31 March 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by sub-section 3 of Section 143 of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - (c) The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated 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 of the Holding Company as on 31 March 2017 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary company incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on 31 March 2017 from being appointed as a Director of that company in terms of sub-section 2 of Section 164 of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
 - (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, in our opinion and to the best of our information and according to the explanations given to us:
 - i. there is no pending litigation as on 31 March 2017 and therefore the Group has not made any disclosure in this regard in its financial statements;
 - ii. the Group did not have any long-term contracts including derivatives contracts and therefore no provision is required to be made in this regard;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. the Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 and these are in accordance with the books of accounts maintained by the Company.

For N. D. KAPUR & CO.
Chartered Accountants

Firm's Registration No: 001196N

Sd/-

S. K. AGRAWAL
Partner

Membership No. 13968

Mumbai
Date: 30th May, 2017

**ANNEXURE - A TO THE 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")**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of Kaycee Industries Limited ("the Holding Company") and its subsidiary company which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation



of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its subsidiary company, which are companies incorporated in India, have, 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 31 March 2017, 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 ICAI.

Mumbai
Date: 30th May, 2017

For N. D. KAPUR & CO.
Chartered Accountants
Firm's Registration No: 001196N

Sd/-
S. K. AGRAWAL
Partner
Membership No. 13968



KAYCEE INDUSTRIES LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

| Particulars | Note No. | 31st March, 2017 Rupees | 31st March, 2016 Rupees |
|--|----------|----------------------------|----------------------------|
| I. EQUITY AND LIABILITIES | | | |
| 1 SHAREHOLDERS' FUND : | | | |
| (a) Share Capital | 1 | 63,47,000 | 63,47,100 |
| (b) Reserves & Surplus | 2 | 1,28,594,102 | 11,31,38,865 |
| (c) Money received against share warrants | | - | 2,921 |
| (d) Minority Interest | | - | - |
| | | 13,49,41,102 | 11,94,88,886 |
| 2 SHARE APPLICATION MONEY PENDING ALLOTMENT : | | | |
| | | - | - |
| 3 NON- CURRENT LIABILITIES | | | |
| (a) Long term Borrowings | 3 | 27,209,570 | 2,94,08,744 |
| (b) Deferred Tax Liabilities | 4 | - | - |
| (c) Other Long term Liabilities | | - | - |
| (d) Long term Provisions | 5 | 30,41,889 | 44,86,340 |
| | | 3,02,51,459 | 3,38,95,084 |
| 4 CURRENT LIABILITIES | | | |
| (a) Short Term Borrowings | 6 | 3,48,74,815 | 3,97,95,145 |
| (b) Trade payables | 7 | 5,37,52,109 | 4,97,32,390 |
| (c) Other Current Liabilities | 8 | 71,19,114 | 2,40,76,844 |
| (d) Short Term Provisions | 9 | 62,62,495 | 55,22,047 |
| | | 10,20,08,534 | 11,91,26,426 |
| | | | |
| TOTAL | | 26,72,01,095 | 27,25,10,395 |
| II. ASSETS | | | |
| 1 NON CURRENT ASSETS | | | |
| (a) Fixed Assets | | | |
| (i) Tangible Assets | 10 | 26,674,245 | 35,552,797 |
| (ii) Intangible Assets Goodwill on Consolidation | | 12,900 | - |
| (iii) Capital Work in Progress | | 14,766,844 | 1,47,66,844 |
| (b) Non current Investment | 11 | 10,000 | 10,000 |
| (c) Deferred Tax Assets | 4 | 51,33,137 | 3,26,514 |
| (d) Long Term loans and Advances | 12 | 2,37,30,224 | 2,59,16,153 |
| (e) Other Non Current Assets | 13 | 8,76,320 | 8,76,320 |
| | | 71,203,669 | 7,74,48,628 |
| 2 CURRENT ASSETS | | | |
| (a) Inventories | 14 | 5,51,42,911 | 5,70,84,831 |
| (b) Trade Receivables | 15 | 9,72,02,842 | 10,31,15,255 |
| (c) Cash and cash equivalents | 16 | 3,13,55,224 | 2,46,59,749 |
| (d) Short-term loans and advances | 17 | 79,48,188 | 59,95,599 |
| (e) Other current assets | 18 | 43,48,260 | 42,06,333 |
| | | 19,59,97,425 | 19,50,61,767 |
| | | | |
| TOTAL | | 26,72,01,095 | 27,25,10,395 |

Notes Forming Part of the Accounts

1 TO 27

In terms of our report attached.

For N.D KAPUR & CO.

Firm Registration No:001196N

Chartered Accountants

Sd/-

S.K.AGRAWAL

Partner

MUMBAI

Date: 30th May 2017

For and on behalf of the Board

Sd/-

AARTI GROVER
Managing Director

Sd/-

Deepak Potdar
Chief Financial Officer

Sd/-

RAJU GROVER
Director

Sd/-

Kamleshwari Bind
Company Secretary



KAYCEE INDUSTRIES LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2017

| Particulars | Note No. | 31st March, 2017 Rupees | 31st March, 2016 Rupees |
|---|----------|----------------------------|----------------------------|
| A CONTINUING OPERATION | | | |
| 1 Revenue from operations | 19 | 23,62,91,086 | 23,00,53,953 |
| 2 Other Income | 20 | 2,05,94,910 | 69,95,572 |
| 3 Total Revenue | | 25,68,85,996 | 23,70,49,525 |
| 4 Expenses | | | |
| (a) Cost of materials consumed | 21 | 1,25,042,417 | 11,06,88,712 |
| (b) Purchases of stock-in-trade | 22 | 35,53,107 | 49,87,498 |
| (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | 23 | 47,01,501 | 47,05,258 |
| (d) Employee Benefit Expenses | 24 | 5,04,89,538 | 5,62,96,777 |
| (e) Finance cost | 25 | 45,22,801 | 53,47,062 |
| (f) Depreciation and Amortisation Expenses | 10 | 32,56,027 | 34,48,830 |
| (g) Other Expenses | 26 | 5,09,34,084 | 5,40,84,398 |
| Total Expenses | | 24,24,99,474 | 23,95,58,536 |
| 5 Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4) | | 1,43,86,522 | (25,09,011) |
| 6 Exceptional items | | - | - |
| 7 Profit / (Loss) before extraordinary items and tax (5 - 6) | | 1,43,86,522 | (25,09,011) |
| 8 Extraordinary items | | - | - |
| 9 Profit / (Loss) before tax (7 - 8) | | 1,43,86,522 | (25,09,011) |
| 10 Tax Expenses | | | |
| (a) Current tax | | (29,00,000) | (1,64,000) |
| (b) Prior Period | | (4,71,995) | 19,890 |
| (c) Deferred Tax | | 48,06,623 | (6,09,010) |
| 11 Profit / (Loss) from continuing operations (9 - 10) | | 1,58,21,150 | (32,62,131) |
| Less : Share of Minority Interest | | - | (510.00) |
| Profit for the year (after adjustment of Minority Interest) | | 1,58,21,150 | (32,61,621) |
| Earning per equity share of face value of Rs.100 each (Basic & Diluted) | | 249.27 | (51.39) |

Notes Forming Part of the Accounts
In terms of our report attached.

1 TO 27

For and on behalf of the Board

For N.D KAPUR & CO.

Firm Registration No:001196N

Chartered Accountants

Sd/-

S.K.AGRAWAL

Partner

MUMBAI

Date: 30th May 2017

Sd/-

AARTI GROVER
Managing Director
Sd/-

Deepak Potdar
Chief Financial Officer

Sd/-

RAJU GROVER
Director
Sd/-

Kamleshwari Bind
Company Secretary

CONSOLIDATED CASH FLOW FOR THE YEAR ENDED 31ST MARCH 2017

| | 2016-2017 | | 2015-2016 | |
|---|---------------|---------------------|--------------|--------------------|
| | RS | RS | RS | RS |
| A. | | | | |
| Cash Flow From Operating Activities | | | | |
| Net Profit/(Loss) Before Tax and extra Ordinary Items | | 1,43,86,522 | | (25,09,011) |
| Adjusted for | | | | |
| Provision for Doubtful Debts | 23,08,443 | | 21,05,196 | |
| Depreciation | 32,56,027 | | 34,48,830 | |
| Interest received | (13,92,624) | | (1,040,874) | |
| Dividend received | (1,500) | | (1,500) | |
| Adjustment in Exchange Gain / Loss | 21,354 | | (24,393) | |
| Rent Received | (72,82,500) | | (54,75,000) | |
| (Profit)/Loss on Fixed Asset discarded | (1,14,01,534) | | (4,20,472) | |
| Interest Charged | 45,22,225 | (99,70,109) | 53,46,948 | 39,38,735 |
| Operating profit before working capital changes | | 44,16,413 | | 14,29,724 |
| Adjustments for: | | | | |
| Trade and other receivables | 38,68,390 | | (14,198,811) | |
| Inventories | 19,41,920 | | 93,46,123 | |
| Other current assets | (6,12,146) | | (14,383) | |
| Trade payable / Other Liabilities | (1,36,42,015) | (84,43,851) | 15,060,561 | 1,01,93,489 |
| Cash generated from operations | | (40,27,437) | | 1,16,23,214 |
| Direct taxes Paid | | (28,90,034) | | (7,49,868) |
| Net cash flow before extra ordinary items | | (69,17,471) | | 1,08,73,346 |
| Prior Period items | | - | | - |
| NET CASH FROM OPERATING ACTIVITIES (A) | | (69,17,471) | | 10,873,346 |
| B. | | | | |
| Cash flow from investing activities | | | | |
| Inflow | | | | |
| Interest received | | 13,92,624 | | 10,40,874 |
| Dividend received | | 1,500 | | 1,500 |
| Rent received | | 72,82,500 | | 54,75,000 |
| Outflow | | - | | - |
| Purchase of fixed assets | | (19,09,273) | | (41,97,827) |
| Sale of Fixed Assets | | 1,89,33,333 | | 5,15,000 |
| NET CASH USED IN INVESTING ACTIVITIES (B) | | 2,57,00,684 | | 28,34,547 |
| C. | | | | |
| Cash flow from financing activities | | | | |
| Inflow | | | | |
| Increase in bank borrowing -NET | | (71,19,503) | | 47,15,708 |
| Outflow | | | | |
| Dividend and dividend tax paid | | (3,68,832) | | (3,68,832) |
| Interest paid | | (4,522,225) | | (53,46,948) |
| NET CASH USED IN FINANCING ACTIVITIES (C) | | (12,010,561) | | (1,000,072) |
| NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C) | | 67,72,652 | | 1,27,07,820 |
| CASH & CASH EQUIVALENTS-OPENING BALANCE | | 2,47,07,381 | | 1,19,99,560 |
| CASH & CASH EQUIVALENTS-CLOSING BALANCE | | 3,14,80,034 | | 2,47,07,381 |

AS PER OUR REPORT OF EVEN DATE ATTACHED
FOR N.D KAPUR & CO.

Firm Registration No:001196N

Chartered Accountants

Sd/-

S.K.AGRAWAL

Partner

MUMBAI

Date: 30th May 2017

For and on behalf of the Board

Sd/-

AARTI GROVER

Managing Director

Sd/-

Deepak Potdar

Chief Financial Officer

Sd/-

RAJU GROVER

Director

Sd/-

Kamleshwari Bind

Company Secretary

Consolidated Notes On Financial Statements for the Year ended 31st March 2017

| Note : 1 | As at 31st March 2017 | As at 31st March 2016 |
|---|----------------------------|----------------------------|
| SHARE CAPITAL AUTHORISED 97,500 Equity Shares of Rs. 100/- each | 98,50,000 | 98,50,000 |
| ISSUED, SUBSCRIBED AND PAID UP: 63,470 (P.Y 63,470) Equity Shares of Rs.100/- each Includes 3125 Shares issued to erstwhile Deferred Shareholders pursuant to scheme of conversion sanctioned by Hon'ble Bombay High Court on 10th July, 1985. | 63,47,000 | 63,47,100 |
| a) Reconciliation of the number of equity shares and share capital: Issued, subscribed and fully paid up equity shares outstanding at beginning of the year | 63,470 | 63,471 |
| Add: Shares issued during the year Issued, subscribed and fully paid up equity shares | - 0 | - 0 |
| b) Details of Shareholder Holding more than 5% Shares | | |
| <u>Name of the Shareholder</u> | Cms Traffic System Limited | Cms Traffic System Limited |
| No. of Shares Held | 21,656 | 21,656 |
| % of Holding | 34.12% | 34.12% |
| <u>Name of the Shareholder</u> | Cms Computers Limited | Cms Computers Limited |
| No. of Shares Held | 24,243 | 23,945 |
| % of Holding | 38.20% | 37.73% |

| Note : 2 | As at 31st March 2017 | As at 31st March 2016 |
|---|--------------------------|--------------------------|
| RESERVES AND SURPLUS | | |
| Share Premium Account | | |
| Opening Balance | 5,73,74,552 | 5,73,74,552 |
| Add : Share Premium Credited on Share Issue | - | - |
| Closing Balance | 5,73,74,552 | 5,73,74,552 |
| General Reserve | | |
| Opening Balance | 2,14,69,208 | 2,14,69,208 |
| Less : Adjustment Related to Fixed Assets (Refer Note 27) | - | - |
| Closing Balance | 2,14,69,208 | 2,14,69,208 |
| Capital Reserve | | |
| Opening Balance | 1 | 1 |
| Add : During The year | - | - |
| Closing Balance | 1 | 1 |
| Profit and Loss Account | | |
| Opening Balance | 3,42,98,023 | 3,79,28,986 |
| Add Profit/(Loss) for The year | 1,58,21,149 | (3,261,621) |
| | 5,01,19,172 | 3,46,67,364 |
| Less: Appropriations | | |
| Transfer to General Reserve | - | - |
| Proposed Dividend on equity shares | 3,17,350 | 3,17,350 |
| Tax On dividend | 51,482 | 51,482 |
| Closing Balance | 4,97,50,340 | 3,42,98,532 |
| Less : Adjustment for Minority Interest | - | 3,429 |
| TOTAL | 12,85,94,102 | 11,31,38,865 |

Consolidated Notes On Financial Statements for the Year ended 31st March 2017

| Note : 3 | As at 31st March 2017 | As at 31st March 2016 |
|--|--------------------------|--------------------------|
| LONG TERM BORROWINGS | | |
| Secured | | |
| Vehicle Loan Mahindra & Mahindra Financial Services Ltd (Secured Against Mahindra Bolero Vehicle) | 2,96,746 | 395,920 |
| Unsecured | | |
| Loan From Director & Relatives | 2,69,12,824 | 2,89,12,824 |
| Loan From Associate Companies | | 1,00,000 |
| | 2,72,09,570 | 2,94,08,744 |

The Company do not have Any long term borrowing In the form of Term loan , debentures and Bonds in the reported financials year

| Note : 4 | As at 31st March 2017 | As at 31st March 2016 |
|---|--------------------------|--------------------------|
| DEFERRED TAX ASSET/LIABILITY (NET) | | |
| (a) Deferred Tax Liabilities | | |
| i) on Depreciation/amortisation of Fixed Assets | 7,99,456 | 7,39,593 |
| ii) on Provision for doubtful debts | - | - |
| iii) on Other Timing Difference | - | - |
| TOTAL | 7,99,456 | 7,39,593 |
| (b) Deferred Tax Assets | | |
| i) on Provision for Gratuity & Leave encashment | 9,09,351 | 10,66,107 |
| ii) on Provision for doubtful debts | 8,31,096 | - |
| iii) Brought Forward Loss of Previous Year | 41,92,146 | - |
| TOTAL | 59,32,593 | 10,66,107 |
| TOTAL | 51,33,137 | 3,26,514 |

| Note : 5 | As at 31st March 2017 | As at 31st March 2016 |
|---------------------------------|--------------------------|--------------------------|
| LONG TERM PROVISIONS | | |
| Provision for Employee Benefits | | |
| Leave Encashment | 29,82,549 | 27,50,182 |
| Gratuity | 59,340 | 17,36,158 |
| TOTAL | 30,41,889 | 44,86,340 |

| Note : 6 | As at 31st March 2017 | As at 31st March 2016 |
|--|--------------------------|--------------------------|
| SHORT TERM BORROWINGS | | |
| SECURED LOANS : | | |
| Working Capital loans from The Saraswat Co- Op Bank Ltd ODCC | 3,24,35,326 | 3,72,80,645 |
| | 3,24,35,326 | 3,72,80,645 |
| Secured against hypothecation of Raw Materials, Finished Goods, Semi-Finished goods and Book Debts, block of assets of Company including factory land and Building at Ambernath) | | |
| DEPOSITS : | | |
| Unsecured (Dealer,Distributor & Stockist) | 24,39,489 | 25,14,500 |
| TOTAL | 3,48,74,815 | 3,97,95,145 |



Consolidated Notes On Financial Statements for the Year ended 31st March 2017

| Note : 7 | As at 31st March 2017 | As at 31st March 2016 |
|-----------------------|--------------------------|--------------------------|
| TRADE PAYABLES | 5,37,52,109 | 4,97,32,390 |
| TOTAL | 5,37,52,109 | 4,97,32,390 |

Note :
As per the information available with the Company till date none of the suppliers have informed the company about their having registered themselves under the "Micro, Small and Medium Enterprises Development Act, 2006". As such, information as required under this Act, cannot be compiled and therefore, not disclosed for the year.

| Note : 8 | As at 31st March 2017 | As at 31st March 2016 |
|---------------------------------------|--------------------------|--------------------------|
| OTHER CURRENT LIABILITIES | | |
| Outstanding Liabilities | 27,96,781 | 32,98,393 |
| Statutory Dues | 8,60,726 | 26,83,646 |
| Unclaimed Dividends | 3,76,890 | 4,67,926 |
| Unclaimed amount for fractional Share | 664 | 664 |
| Other Deposits | 12,00,000 | 12,00,000 |
| Advance From Customers | 1,884,053 | 5,26,216 |
| Advance Against Property | - | 1,59,00,000 |
| | 71,19,114 | 2,40,76,844 |

| Note : 9 | As at 31st March 2017 | As at 31st March 2016 |
|--|--------------------------|--------------------------|
| SHORT TERM PROVISIONS | | |
| Others : | | |
| Provision for Employee Benefit | 13,80,008 | 22,68,139 |
| Income Tax | 23,64,000 | 1,64,000 |
| Provision for Excise duty | 21,49,655 | 27,21,077 |
| Proposed Dividend | 3,17,350 | 3,17,350 |
| Dividend Distribution tax on Proposed Dividend | 51,482 | 51,482 |
| | 62,62,495 | 55,22,048 |

Consolidated Notes On Financial Statements for the Year ended 31st March 2017

Note No. 10

FIXED ASSETS

| Description of Assets | Gross Block | | | Depreciation | | | Net Block | | |
|--|-----------------------|------------------|------------------|--------------------|--------------------|-------------------------|------------------------------|--------------------|--------------------|
| | Cost as on 1.4.2016 ₹ | Additions ₹ | Deductions ₹ | As at 31.03.2017 ₹ | As at 1.4.2016 ₹ | Provided for the year ₹ | Deductions during the year ₹ | As at 31.03.2017 ₹ | As at 31.03.2016 ₹ |
| Tangible Assets : | | | | | | | | | |
| Land | 69,52,643 | 6,08,775 | 75,31,799 | 29,619 | - | - | - | 29,619 | 69,52,643 |
| Building (Factory & Ambernath) | 1,73,55,400 | - | - | 1,73,55,400 | 58,00,217 | 4,90,005 | - | 1,10,65,178 | 1,15,55,183 |
| Plant & Machinery | 3,33,33,845 | 10,22,639 | - | 3,43,56,484 | 2,25,05,894 | 12,81,744 | - | 1,05,68,846 | 1,08,27,951 |
| Computers | 45,16,140 | 31,000 | - | 45,47,140 | 35,76,344 | 3,55,495 | - | 6,15,301 | 9,39,796 |
| Furniture, Fitting & Office Equipment | 1,02,55,457 | 2,46,859 | - | 1,05,02,316 | 67,94,647 | 8,07,451 | - | 29,00,218 | 34,60,810 |
| Motor Vehicles | 7,82,006 | - | - | 7,82,006 | 2,74,278 | 95,198 | - | 4,12,530 | 5,07,728 |
| Electrical Fitting | 32,61,922 | - | - | 32,61,922 | 19,53,237 | 2,26,134 | - | 10,82,551 | 13,08,685 |
| SUB TOTAL (A) | 7,64,57,413 | 19,09,273 | 75,31,799 | 7,08,34,887 | 4,09,04,617 | 32,56,026 | - | 2,66,74,245 | 3,55,52,796 |
| Intangible Assets : | | | | | | | | | |
| Goodwill on Consolidation | | | | | | | | | |
| SUB TOTAL (B) | | | | | | | | 12,900.00 | |
| Capital Work in Progress : | | | | | | | | | |
| Building under Construction (Refer Note) | 1,47,66,844 | - | - | 1,47,66,844 | - | - | - | 1,47,66,844 | 1,47,66,844 |
| SUB TOTAL (C) | 1,47,66,844 | | | 1,47,66,844 | | | | 1,47,66,844 | |
| SUB TOTAL A + B + C | 9,12,24,257 | 19,09,273 | 75,31,799 | 8,56,01,731 | 4,09,04,617 | 32,56,026 | - | 4,41,60,643 | 5,03,19,640 |
| Previous Year | 8,72,60,229 | 41,97,828 | 2,33,800.00 | 9,12,24,257 | 3,75,95,058 | 34,48,830 | 1,39,272 | 5,03,19,641 | 4,96,65,171 |

* Note : Additional Floor of the Building is completed and capitalisation pending for completion certificate to be received from B.M.C.



Consolidated Notes On Financial Statements for the Year ended 31st March 2017

| Note : 11 | As at 31st March 2017 | As at 31st March 2016 |
|---|--------------------------|--------------------------|
| NON CURRENT INVESTMENTS | | |
| Investment (Unquoted) : | | |
| Saraswat Bank (1000 Equity shares of Rs 10 each) | 10,000 | 10,000 |
| | 10,000 | 10,000 |

| Note : 12 | As at 31st March 2017 | As at 31st March 2016 |
|-------------------------------------|--------------------------|--------------------------|
| LONG TERM LOANS AND ADVANCES | | |
| Advance against Property | 22,415,224 | 25,316,153 |
| Other Loans | 1,315,000 | 600,000 |
| | 23,730,224 | 25,916,153 |

| Note : 13 | As at 31st March 2017 | As at 31st March 2016 |
|------------------------------------|--------------------------|--------------------------|
| OTHER NON CURRENT ASSETS | | |
| ASSETS & LIABILITIES IN PAKISTAN : | 876,320 | 876,320 |
| | 876,320 | 876,320 |

| Note : 14 | As at 31st March 2017 | As at 31st March 2016 |
|--|--------------------------|--------------------------|
| INVENTORIES | | |
| (At cost or Net realisable value which ever is less) | | |
| Raw Materials & Stores | 15,708,906 | 12,989,035 |
| Materials in process | 8,857,798 | 8,420,929 |
| Finished Goods | 19,346,896 | 24,485,266 |
| Trading Goods | 11,229,311 | 11,189,601 |
| | 55,142,911 | 57,084,831 |

| Note : 15 | As at 31st March 2017 | As at 31st March 2016 |
|--|--------------------------|--------------------------|
| TRADE RECEIVABLES | | |
| (Unsecured) | | |
| Debts outstanding for a period exceeding six months from the date they were due for payment. | | |
| Considered Good | 12,809,334 | 17,010,716 |
| Considered Doubtful | 6,964,069 | 6,379,630 |
| | 19,773,403 | 2,33,90,346 |
| Less: Provision for Doubtful Debts | 69,64,069 | 63,79,630 |
| | 1,28,09,334 | 1,70,10,716 |
| Others: Considered Good | 8,43,93,508 | 8,61,04,539 |
| | 9,72,02,842 | 10,31,15,255 |

Consolidated Notes On Financial Statements for the Year ended 31st March 2017

| Note : 16 | As at 31st March 2017 | As at 31st March 2016 |
|---|----------------------------------|----------------------------------|
| CASH AND CASH EQUIVALENTS : | | |
| Cash in Hand | 82,621 | 2,46,161 |
| With Scheduled Banks : | | |
| In Current Account | 94,61,281 | 89,12,202 |
| Bank Guarantee Margin | 70,900 | 70,900 |
| In Fixed Deposits | 1,95,20,250 | 13,203,853 |
| In Fixed Deposits against LC Margin | 18,43,282 | 1,758,707 |
| In Dividend Account | 3,76,890 | 4,67,926 |
| | 3,13,55,224 | 2,46,59,749 |
| Note : 17 | As at 31st March 2017 | As at 31st March 2016 |
| SHORT TERM LOANS AND ADVANCES Unsecured, Considered Good | | |
| Loans & Advances to employees (including. Rs.1,00,000/- to Director) | 1,52,000 | 1,10,000 |
| Prepaid Expenses | 5,90,566 | 3,53,382 |
| Advance Tax | 15,52,311 | 2,034,272 |
| Other Receivable | 4,354 | 2,618 |
| <u>Balances with Govt Authorities :</u> | | |
| Modvat | 88,444 | 28,120 |
| Service Tax | 4,87,578 | 2,70,591 |
| Excise Receivable | 5,25,628 | 5,25,628 |
| Central Excise Duty (PLA) | 24,174 | 88,031 |
| Sales Tax Receivable | 22,88,459 | 22,35,435 |
| Other Advances | 22,34,674 | 3,47,522 |
| | 79,48,188 | 59,95,599 |
| Note : 18 | As at 31st March 2017 | As at 31st March 2016 |
| OTHER CURRENT ASSETS | | |
| Accrued Interest on FD | 1,24,810 | 47,631 |
| <u>Sundry Deposits :</u> | | |
| Unsecured , Considered Goods | 35,32,389 | 35,46,669 |
| Advances to suppliers for Raw Material | 3,25,223 | 53,601 |
| Capital Advances | 3,59,188 | 5,51,782 |
| Miscellaneous Expenditure | 6,650 | 6,650 |
| | 43,48,260 | 42,06,333 |
| Note : 19 | As at 31st March 2017 | As at 31st March 2016 |
| SALES : | | |
| Sale of Manufactured Goods | 26,09,61,086 | 25,05,99,226 |
| Less : Excise Duty | 3,93,37,924 | 3,79,87,242 |
| | 22,16,23,162 | 21,26,11,984 |
| Export Sale | 31,96,511 | 43,11,421 |
| Sale of Trading Goods | 71,34,674 | 82,01,728 |
| Repair Charges | 1,34,917 | 2,09,744 |
| Sale of Scrap | 42,01,822 | 47,19,076 |
| | 2,36,291,086 | 2,30,053,953 |

Consolidated Notes On Financial Statements for the Year ended 31st March 2017

| Note : 20 | As at 31st March 2017 | As at 31st March 2016 |
|---|----------------------------------|----------------------------------|
| OTHER INCOME : | | |
| Interest from Bank on : Deposits | 13,84,141 | 10,39,859 |
| Dividend Income From : Shares | 1,500 | 1,500 |
| Other Non operating income Comprises : Rental Income | 72,82,500 | 54,75,000 |
| Misc | - | - |
| Interest From Customers | 48,297 | 57,726 |
| Insurance Claim Received | 4,68,455 | - |
| Profit on sale of Fixed Assets | - | 4,20,472 |
| Interest on I T Refund | 8,483 | 1,015 |
| Capital Gains on Sale of Property | 1,14,01,534 | - |
| | 2,05,94,910 | 69,95,572 |

| Note : 21 | As at 31st March 2017 | As at 31st March 2016 |
|--|----------------------------------|----------------------------------|
| Cost of Material Consumed: | | |
| Opening Stocks Raw Materials & Stores: | 1,29,89,035 | 1,64,08,765 |
| Add: Raw Material & Stores Purchases | 12,77,62,288 | 1,07,268,982 |
| | 14,07,51,323 | 12,36,77,747 |
| Closing Stocks Raw Material & Stores | 1,57,08,906 | 1,29,89,035 |
| | 12,50,42,417 | 11,06,88,712 |

| Note : 22 | As at 31st March 2017 | As at 31st March 2016 |
|------------------------------------|----------------------------------|----------------------------------|
| Purchases of Stock in Trade | | |
| Opening Stocks of Trading Goods | 1,11,89,601 | 1,24,10,736 |
| Add : Purchases | 35,92,817 | 37,66,363 |
| | 1,47,82,418 | 1,61,77,099 |
| Closing Stock | 1,12,29,311 | 1,11,89,601 |
| | 35,53,107 | 49,87,498 |

| Note : 23 | As at 31st March 2017 | As at 31st March 2016 |
|--|----------------------------------|----------------------------------|
| Changes in Inventory of Finished goods, work-in-progress and stock in trade | | |
| Opening Stocks : | | |
| Materials in Process | 84,20,929 | 69,08,536 |
| Finished Goods | 2,44,85,266 | 3,07,02,917 |
| | 3,29,06,195 | 3,76,11,453 |
| Less : Closing Stocks : | | |
| Materials in Process | 88,57,798 | 84,20,929 |
| Finished Goods | 1,93,46,896 | 2,44,85,266 |
| | 2,82,04,694 | 3,29,06,195 |
| | 47,01,501 | 47,05,258 |


Consolidated Notes On Financial Statements for the Year ended 31st March 2017

| Note : 24 | As at 31st March 2017 | As at 31st March 2016 |
|---|--------------------------|--------------------------|
| EMPLOYEE BENEFIT EXPENSES : | | |
| Salaries, Wages, Bonus, Exgratia & Gratuity | 4,45,52,122 | 4,98,88,219 |
| Contribution to Provident & other funds & Schemes | 25,73,889 | 27,05,216 |
| Welfare Expenses | 33,63,527 | 37,03,343 |
| | 5,04,89,538 | 5,62,96,777 |

| Note : 25 | As at 31st March 2017 | As at 31st March 2016 |
|-----------------------|--------------------------|--------------------------|
| FINANCE COST : | | |
| Interest - Banks | 40,51,326 | 38,24,855 |
| Interest - Others | 97,679 | 2,86,171 |
| Bank Charges | 3,73,796 | 12,36,037 |
| | 45,22,801 | 53,47,062 |

| Note : 26 | As at 31st March 2017 | As at 31st March 2016 |
|--|--------------------------|--------------------------|
| OTHER EXPENSES : | | |
| Component Processing and other charges | 22,105,045 | 2,34,76,443 |
| Power, Fuel & Water Charges | 7,79,947 | 8,36,683 |
| Octroi, Transportation & Forwarding, etc. | 24,13,778 | 33,06,375 |
| Conveyance & Traveling | 51,88,744 | 56,29,583 |
| Printing & Stationery | 4,06,535 | 4,19,275 |
| Postage & Telephone | 11,73,193 | 11,00,643 |
| Cash Discount | 19,37,830 | 18,01,913 |
| Maintenance & Repairs : | | |
| Machinery | 65,830 | 86,857 |
| Building | 8,49,238 | 49,000 |
| Others | 4,01,068 | 9,83,896 |
| Insurance & Keyman Insurance | 6,58,708 | 7,55,050 |
| Rent, Rates & Taxes | 9,60,675 | 6,96,535 |
| Indirect Taxes Paid | 8,05,229 | 5,44,546 |
| Discounts | 34,16,828 | 42,56,713 |
| Bad Debts & Misc Written Off | 68,188 | 4,11,455 |
| Provision for Doubtfull Debts | 23,08,443 | 21,05,193 |
| Legal & Professional Charges (Refer No.18 for Auditors Remuneration) | 40,40,421 | 29,53,619 |
| Advertisement & Publicity | 1,26,481 | 89,645 |
| Sales Commission | - | 5,80,579 |
| Sales Promotion | 1,04,826 | 5,27,707 |
| Miscellaneous Expenses | 31,23,076 | 34,72,688 |
| | 5,09,34,084 | 5,40,84,398 |

**NOTE NO. 27****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017****SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS****1 BASIS OF PREPARATION OF FINANCIAL STATEMENT**

- a) The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principal (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standard as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, and the provision of the Act.
- b) Use of estimates
The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities at the date of the financial statements and reported amounts of income and expenses during the year. Actual results could differ from those estimates.
- c) All the assets and liabilities have been classified as current or non-current, wherever applicable as per the operating cycle of the company as per the guidance as set out in the schedule III to the Companies Act, 2013.

2 PRINCIPLES OF CONSOLIDATION

The consolidated financial statements relate to Kaycee Industries Limited ('the Company') and its subsidiary companies, associates and joint ventures. The consolidated financial statements have been prepared on the following basis:

- a) The financial statements of the Company and its subsidiary company are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 – 'Consolidated Financial Statements' notified by the Companies (Accounting Standards) Rules, 2006 read with Rule 7 to the Companies (Accounts) Rules 2014 in respect of Section 133 of the Companies Act, 2013" .
- b) Minority Interest's share of net profit of subsidiary for the year is identified and adjusted in order to arrive at the net income attributable to shareholders of the Company.
- c) Minority Interest's share of net assets of subsidiary is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.
- d) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

3 REVENUE RECOGNITION:

Revenue is recognised when the significant risks and rewards of ownership of the goods have been passed to the buyer and are recorded net of returns, trade discounts, rebates, sales tax & excise duty where ever applicable.



Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. Dividend income is recognised when the Company's right to receive dividend is established by the Balance Sheet date.

4 **EMPLOYEE BENEFITS**

I) **Short Term Employees Benefits:**

All short term employee benefits such as salaries, wages, bonus, short term compensated absences, awards, ex gratia, performance pay, medical benefits, which fall due within 12 months of the period in which the employee renders the related service which entitles him to avail such benefits and non accumulating compensated absences are recognized on an undiscounted basis and charged to profit and loss account

II) **Post Employment Benefit:**

a) **Defined Contribution Plan**

Company's contribution to the provident fund based on a percentage of salary is made to Provident Fund Trust, which are administered by the trustees.

b) **Defined Benefit Plan**

Gratuity:

The Company provides the gratuity benefit through annual contributions to a fund managed by the Life Insurance Corporation of India (LIC). Under this plan, the settlement obligation remains with the Company, although the Life Insurance Corporation of India administers the plan and determines the contribution premium on Projected Unit Credit Method, which is required to be paid by the Company and is debited to the profit and loss account on an accrual basis. Actuarial gains or losses arising during the year are recognized in the profit and loss account.

c) Leave encashment is provided for on the basis of an actuarial valuation carried out by an Actuary at the end of each financial year and debited to the profit and loss account.

5 **Inventories**

Inventories of Raw Material, Components, Material in Process, Finished goods, Stores & Packing materials and traded goods are stated 'At Cost or Net Realizable value' whichever is lower.

Cost of inventories comprises of cost of purchase, cost of conversion and other cost incurred in bringing the inventory to their present location and condition.

Company uses FIFO method for valuation. Cost of finished goods includes excise duty.

6 **Fixed Assets**

Tangible Assets

Fixed assets are stated at cost less accumulated depreciation, amortization and impairment loss if any. The company capitalizes direct costs including taxes, duty, freight and incidental expenses attributable to the acquisition and installation of fixed assets. Capital work-in-progress is stated at cost.

7 **Depreciation**

Depreciation on tangible asset is provided on the straight-line method over the useful lives of assets estimated by the Management, which is as per Schedule II of the Companies Act, 2013. Depreciation on assets purchased / sold during a period is proportionally charged. The Management estimates the useful lives of fixed assets as follows:-



| | Years |
|------------------------|-------|
| Buildings | 30 |
| Plant and Machinery | 15 |
| Office equipment | 5 |
| Electrical fittings | 10 |
| Computer – Servers | 5 |
| Computer – Others | 3 |
| Furniture and Fixtures | 10 |
| Vehicles | 6 |

8. **Impairment Policy**

The company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's net selling price or its value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

9 **Investments**

Investments that are readily realizable and intend to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Long term investments are stated at cost less any diminution in their value, which is other than temporary. Current Investments are stated at lower of cost and market value. Unquoted long term investments are valued at lower of cost or latest available break up value.

10 **Research and Development**

Revenue expenditure on research and development is charged against the profit of the year in which it is incurred. Capital expenditure on research and development is shown as an addition to Fixed Assets.

11 **Foreign currency transaction**

Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are restated at year-end rates. The exchange difference on restatement of monetary assets and liabilities and realized gains and losses on foreign exchange transactions other than those relating to fixed assets are recognized in the profit and loss account. Exchange difference in respect of liabilities incurred to acquire fixed assets is adjusted to the carrying amount of such Fixed assets .

12 **Segment Reporting Policies**

Identification of segment is based on the major manufacturing products.

13 **Earnings per share**

Basic and diluted earnings per share are calculated by dividing the net profit/ loss for the year by the weighted average number of equity shares outstanding during the period.

14 **Provisions and contingent liabilities**

A provision is recognized when the company has a present obligation resulting from past events and it is probable that an outflow of resources will be required to settle the obligation for which a reliable estimate can be made. Provisions are based on management's best estimate of the amount required to settle the obligation at the balance sheet date. Provisions are reviewed at each balance sheet date and adjusted to reflect revision in estimates

The company has decided to provide for doubtful debts if debtors remain outstanding above one year.

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 recognized 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 recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

15 Provision for Taxation

- a) Provision for Taxation comprises of current and deferred tax and includes any adjustments related to past periods in current and / or deferred tax adjustments that may become necessary due to certain developments or reviews during the relevant period.
- b) Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961.
- c) Deferred tax is recognized on timing differences between the accounting income and the taxable income for the year. The tax effect is calculated on the accumulated timing differences at the end of the accounting period based on prevailing enacted or subsequently enacted tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date.
- d) Deferred tax liabilities are recognized for all timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. The carrying amount of deferred tax assets are reviewed at each Balance Sheet date.

16 Holding Company has not provided Liability towards pending C forms have not been provided on account of uncertainty.

17 Pakistan unit of the Holding Company continues to be under the control of Pakistan Government. It has not been possible to establish any communication with the said unit so far. Therefore, statement of Assets and Liabilities as at 30th June 1964 based on the last reports received have been incorporated in the Balance sheet as pre devaluation rate of rate of exchange.

18 **PAYMENT TO THE AUDITORS :** **INCLUSIVE OF SERVICE TAX.**

| | 2016-2017 | 2015-2016 |
|-------------------------------|------------------|-----------|
| | Rupees | Rupees |
| a As Audit Fee – Statutory | 3,65,125 | 2,86,250 |
| b In Other Capacities : | | |
| i Certification | 1,99,489 | 2,12,599 |
| ii Gratuity Audit | 5,750 | 5,725 |
| iii Tax Audit Fees | 1,15,000 | 85,875 |
| iv Vat Audit Fees | 74,750 | 74,425 |
| v Corporate Governance | Nil | 57,125 |
| vi Consolidated Balance Sheet | 28,750 | 57,125 |
| vii Expenses Reimbursed | 25,000 | 22,500 |

19 MANAGERIAL REMUNERATION:

| | 2016-2017 | 2015-2016 |
|---------------------------------|------------------|-----------|
| Salary and Allowances | 17,04,600 | 17,04,600 |
| Contribution to Statutory Funds | 1,44,000 | 1,44,000 |

Working Under Section 197 of Companies Act 2013 for FY 2016-17

| | 2016-2017 Rs. | 2014-15 Rs. |
|---|------------------|----------------|
| Profit/(Loss) before tax | 1,43,86,522 | (21,43,511) |
| Limit Under Section 197 read with Clause A of Section II of Part II of Schedule V to the Companies Act 2013 - Effective capital - | | |
| Share Capital | 63,47,000 | 63,47,100 |
| Reserves and surplus | 12,85,44,102 | 11,31,38,863 |
| long-term loans repayable after one year | NIL | 2,94,08,744 |
| Effective capital - | 13,49,41,102 | 14,88,94,707 |
| Limit on remuneration - | 42,00,000 | 42,00,000 |

20 Details of Licensed and Installed Capacity, Production, Stock and Turnover.

20A Licensed And Installed Capacity And Production:

| | Licensed Capacity Nos. | Installed Capacity Nos. | Actual Production Nos. |
|-------------------|------------------------------|-------------------------------|------------------------------|
| a Rotary Switches | Not Specified | Not Specified | 8,62,262 (7,25,438) |
| b Micro Switches | Not Specified | Not Specified | 4,86,929 (4,77,139) |
| c Counters | Not Specified | Not Specified | 69,251 (80,973) |
| d Water Meters | Not Specified | Not Specified | 47 (149) |

20 B TURNOVER:

| | 2016-2017 | | 2015-2016 | |
|----------------------------|-----------|---------------------|-----------|---------------------|
| | Unit Nos. | Amount Rs. | Unit Nos. | Amount Rs. |
| MANUFACTURED GOODS. | | | | |
| a Rotary Switch | 8,73,459 | 19,45,84,375 | 7,45,650 | 17,45,90,242 |
| b Micro Switches | 5,01,746 | 3,07,68,756 | 4,75,212 | 2,95,67,803 |
| c Counters | 73,074 | 2,04,67,094 | 83,544 | 2,00,95,286 |
| d Water Meters | 79 | 8,75,487 | 271 | 37,15,421 |
| e Others | | 1,74,61,884 | | 2,69,41,895 |
| f Traded Goods | 17,592 | 71,34,674 | 45,350 | 82,01,728 |
| Total | | 27,12,92,271 | | 26,31,12,375 |

20 C OPENING STOCK AND CLOSING STOCK OF FINISHED GOODS :

| | | Opening Stock | | Closing Stock | |
|---|----------------|--------------------------|----------------------------|-------------------------|--------------------------|
| | | Qty Nos. | Value Rs. | Qty Nos. | Value Rs. |
| a | Rotary Switch | 51,261 (71,473) | 70,07,969 (1,05,03,088) | 40,064 (51,261) | 58,08,386 (70,07,969) |
| b | Micro Switches | 40,209 (38,282) | 15,48,278 (21,75,465) | 25,392 (40,209) | 9,78,273 (15,48,278) |
| c | Counters | 7,871 (10,442) | 8,54,763 (20,88,277) | 4,048 (7,871) | 5,33,393 (8,54,763) |
| d | Water Meters | 699 (821) | 80,54,098 (91,84,337) | 667 (699) | 78,19,444 (80,54,098) |
| e | Others | 11,42,803 (27,58,529) | 70,20,158 (67,51,751) | 7,54,771 (11,42,803) | 42,07,400 (70,20,158) |

Previous year's Figures are given in brackets.

20 D DETAILS OF TRADING ITEMS :

| | | 2016-2017 | | 2015-2016 | |
|---|---------------|-----------|-------------|-----------|-------------|
| | | Unit Nos. | Amount Rs. | Unit Nos. | Amount Rs. |
| a | Opening Stock | 59,284 | 1,11,89,601 | 80,722 | 1,24,10,736 |
| b | Purchases | 18,955 | 35,92,817 | 23,912 | 37,66,363 |
| c | Turnover | 17,592 | 71,34,674 | 45,350 | 82,01,728 |
| d | Closing Stock | 60,647 | 1,12,29,311 | 59,284 | 1,11,89,601 |

20 E DETAILS OF RAW MATERIALS & STORES CONSUMED :

| | | 2016-2017 | | 2015-2016 | |
|---|--------------------------------------|-----------|---------------------|-----------|---------------------|
| | | Unit Nos. | Amount Rs. | Unit Nos. | Amount Rs. |
| a | Bimetal Tips & Components | 44,91,815 | 1,10,81,238 | 40,78,386 | 1,12,82,035 |
| b | Copper & PB | 3,676 | 21,22,822 | 5,826 | 34,23,223 |
| c | Brass | 6,049 | 22,08,482 | 3,008 | 11,18,511 |
| d | Steel & Aluminium | 53,009 | 34,09,310 | 50,757 | 33,57,465 |
| e | Plastic Powder & Moulding Components | 4,64,658 | 38,56,626 | 4,58,710 | 30,43,900 |
| f | Motors | 10,172 | 24,92,140 | 6,896 | 15,58,925 |
| g | Others | | 9,98,71,799 | | 8,69,04,653 |
| | Total | | 12,50,42,417 | | 11,06,88,712 |

20 F VALUE OF IMPORTS (C.I.F.):

| | | 2016-2017 Rupees | 2015-2016 Rupees |
|---|--------------------------|-----------------------------|---------------------|
| a | Raw Materials | 30,90,651 | 8,26,576 |
| b | Finished Goods (Trading) | 26,19,025 | 19,83,574 |

20 G CONSUMPTION OF RAW MATERIALS & STORES

| | | 2016-2017 | | 2015-2016 | |
|---|------------|--|--------------------------|---------------------------------------|------------------|
| | | Percentage Of Total Consumption | Amount Rupees | Percentage of Total Consumption | Amount Rupees |
| a | Imported | 2.32% | 30,90,651 | 0.69% | 8,26,576 |
| b | Indegenous | 97.68% | 13,02,06,374 | 99.31% | 11,95,54,892 |

21 EARNINGS IN FOREIGN CURRENCY :

| | | 2016-2017 Rupees | 2015-2016 Rupees |
|---|-------------------------|-----------------------------|---------------------|
| a | F.O.B. Value of Exports | 31,17,091 | 41,10,661 |

22 EXPENDITURE IN FOREIGN CURRENCY :

| | | 2016-2017 Rupees | 2015-2016 Rupees |
|----|------------------------|-----------------------------|---------------------|
| a) | Foreign bank charges | 40,499 | 56,529 |
| b) | Brokerage & Commission | Nil | 30,759 |

23 Employee Benefits

With effect from 1st April 2007, the company has adopted revised Accounting Standard 15 "Employee Benefits". Pursuant to the adoption, no adjustment was required to be made to general reserve of revised As -15 as the impact was insignificant. .

As per Accounting Standard 15 " Employee Benefits", the disclosure of Employee benefits as defined in the Accounting Standard are given below:

I Defined Contribution Plan

Contribution to Defined Contribution Plan, Recognized as expenses for the year as under :

| | 2016-17 Rupees | 2015-16 Rupees |
|---|---------------------------|---------------------------|
| Employer's Contribution to Provident Fund | 6,98,837 | 8,91,031 |
| Employer's Contribution to Pension Fund | 13,08,781 | 13,36,328 |

The Company's Provident Fund is Exempted under section 17 of Employees' Provident Fund Act, 1952. Condition of grant of exemption stipulates that the employer shall make good deficiency, if any, in the interest rate declared by the trust vis- a vis statutory rate.

II Defined Benefit Plans

Under both the Gratuity and Leave Encashment, The Present Value of Obligation is determined based on actuarial valuation using the projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

| PARTICULARS | AS AT 31.03.2017 | | AS AT 31.03.2016 | |
|--|--------------------|---------------------------------|--------------------|---------------------------------|
| | Gratuity Funded | Leave Encashment Unfunded | Gratuity Funded | Leave Encashment Unfunded |
| A. Changes in Present Value of obligation | | | | |
| Present Value of Obligation | 1,00,64,492 | 27,50,182 | 1,12,96,744 | 32,40,551 |
| Interest Cost | 8,05,159 | 2,03,238 | 9,03,740 | 2,57,948 |
| Current Service Cost | 14,11,650 | 4,99,947 | 13,22,780 | 4,42,551 |
| Benefit Paid | 22,27,454 | 7,72,251 | 29,98,114 | 12,27,269 |
| Actuarial Gain/Loss on Obligations | 10,88,558 | -301433 | 4,60,658 | -36,401 |
| Present Value of Obligation | 89,65,289 | 29,82,549 | 1,00,64,492 | 27,50,182 |
| B. Fair Value of Plan Assets | | | | |
| Fair Value of the Plan Assets | 96,82,520 | N.A | 1,04,55,730 | N.A |
| Expected return on Plan Assets | 7,99,045 | N.A | 8,38,713 | N.A |
| Contributions | 16,74,440 | N.A | 13,86,191 | N.A |
| Benefits Paid | 22,27,454 | N.A | 29,98,114 | N.A |
| Actuarial Gain/Loss on Plan Assets | NIL | N.A | NIL | N.A |
| Fair Value of the Plan Assets | 99,28,551 | N.A | 96,82,520 | N.A |
| C. Amount Recognized in the Balance Sheet | | | | |
| Present Value of Obligation | 89,65,289 | 29,82,549 | 1,00,64,492 | 27,50,182 |
| Fair Value of the Plan Assets | 99,28,551 | N.A | 96,82,520 | N.A |
| D. Reconciliation of Balance Sheet. | | | | |
| Present Value of Obligation | 1,00,64,492 | 27,50,182 | 1,12,96,744 | 32,40,511 |
| Total Expenses recognized in Profit & Loss A/c | 59,339 | 1,004,618 | 17,39,158 | 7,36,940 |
| Actuarial Gain/Loss | -5,15,898 | N.A | 15,85,219 | N.A |
| Employer's Contribution | 16,74,440 | 7,72,251 | 13,86,191 | 12,27,269 |
| Present Value of Obligation | 89,65,289 | 29,82,549 | 1,00,64,492 | 27,50,182 |
| E. Assumptions | | | | |
| Actuarial Return on Plan Asset | 7,99,045 | N.A | 8,38,713 | N.A |
| Mortality Table | LIC (1994-96) | LIC (1994-96) | LIC (1994-96) | LIC (1994-96) |
| | Ultimate | Ultimate | Ultimate | Ultimate |
| Discount Rate | 8% | 7.39% | 8% | 7.96% |
| Expected Rate of Return on Plan Assets | 8% | 8% | 8% | 8% |
| Salary Escalation | 4% | 6% | 4% | 6% |



24 During the year, the company has taken physical verification of fixed assets and noted discrepancy of Rs Nil (W.D.V.) (P. Y Nil) of Fixed Assets and the same were adjusted and discarded in the books of accounts

25 Disclosure of Related Parties / Transactions With Related Parties:-

| Relationship | Name of Related Party |
|--|---|
| Subsidiary company | RDJ Construction Private Limited |
| Group Companies (Enterprise over which Director and/or his relatives has significant influence) | CMS Traffic Systems Limited CMS Computers Limited Jess Prasad Engg. And Metallurgical Services Pvt. Ltd ST Energy Solution Private Limited CMS Engineering Services Private Limited G.G. Constructions Private Limited Datacom Computer Services Private Limited Dynamic Hydro Machines Private Limited Mailtek Services (India) Limited Netprint Solution India Private Limited New Video Private Limited Dominant Developers Pvt. Ltd. Acu-Soft Technologies Pvt. Ltd. CMS-DITL Limited Royal Virgo Travels Systeme Computers Limited CMS Universal Solution P Ltd CMS Info System Ltd. Resergent Infotech Pvt.Ltd. People Upliftment Foundation Money ease Capital Pvt. Ltd. CMS I.T Services Pvt.Ltd |
| Key Management Personnel (KMP) | <u>Directors :</u> Mrs. Raju R. Grover Ms. Aarti R. Grover Mrs. Sona P. Ramchandani Mrs. Pramila Prakash Merani Mrs. Savitri Lal Butani Mr. Chandraprakash Jain Mr. Deepak Potdar (CFO) Miss. Kamalleshwari Bind (CS) |
| Spouse of Director | Mrs. Jyoti C.Jain |

Transactions during F.Y 2016-17

| Sr. No. | Name of the Related Party | Relationship | Nature | Amount Rs. | O/S as on 31.03.2017 |
|-------------------------------------|-------------------------------|-------------------------|--------------------------------|--------------------------|--|
| I Holding Companies | | | | | |
| 1 | CMS Traffic Systems Ltd. | Group Company | Sales | 18,18,562 (21,81,598) | 39,17,141.11 Dr. |
| 2 | CMS Traffic Systems Ltd. | Group Company | Reimbursement Of Salary | 14,88,473 (10,76,082) | (37,40,797.93) Dr. |
| II Group Companies | | | | | |
| 3 | CMS Computers Limited | Group Company | Rent Received | 41,37,000 (41,01,660) | 70,18,595.33 Cr. (34,18,287.96) Cr. |
| 4 | CMS Computers Limited | Group Company | Reimbursement of Water Charges | Nil (Nil) | |
| 5 | CMS Computers Limited | Group Company | Sales | 28,61,064 (78,46,703) | |
| 6 | CMS Computers Limited | Group Company | Reimbursement Of Salary | Nil (96,848) | |
| 7 | CMS Computers Limited | Group Company | Purchases | 9,84,386 (Nil) | |
| 8 | Royal Virgo Travels | Director's firm | Interest on Loan | 54,137 (2,60,000) | |
| 9 | Royal Virgo Travels | Director's firm | Repayment of Loan | 20,00,000 (NIL) | |
| 10 | RDJ Construction Pvt. Ltd | Subsidiary Company | Reimbursement Of Salary | 6,90,000 (6,87,000) | 6,90,000 Dr. (6,27,000) Dr. |
| 11 | G G Constructions P Ltd | Group Company | Loan Taken | Nil (1,00,000) | Nil (1,00,000) Cr. |
| 12 | G G Constructions P Ltd | Group Company | Loan Repaid | 1,00,000 (NIL) | |
| 13 | Computer Maintenance Services | Group Company | Loan Taken | Nil (Nil) | 2,69,12,824 Cr. (2,69,12,824) Cr. |
| III Key management Personnel | | | | | |
| 14 | Ms. Aarti Grover | Managing Director | Salary & Perquisites | 17,04,600 (17,04,600) | Nil (Nil) |
| 15 | Mr. Deepak Potdar | Chief Financial Officer | Salary & Perquisites | 7,11,282 (6,94,669) | Nil (Nil) |
| 16 | Miss Kamaleshwari Bind | Company Secretary | Salary & Perquisites | 6,91,569 (5,58,071) | Nil (Nil) |
| 17 | Mr. Chandraprakash Jain | Executive Director | Salary & Perquisites | 11,89,273 (11,88,342) | 1,00,000 Dr (1,00,000) Dr |
| IV Others | | | | | |
| 18 | Mrs.Jyoti C.Jain | Spouse of Director | Professional Fees | 4,00,000 (3,45,420) | 90,000 Cr. (1, 72,710) Cr. |

- Related party relationship have been identified by the management and relied upon by the auditors

- 26** The equity shares of the Holding company are listed in Bombay Stock Exchange and company has paid annual listing fees to the stock exchange for the year 2016-2017.
- 27** Segment wise Reporting as per Note No. 35.
- 28** During the year the Company has reviewed Accounts Receivable and made provision for doubtful debts Rs. 23,08,443. (P.Y.Rs 21,05,193).
- 29** In the opinion of the Board Current Assets, Loans & Advances have a value on realization in the ordinary Course of Business at least equal to the amount at which they are stated in accounts and all current liabilities have been provided for.



- 30** Sundry Debtors and Creditors are subject to confirmation and reconciliation, if any.
- 31.** Excise Receivable Rs.5,25,628/- Company had paid under dispute Rs 5,25,628/- towards F.Y 2003-2004 and Legal matter is going on.
- 32** Holding Company has provided for bonus as per the Payment of Bonus Act, 2015 for F.Y 2016-2017. For F.Y 2014-2015, additional provision Rs.4,86,642/- is not made considering stay given by High Court of Kerala on 27.01.2016.
- 33** Holding Company submitted Draft Scheme of Arrangement (between Kaycee Industries Limited & RDJ Constructions Private Limited for demerger of Company's business of leasing of immovable properties) to Bombay Stock Exchange on 23-5-2017.
- 34** Previous Years figures have been regrouped / rearranged wherever necessary.
- 35** DETAILS OF SPECIFIED BANK NOTES (SBN) HELD AND TRANSACTED DURING THE PERIOD FROM 8TH NOVEMBER, 2016 TO 30TH DECEMBER, 2016 IS PROVIDED IN TABLE BELOW.

| | Specified Bank Notes (SBN) | Other Denomination Notes | Total |
|---------------------------------------|----------------------------|--------------------------|----------|
| Closing cash in hand as on 08.11.2016 | 58,000 | 1,95,208 | 2,53,208 |
| (+) Permitted receipts | - | 2,80,000 | 2,80,000 |
| (-) Permitted payments | - | - | - |
| (-) Amount deposited in Banks | 58,000 | - | 58,000 |
| Closing cash in hand as on 30.12.2016 | - | - | 2,30,153 |

Disclosure in terms of Schedule III to the Companies Act, 2013

| Particulars | Net Assets (i.e. Total assets minus total liabilities) | | Share in profit/(loss) | |
|---|--|---------------------|------------------------------------|--------------------|
| | As a % of consolidated net assets | Amount | As a % of consolidated profit/loss | Amount |
| 1. Parent: Kaycee Industries Limited | 90.7951% | 12,25,19,853 | 40.5838% | 64,20,829 |
| 2. Subsidiary –RDJ Construction Private Limited | 9.2049% | 1,24,21,249 | 59.4162% | 94,00,321 |
| Add/(Less): Minority interest in subsidiary | Nil | Nil | Nil | Nil |
| Total | 100.0000% | 13,49,41,102 | 100.0000% | 1,58,21,150 |

As per our report of even date attached

For and on behalf of the Board

For N.D KAPUR & CO.

Firm Registration No:001196N

Chartered Accountants

Sd/-

S.K.AGRAWAL

Partner

MUMBAI

Date: 30th May 2017

Sd/-

AARTI GROVER
Managing Director

Sd/-

Deepak Potdar
Chief Financial Officer

Sd/-

RAJU GROVER
Director

Sd/-

Kamleshwari Bind
Company Secretary

**NOTE NO. 35**

1. Segments have been identified in line with the accounting standard on segment reporting (AS-17) taking into account the organisation's product revenue.
2. The company recognise switches as primary segment.
3. Assets used in the company's business or liabilities contracted have not been identified to any of the reportable segments as assets are used interchangeably between segments.

Management believes that it is not practicable to provide segment disclosure relating to total assets and total liabilities, since a meaningful segregation of available data could be onerous.

SEGMENTWISE REPORTING

| 1. Segment Revenue (Net Sale/ Income from) | 2016-2017 | 2015-2016 |
|--|---------------------|------------------|
| a. Segment - Switches | 17,96,82,441 | 16,57,66,747 |
| b. Segment - Counters | 2,29,59,288 | 2,39,01,364 |
| c. Segment - Others | 3,36,49,357 | 4,03,85,842 |
| TOTAL | 23,62,91,086 | 23,00,53,953 |
| Less : Intersegment Revenue | - | - |
| | 23,62,91,086 | 23,00,53,953 |
| 2. Segment Results (Profit)(+)/Loss(-) before tax and interest from segment | | |
| a. Segment - Switches | 4,29,00,071 | 4,06,10,574 |
| b. Segment - Counters | 33,64,342 | 43,13,259 |
| c. Segment - Others | 1,02,93,638 | 1,28,42,217 |
| TOTAL | 5,65,58,051 | 5,77,66,050 |
| Add : Other Income | 2,05,94,910 | 69,95,572 |
| Less : (I) Interest | 45,22,801 | 53,47,063 |
| (ii) Other unallocable expenditure net off unallocable income | 5,82,43,638 | 6,19,23,570 |
| Total Profit/(Loss) before Tax | 1,43,86,522 | (25,09,011) |

For N.D KAPUR & CO.
Firm Registration No:001196N
Chartered Accountants

Sd/-
S.K.AGRAWAL
Partner

MUMBAI
Date: 30th May 2017

For and on behalf of the Board

Sd/-
AARTI GROVER
Managing Director
Sd/-
Deepak Potdar
Chief Financial Officer

Sd/-
RAJU GROVER
Director
Sd/-
Kamleshwari Bind
Company Secretary

**FORM FOR UPDATION OF EMAIL ADDRESS**

To,
The Compliance Officer,
Kaycee Industries Limited
Old Kamani Chambers, 32 Ramji Bhai Kamani Marg,
Ballard Estate, Mumbai- 400 001

Dear Sir,

Sub: Updation of e-mail address

Please register my email address for the purpose of sending Annual Report and other Notices/documents in electronic mode:

| | |
|---------------------|--|
| Name of Member(s) | |
| Registered Address | |
| Email ID | |
| Folio No./Client ID | |
| DP ID | |

Signature of the First named Shareholder

Name:

Address:

KAYCEE INDUSTRIES LIMITED

ADDRESS: OLD KAMANI CHAMBERS, 32-RAMJIBHAI KAMANI MARG, BALLARD ESTATE, MUMBAI-400001
CIN : L70102MH1942PLC006482 Contact : 22 2261 3521, www.kayceeindustries.com;
Email: complianceofficer@cms-kaycee.co.in, cs_legal@cms.co.in

ATTENDANCE SLIP FOR ATTENDING ANNUAL GENERAL MEETING

Folio No.

DP ID No.

No. of Shares held

Client ID No.

I certify that I am a Member/proxy for the Member(s) of the Company.I hereby record my presence at the 74th Annual General Meeting of the Company held on Thursday, 28th Day of September, 2017 at 11.30a.m at Jainam Banquet Hall, Jainam Arcade, B.M.T. Compound, 100, L.B.S. Marg, Bhandup (W), Mumbai 400 078.

Member's/Proxy's name in Block Letters

Signature of Member/Proxy

Note: Please fill up this attendance slip and hand over at the entrance of the meeting hall.

| ELECTRONIC VOTING PARTICULARS | | |
|--------------------------------------|----------|------------------|
| REVEN (Remote E-voting Event Number) | USER ID* | Password / PIN** |
| | | |

*User ID: Please use DP ID/Client ID

**Password: Use existing password

Note: Please read instructions given at Note No. X of the Notice of the 74th Annual General Meeting carefully before voting electronically.

KAYCEE INDUSTRIES LIMITED

Address: OLD KAMANI CHAMBERS, 32-RAMJIBHAI KAMANI MARG, BALLARD ESTATE, MUMBAI-400001
 CIN : L70102MH1942PLC006482 Contact : 22 2261 3521, www.kayceeindustries.com;
 Email: complianceofficer@cms-kaycee.co.in; cs_legal@cms.co.in

PROXY FORM

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

| | |
|-------------------------|--|
| Name of the member(s) : | |
| Registered Address: | |
| | |
| Email Id : | |
| Folio No. / Client Id : | |
| DP ID : | |

I/We, being the member(s) of equity shares of Kaycee Industries Limited, hereby appoint

1. Name: _____ Email Id: _____
 Address : _____
 Signature: _____ or failing him / her
2. Name: _____ Email Id: _____
 Address : _____
 Signature: _____ or failing him / her
3. Name: _____ Email Id: _____
 Address : _____
 Signature: _____ or failing him / her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 74th Annual General Meeting of the Company to be held on Thursday, the 28th September, 2017 at Jainam Banquet Hall, Jainam Arcade, B.M.T. Compound, 100, L.B.S. Marg, Bhandup (W), Mumbai 400 078 at 11.30 a.m and at any adjournment thereof in respect of such resolutions as are indicated below:

| S.No. | Resolutions | For | Against |
|-------|---|-----|---------|
| 1. | Approve and Adopt Balance Sheet as at 31st March, 2017 and the Profit and Loss Account for the year ended on that date together with reports of Director's and Auditor's thereon. | | |
| 2. | Declaration of Dividend | | |
| 3. | Reappointment of Mr. Chandra Prakash Jain (DIN 07337778), Who retires by rotation. | | |
| 4. | Appointment of M/s. A. R. Sodha & Co., as Statutory Auditor of the Company | | |
| 5. | Maintenance of Books, register of members etc., of the company other than the registered office of the company, within the city. | | |

Signed thisday of2017

.....
 Signature of shareholder

.....
 Signature of proxy holder(s)

Please
 affix Re.1/-
 revenue
 stamp and

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.