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, S M E Nariman Point, Mumbai.

Auditors
M/S A.R.Sodha & Co.
Chartered Accountants
101, “Ashiana”, 11th Road,
T.P.S. III, Opp. B.M.C Hospital,
Santacruz (East), Mumbai – 400055.

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 FIFTH 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 Friday , the 28th September, 2018 at 11.30 A.M to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements for the Financial Year ended 31st March, 2018 and the Reports of the Directors and Auditors thereon.

2. To declare Final Dividend on Equity Shares for the Financial Year Ended 31st March, 2018

3. To re-appoint a Director in place of Ms.Raju Grover (DIN No.01584366), who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

4. To appoint Ms. Aarti Grover, Managing Director DIN 02625342, for a period of 5 years.

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

   "RESOLVED THAT, the Company hereby accords its approval and consent under Sections 196 and 197 and all other applicable provisions of the Companies Act, 2013 read with Schedule V thereto, to the appointment of Ms. Aarti Grover (DIN 02625342) as Managing Director of the Company for a period of five years with effect from 01/10/2018 and to her receiving remuneration, benefits and amenities as Managing Director of the Company as set out in the Explanatory Statement annexed to the Notice of this Meeting and upon the terms and conditions and stipulations contained in an Agreement to be entered into between the Company and Ms. Aarti Grover, a draft whereof is placed before the Meeting and which, for the purposes of identification, is initialed by the Chairman of the Meeting.

   RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take such steps and do all such acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to this Resolution."

By Order of the Board of
Kaycee Industries Limited

Aarti Grover	**Raju Grover**
Managing Director	**Director**
DIN: 02625342	DIN: 01584366

Place: Mumbai
Date: 13th August, 2018

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 22nd September, 2018 to 28th September, 2018 (both days inclusive).

5. The Final Dividend for the Financial Year ended 31st March, 2018, 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.

   As per the Amendment to Regulation 40 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 it has mandatory that transfer of shares would be carried out in dematerialized form only w.e.f. 5th December, 2018. Therefore Members who hold shares in physical form are advised to convert them in De-materialized form by sending letters along with the De-materialized Request Form (s) through their concerned Depository participant before 5th December, 2018.

   As per the SEBI circular No SEBI/HO/MIRSD/DOP1/CIR/P/2018 dated 20.04.2018 Members who hold shares in physical form kindly submit the copy of PAN and original cancelled cheque leaf /attested bank passbook showing name of account holder to the Registrar and Share Transfer Agent of the Company.

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, 21st September, 2018, 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 Tuesday 25th September, 2018 and will end at 5 p.m. on Thursday, 27th September, 2018. 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 75th 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, FCS, 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 21st September, 2018.

(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 21st September, 2018 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, 2018 at 9.00 a.m and ends on 27th September, 2018 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 21st September, 2018 , 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	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)· ● 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.

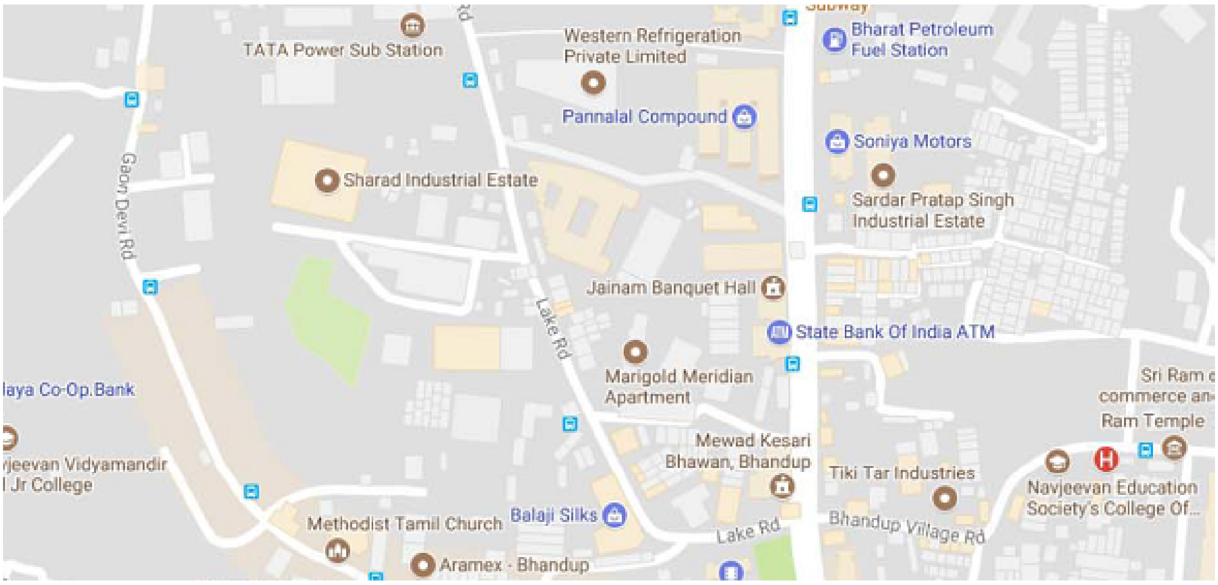
1. Click on the EVSN for the relevant <Company Name> on which you choose to vote.
2. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option 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 MTNL, Bhandup, Mumbai.



EXPLANATORY STATEMENT

Item no. 04

Appointment/Re-appointment and revise in remuneration for Ms. Aarti Grover, Managing Director of the Company

Ms. Aarti Grover was appointed as Managing Director of the company for a period of 5 years from 1st October, 2013 to 30th September, 2018 as Managing Director of the Company. The Company now wants to re-appoint her for another term of Five years from 1st October, 2018 to 30th September, 2023.

Ms. Grover is a Master of Business Administration from the University of San Francisco, USA. She possesses rich and extensive experience in the management of CMS Group Companies. She has more than 12 years of experience in the field of product and services administration. Briefly, the terms and conditions of her re-appointment and remuneration of Ms. Aarti Grover are as follows:

Remuneration: Ms. Grover shall draw NIL remuneration.

The proposed resolution is required to be passed as a Special Resolution as required under Section 196, 197, 203 and Schedule V to the Companies Act, 2013 and as such, the Directors commend your approval.

Copy of the terms and conditions governing the appointment is available for inspection by members during business hours on any working day before the last date of Annual General Meeting of the Company.

The Board recommends the resolution as mentioned in the Notice for your approval.

Ms. Aarti Grover is the daughter of Mrs. Raju Grover, Director of the Company therefore the Director and Ms. Aarti Grover herself may be deemed to be interested or concerned in this resolution.

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

Particulars	RAJU GROVER	AARTI GROVER
Date of Birth	08/09/1951	06/08/1977
Date of Appointment	28/09/2018	01/10/2018
Qualifications	B.A	Master of Business Administration from the University of San Francisco, USA
Experience	More than 30 years	12 years of rich experience
Expertise in specific functional areas	Information Technology and Manufacturing	field of product and services administration
Terms and condition of appointment / re-appointment along with remuneration to be drawn	Nil	5 years
Relationship with other Directors, Manager and other KMP	Mother of Ms. Aarti Grover, Managing Director of the Company	Daughter of Mrs. Raju Grover, Director of the Company
No. of Board meeting attended during the year	7	7

Particulars	RAJU GROVER	AARTI GROVER
Directorships held in other companies (excluding foreign companies)	18	15
Memberships / Chairpersonships of Committees of the Company	Member of: 1. Remuneration & Nomination Committee 2. Audit Committee 3. Share Transfer cum Shareholder Grievance Committee	NIL
Memberships / Chairpersonships of Committees of the other Company	NIL	NIL
Number of shares held in the Company	NIL	NIL

DIRECTORS' REPORT

The Members
Kaycee Industries Limited
Mumbai

Your Directors have pleasure in presenting the 75th Annual Report and Financial Statements for the Financial Year ended 31st March, 2018.

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, 2017 to March 31, 2018.

FINANCIAL HIGHLIGHTS :

Particulars	2017-2018 (Rs.)	2016-2017 (Rs.)
Sales & Other Income	25,16,92,732	24,43,69,029
Profit before Depreciation	1,77,39,457	(5,41,822)
Less :Depreciation & Amortization	26,79,148	32,56,027
Profit/(Loss) Before Taxation	1,50,60,309	27,14,205
Less : Taxation	37,46,392	37,06,623
Profit/(Loss) after Taxation	1,13,13,917	64,20,828

DIVIDEND

The Directors recommend payment of Dividend of Rs. 10/- Per equity share of Rs. 100 each, amounting to Rs. 6,34,700/- and Dividend distribution tax of Rs. 1,02,949/- there on equity shares, for the year ended March 31, 2018.

PERFORMANCE REVIEW

During the year under review, total income of the Company was Rs. 25,16,92,732 as against Rs. 24,43,69,029 in previous year ended 31st March, 2017. Net profit incurred during the year amounting to Rs. 1,13,13,917/- as against Net Profit of Rs. 64,20,828 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. 15710/- for the Financial Year on 31st March, 2009 And Rs. 26050/- for the Financial Year on 31st March, 2010 was transferred to the Investor Education and Protection Fund established by the Central Government, for the Financial Year ended 2016 and 2017, 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,2018 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, Mrs Raju Grover, Director is liable to retire by rotation and being eligible, offers herself for re-appointment at the ensuing Annual General Meeting. Your Board recommends her 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 2017-18, 7 (Seven) 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

At the Annual General Meeting held on September 28, 2017, M/s. A R Sodha & Co., Chartered Accountant, were appointed as the Statutory Auditor of the Company to hold office till the conclusion of the 79th AGM of the Company to be held in the year 2022.

Pursuant to the Notification issued by Ministry of Corporate Affairs on 7th May, 2018, amending section 139 of the Companies Act, 2013, the mandatory requirement for ratification of appointment of Auditors by the Members at every AGM has been omitted and hence your Company has not proposed ratification of appointment of M/s. A R Sodha & Co, Chartered Accountant, at the forthcoming AGM.

M/s. A.R.Sodha & Co., Chartered Accountant, Mumbai as Statutory Auditors of the Company given their report 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.

SCHEME OF ARRANGEMENT BETWEEN KAYCEE INDUSTRIES LIMITED AND RDJ CONSTRUCTIONS LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

The Board of Directors of the Company on 5th May 2017 approved the Scheme of arrangement between the Company and RDJ Constructions Limited for demerger of identified undertaking (comprising of property leasing activity along with all the related assets (including the investment in the Resulting Company), building, capital work in progress, liabilities, employees, rights, powers, etc.) under section 230 to 232 read with section 66 and 52 of the Companies Act, 2013 with the appointed date of 1st April 2017. The Scheme was approved by the Mumbai Bench of the National Company Law Tribunal vide order dated 23rd March 2018 and it became effective from 2nd June 2018 (being the date of filing with Registrar of Companies). As a result of the demerger, identified undertaking has been transferred to and vested from the Company to RDJ Constructions Limited and the financial statements of the Company for the year ended 31st March 2018 do not include the operations of the demerged undertaking.

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, 2018. **(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 2017-18. The Secretarial Audit Report for the Financial Year ended March 31, 2018 is annexed herewith marked as (**Annexure IV)** to this Report.

The Board has appointed Mr. Aashit Doshi, Practicing Company Secretary, to conduct Secretarial Audit for the Financial Year 2017-18. The Secretarial Audit Report for the Financial Year ended March 31, 2018 is annexed herewith marked as (**Annexure IV)** to this Report. The responses of your Directors on the observations made by the Secretarial Auditor are as follows:-

Response to point No.1 – The unpaid/unclaimed dividend for the year 2008-09 & 2009-10 has been transferred by the Company. Though there was some delay in the same, but it is successfully transferred as per the provisions of Companies Act, 2013.

Response to point No. 2 – We are in the process of transferring equity shares to Investor Protection Fund as per the provisions of Section 124(6) of Companies Act, 2013 and the relevant rules.

Response to point No. 3 - The dividend declared at the Annual General Meeting held on 28.09.2017 was initiated on time. However, there was a delay of 4 days in the payment of the same on the part of Bank due to some technical issue.

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

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.

SECRETARIAL STANDARDS

The applicable Secretarial Standards, i.e. SS-1 and SS-2 relating to 'Meetings of Board of Directors' and 'General Meeting' respectively, as issued by the Institute of Company Secretaries of India (ICSI), have been duly complied by your Company.

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/-	Sd/-
	AARTI GROVER	**RAJU GROVER**
Place: Mumbai	Managing Director	Director
Dated: 13th August, 2018	DIN : 02625342	DIN : 01584366

ANNEXURE - I

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 31.03.2018	PREVIOUS YEAR 31.03.2017
Ambernath		
Unit (KWH)	60547	73423
Total Amount (Rs.)	5,56,060	728780
Rate/KWH (Average) Rs.	10.89	10.07

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. 69,10,403/-

Foreign Exchange Outgo : Rs. 74,943/-

By Order of the Board of
Kaycee Industries Limited

Sd/-	Sd/-
Aarti Grover	**Raju Grover**
Managing Director	**Director**
DIN: 07337778	DIN: 01584366

Place : Mumbai
Date : 13TH August 2018

ANNEXURE -II

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:

(a) Name(s) of the related party and nature of relationship:

(b) Nature of contracts/arrangements/transactions:

(c) Duration of the contracts / arrangements/transactions:

(d) Salient terms of the contracts or arrangements or transactions including the value, if any:

(e) Justification for entering into such contracts or arrangements or transactions

(f) Date(s) of approval by the Board:

(g) Amount paid as advances, if any:

(h) 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	Kay 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					
Interest Paid					
Reimbursement of Expenses Received		14,15,254			6,00,000
Service Charges					
Sales		21,51,625	1,34,74,979		
Commission					
Remuneration	Nil				
Rent Received					
Computer Maintenance Charge Paid					
Unsecured Loans Repaid					
Amount Paid as Advances, if any					
Date of Approval by the Board, if any					

By Order of the Board of
Kaycee Industries Limited

Sd/-	Sd/-
Aarti Grover	**Raju Grover**
Managing Director	**Director**
DIN: 07337778	DIN: 01584366

Place : Mumbai
Date : 13TH August 2018

ANNEXURE-III

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 2017-18:

Sr. No.	Name of Director	Remuneration	Median Remuneration of Employees	Ratio
1	Ms. Aarti Grover - Managing Director	Nil	Nil	Nil
2	Mr. Chandra Prakash Jain	Nil	Nil	Nil

2. Percentage increase in remuneration of each Director in the financial year 2017-18

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 2017-18 is Nil

4. The number of permanent employees on the rolls of the Company, as on 31st March, 2018 is 97.

5. There are no employees of the Company who received remuneration in excess of the highest paid Director during the Financial Year 2017-2018.

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/-	Sd/-
Aarti Grover	**Raju Grover**
Managing Director	**Director**
DIN: 07337778	DIN: 01584366

Place : Mumbai
Date : 13^{TH} August 2018

ANNEUXURE -IV

SECRETARIAL AUDIT REPORT
Form No. MR-3
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2018

[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** havingCIN: 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 31stMarch, 2018 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 31stMarch, 2018 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act,1996 and the Regulations and Bye-laws framed there under;

(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 there under 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 hasgenerally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above to this report to the extent applicable***except following:***

(1) The unpaid/ unclaimed dividend for the year 2008-09 &2009-10 has not been transferred to Investor Education and Protection Fund as required under Section 125 of the Companies Act, 2013.

(2) The Company has not transferred Equity shares to Investor Education Protection Fund in pursuance to provisions of Section 124(6) of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Auditing, Transfer and Refund) Rules, 2016.

(3) The Dividend declared at the Annual General Meeting held on 28.09.2017 was not paid to the Members within 30 days as required under Section 124 of the Companies Act, 2013.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non – Executive Directorsand 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 advanceand 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 ***except the Approval of Scheme of Arrangement between Kaycee Industries Limited (Demerged Company) and RDJ Constructions Private Limited (Resulting Company) and their respective shareholders and creditors.***

Sd/-
Aashit Doshi
Practicing Company Secretary
FCS: 9321 CP: 10190

Date : 30.05.2018
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 KamaniMarg
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
FCS: 9321 CP: 10190

Date : 30.05.2018
Place : Mumbai

ANNEXURE - V

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 SHARE
5.	Address of the Registered Office & contact details	OLD KAMANI CHAMBERS, 32-RAMJIBHAI KAMANI MARG, BALLARD ESTATE, MUMBAI-4000010022- 22613521
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, MIDCAndheri (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	78.71%

III. 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 2017)				No. of Shares held at the end of the year (As on 31 March 2018)				% change during the year
A. Promoters	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian	—	—	—	—	—	—	—	—	—
a) Individual/HUF	—	—	—	—	—	—	—	—	—
b) Central Govt	—	—	—	—	—	—	—	—	—
c) State Govt(s)	—	—	—	—	—	—	—	—	—
d) Bodies Corp.	45601	—	45601	71.8465	45899	—	45899	72.3161	0.4695
e) Bank/FI	—	—	—	—	—	—	—	—	—
f) Any other									
Total shareholding of Promoter (A)	45601	-	45601	**71.8465**	45899	**-**	45899	72.3161	0.4695
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	—	—	—	—	—	—	—	—	—
b) Banks/FI	—	158	158	0.2489	8	158	166	0.2615	0.0126
c) Central Govt	—	—	—	—	—	—	—	—	—
d) State Govt(s)	—	—	—	—	—	—	—	—	—
e) Venture Capital Funds	—	—	—	—	—	—	—	—	—
f) Insurance Companies	—	—	—	—	—	—	—	—	—
g) FIIs	—	—	—	—	—	—	—	—	—
h) Foreign Venture Capital Funds(Specify)	—	—	—	—	—	—	—	—	—
Sub-total (B)(1):-	—	158	158	0.2489	8	158	166	0.2615	0.0126
	—	—	—	—	—	—	—	—	—
2. Non-Instituions									
a) Bodies Corp.									
i) Indian	456	19	475	0.7484	431	19	450	0.7090	-0.0394
ii) Overseeas	—	—	—	—	—	—	—	—	—
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 Lakh	10715	4723	15438	24.3233	10791	4268	15059	23.7262	-0.5971
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1012	—	1012	1.5945	1012	—	1012	1.5945	0.00
c) Others (specify)									
Non Resident Indians	27	644	671	1.0572	34	644	678	1.0682	0.0110
Non Resident Indians Non-rept	115	0	115	0.1812	206	0	206	0.3246	0.1434
Overseas Corporate bodies	—	—	—	—	—	—	—	—	
Foreign Nationals	—	—	—	—	—	—	—	—	
Clearing Members	—	—	—	—	—	—	—	—	
Trusts	—	—	—	—	—	—	—	—	
Foreign Bodies- DR	—	—	—	—	—	—	—	—	
Sub-Total (B)(2):-	12325	5386	17711	27.9045	12474	4931	17405	27.4224	-0.4821
Total Public Shareholding (B)=(B)(1)+(B)(2)	**12325**	**5544**	**17869**	**28.1535**	**12482**	**5089**	**17571**	**27.6839**	-0.4695
c. Shares held by custodian for GDRs & ADRs	—	-	—	—	—	—	—	—	—
Grand Total (A+B+C)	**57926**	**5544**	**63470**	**100**	**58381**	**5089**	**63470**	**100**	0.00

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 COMPUTERS LIMITED	10176	16.0328	—	31832	50.3615	—	34.3287
2	CMS COMPUTERS LIMITED	13769	21.694	—	13804	21.749	—	0.055
3	CMS TRAFFIC SYSTEMS LIMITED	21656	34.1201	—	-	-		-34.1201
	Total	45601	71.8469	—	45636	72.1105	—	0.2636

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	71.8469	45636	72.1105
	Date wise Increase /Decrease in Promoters Shareholding during the bonus/sweat equity etc);				
	At the end of the year	45601	71.8469	45636	72.1105

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	1012	1.594	1012	1.594
2.	CUSTODIAN OF ENEMY PROP FOR (I)	629	0.991	629	0.991
3.	ARUNA P. CHOKSHI	215	0.339	475	0.748
4.	ASLAM QADAR KHAN	330	0.520	330	0.520
5.	CHANDRA PRAKASH JAIN	319	0.503	319	0.503
6.	RIA MAHESH IDNANI	279	0.440	278	0.438
7.	NISHIT SHREGAR	41	0.065	246	0.388
8.	SANKALP MOHAN SINGH	0	0	246	0.388
9.	SAMARTH MOHAN SINGH	0	0	232	0.366
10.	CHIRAG JAIN	208	0.328	208	0.328
11.	EKTA CHANDRAPRAKASH JAIN	191	0.301	191	0.301
12	CMS COMPUTERS LTD	24243	38.196	45899	72.316
13	CHETAN RAMNIKLAL SHAH	206	0.325	0	0

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	
1.	**Mr. Chandra Prakash Jain**	**No. of Shares**	**% of total shares of the Company**	**No. of Shares**	**% of total shares of the Company**
	At the beginning of the year	319	0.503	319	0.503
	Date wise Increase/Decrease in Promoters Shareholding during the bonus/sweat equity etc);				
	At the end of the year	319	0.503	319	0.503

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 Amountii)Interest due				
but not paidiii) Interest accrued				
but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	3,27,32,072	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	0	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 other Directors

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 profitOthers, specify	—	—	—	—
5	Others, please specify	—	—	—	—
	Total	—			—

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

TYPE	SECTION OF THE COMPANIES ACT	BRIEF DESCRIP-TION	DETAILS OF PENALTY/ PUNISHMENT/ COMPOUNDING FEES IMPOSED	AUTHORITY (RD/ NCLT/COURT)	APPEAL MADE, IF ANY (GIVE DETAILS)
COMPANY					
Penalty		NIL			
Punishment					
Compounding					
DIRECTORS					
Penalty					
Punishment		NIL			
Compounding					
OTHER OFFICER IN DEFAULT					
Penalty		NIL			
Punishment					
Compounding					

ANNEXURE - VI

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 25,16,92,732/- in the Financial Year 2017-18 compared to 24,43,69,029/- 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 1,13,13,917/-.

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 97 as on 31st March, 2018.

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,
Kaycee Industries Limited.

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Kaycee Industries Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2018 the Statement of Profit and Loss (including Other Comprehensive income), the statement of Cash Flows and the Statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone Ind AS financial statements")

Management's Responsibility for the Standalone Ind AS 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 of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 standalone Ind AS 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 Ind AS 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 there under.

We conducted our audit of the standalone Ind AS financial statements 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 31st March, 2018 and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matters

The comparative financial information of the Company for the year ended 31st March 2017 and the transition date opening balance sheet as at 1st April 2016 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31st March 2017 and 31st March 2016 dated 30th May, 2017 and 30th May, 2016 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion on the standalone Ind AS financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of the section 143 of the Companies Act, 2013, we give in Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 (including Other Comprehensive Income), the statement of Cash Flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) In our opinion, there are no observations or comments on the financial transactions, which may have an adverse effect on the functioning of the company

f) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

g) Report on the Internal Financial Controls under Clause (1) of Sub-section 3 of Section 143 of the Companies Act, 2013("the Act") is enclosed as Annexure B to this report.

h) 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. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements. Refer Note 20 to the financial statements.

ii. According to information and explanation given to us, the Company has not entered into any long-term contracts including derivative contracts.

iii. According to the information and explanation given to us, the Company is not required to transfer any amount to Investor Education and Protection Fund.

For A. R. Sodha & Co.
Chartered Accountants
FRN 110324W

Sd/-
A. R. Sodha
Partner
M. No.031878

Place : Mumbai
Date : 30th May, 2018

BALANCE SHEET AS AT 31ST MARCH, 2018

Particulars	Note No.	31st March, 2018 Rupees	31st March, 2017 Rupees	1st April, 2016 Rupees
ASSETS		₹	₹	₹
1 **Non- Current Assets**				
(a) Property,Plant and Equiptment	1	**22,753,728**	26,674,244	28,629,771
(b) Capital work-in -progress	1	**-**	14,766,844	14,766,844
(c) Financial Assets				
(i) Investments	2	**10,000**	122,900	109,900
(ii) Others	3	**318,261**	293,464	297,496
(d) Deferred Tax Asset (Net)	4	**1,465,105**	5,133,137	326,514
(e) Other Non-current Assets	5	**10,343,826**	7,056,356	7,210,206
		34,890,920	54,046,945	51,340,731
2 **Current Assets**				
(a) Inventories	6	**40,868,544**	55,142,911	57,084,831
(b) Financial Assets				
i) Investments		**-**	-	-
ii) Trade Receivables	7	**107,410,202**	97,892,842	103,115,255
iii) Cash and Cash Equivalents	8	**10,039,090**	8,309,772	9,046,573
iv) Other Bank Balances	8	**9,148,897**	6,295,381	2,297,533
(c) Current Tax Assets (Net)		**-**	-	-
(d) Other Current Assets	9	**3,492,384**	3,875,088	3,513,874
		170,959,117	171,515,994	175,058,066
TOTAL ASSETS		**205,850,037**	225,562,939	226,398,797
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity Share Capital	10	**6,347,000**	6,347,000	6,347,000
(b) Other Equity	11	**111,238,460**	116,641,686	110,589,689
		117,585,460	122,988,686	116,936,689
LIABILITIES				
1 **Non-Current Liabilities**				
(a) Financial Liabilities				
i) Borrowings	12	**57,667**	184,563	2,296,745
(b) Provisions	13	**2,089,079**	2,482,602	2,307,631
(c) Deferred Tax Liabilities (Net)		**-**	-	-
(d) Other Non-current Liabilities	14	**2,464,489**	3,639,489	3,714,500
		4,611,235	6,306,654	8,318,876
2 **Current Liabilities**				
(a) Financial Liabilities				
i) Borrowings	15	**24,652,841**	32,435,326	37,280,645
ii) Trade Payable	16	**46,965,074**	53,752,109	49,672,390
iii) Other Financial Liabilities	17	**532,175**	489,736	567,765
(b) Other Current Liabilties	18	**6,247,412**	5,501,478	6,454,507
(c) Provisions	19	**1,653,046**	4,088,950	7,167,925
(d) Current Tax Liabilities (Net)		**3,602,794**	-	-
		83,653,342	96,267,600	101,143,232
TOTAL EQUITY AND LIABILITIES		**205,850,037**	225,562,939	226,398,797

Notes Forming Part of the Accounts **1 TO 27**
In terms of our report attached.

For and on behalf of the Board

For A. R. Sodha & CO.
Chartered Accountants
Firm Reg. No.: 110324W
Sd/-
A.R. Sodha
Partner
Membership No. : 031878

MUMBAI
Date: 30th May 2018

Sd/-
AARTI GROVER
Managing Director

Sd/-
RAJU GROVER
Director

Sd/-
Deepak Potdar
Chief Financial Officer

Sd/-
Kamleshwari Bind
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2018

	Particulars	Note No.	31st March, 2018 ₹	31st March, 2017 ₹	1st April, 2016 ₹
1	Revenue from operations	20	**250,260,475**	236,291,086	230,053,953
2	Other Income	21	**1,432,257**	9,083,119	6,109,341
3	**Total Revenue**		**251,692,732**	245,374,205	236,163,294
4	**Expenses**				
	Cost of materials consumed	22	**120,844,872**	125,042,417	110,688,712
	Cost of traded goods sold	23	**6,558,606**	3,553,107	4,987,498
	Changes in inventories of finished goods, work-in-progress	24	**8,932,224**	4,701,501	4,705,258
	Employee Benefit Expenses	25	**45,833,225**	49,740,198	55,609,778
	Finance cost	26	**3,102,265**	4,522,225	5,346,949
	Depreciation and Amortisation Expenses	1	**2,679,148**	3,256,027	3,448,830
	Other Expenses	27	**48,633,784**	51,785,185	53,519,780
	Total Expenses		**236,584,123**	242,600,659	238,306,805
5	**Profit / (Loss) before exceptional items and tax (3 - 4)**		**15,108,609**	2,773,546	(2,143,511)
6	Exceptional items		**-**	-	-
7	**Profit / (Loss) before tax (5 - 6)**		**15,108,609**	2,773,546	(2,143,511)
8	**Tax Expenses**				
	(a) Current tax		**3,653,661**	700,000	-
	(b) Prior Period		**-**	400,000	-
	(c) Mat Credit Entitlement		**(3,575,301)**	-	-
	(b) Deferred Tax		**3,681,469**	(4,791,195)	609,010
9	**Profit / (Loss) After tax (7 - 8)**		**11,348,780**	6,464,741	(2,752,521)
10	**Other Comprehensive Income**				
	A Items that will not be reclassified to Statement of Profit and Loss				
	(a) (i) Remeasurement benefit of defined benefit plans		(48,300)	(59,340)	-
	(ii) Income tax expense on remeasurement benefit of defined benefit Plans		13,437	15,428	-
	(b) Net fair value gain/(loss) on investments in equity instruments through OCI		-	-	-
	B Items that will be reclassified to Statement of Profit and Loss				
	(i) Net fair value gain on investments in debt instruments through OCI		-	-	-
	(ii) Income tax benefit on net fair value gain on Investments in debt instruments through OCI		-	-	-
11	**Total Comprehensive Income (9 + 10)**		**11,313,917**	6,420,829	(2,752,521)
12	**Earning per equity share** (Basic & Diluted)		178.26	101.16	(43.37)

Notes Forming Part of the Accounts **1 TO 27**

In terms of our report attached.

For and on behalf of the Board

For A. R. Sodha & CO.
Chartered Accountants
Firm Reg. No.: 110324W
Sd/-
A.R. Sodha
Partner
Membership No. : 031878

MUMBAI
Date: 30th May 2018

Sd/-	Sd/-
AARTI GROVER	**RAJU GROVER**
Managing Director	Director
Sd/-	Sd/-
Deepak Potdar	**Kamleshwari Bind**
Chief Financial Officer	Company Secretary

CASH FLOW FOR THE YEAR ENDED 31ST MARCH 2018

		2017-2018		2016-2017	
		₹	₹	₹	₹
A.	Cash Flow From Operating Activities				
	Net Profit/(Loss) Before Tax and extra Ordinary Items		15,108,609		2,773,546
	Adjusted for				
	Provision for Doubtful Debts	1,961,829		2,308,443	
	Depreciation	2,679,148		3,256,027	
	Interest received	(495,987)		(277,191)	
	Dividend received	(3,000)		(1,500)	
	Adjustment as per Demerger Scheme	(16,348,310)		-	
	Adjustment in Exchange Gain / Loss	-		15,375	
	Rent Received	-		(7,282,500)	
	Interest Charged	3,102,265	(9,104,055)	4,522,225	2,540,879
	Operating profit before working capital changes		**6,004,554**		5,314,425
	Adjustments for:				
	Trade and other receivables	(11,479,189)		2,885,593	
	Inventories	14,274,367		1,941,920	
	Other current assets	(2,918,418)		(612,146)	
	Trade payable / Other Liabilities	(6,369,922)	(6,493,162)	72,308	4,287,675
	Cash generated from operations		**(488,607)**		9,602,100
	Direct taxes Paid		(50,867)		(618,039)
	Net cash flow before extra ordinary items		(539,474)		8,984,061
	Prior Period items		-		-
	NET CASH FROM OPERATING ACTIVITIES (A)		**(539,474)**		8,984,061
B.	Cash flow from investing activities				
	Inflow				
	Interest received		495,987		277,191
	Dividend received		3,000		1,500
	Rent received		-		7,282,500
	Outflow				
	Purchase of fixed assets		(515,970)		(1,300,498)
	Fixed Assets Transferred as per Demerger Scheme		16,584,085		-
	NET CASH USED IN INVESTING ACTIVITIES (B)		**16,567,102**		6,260,693
C.	Cash flow from financing activities				
	Inflow				
	Increase in bank borrowing -NET		(7,909,381)		(7,019,503)
	Outflow				
	Dividend and dividend tax paid		(368,833)		(368,832)
	Interest paid		(3,102,265)		(4,522,225)
	NET CASH USED IN FINANCING ACTIVITIES (C)		**(11,380,479)**		(11,910,560)
	NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C)		**4,647,149**		3,334,194
	CASH & CASH EQUIVALENTS-OPENING BALANCE		15,023,427		11,689,233
	CASH & CASH EQUIVALENTS-CLOSING BALANCE		19,670,576		15,023,427

AS PER OUR REPORT OF EVEN DATE ATTACHED

For A. R. Sodha & CO.
Chartered Accountants
Firm Reg. No.: 110324W

Sd/-
A.R. Sodha
Partner
Membership No. : 031878

MUMBAI
Date: 30th May 2018

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

Statement of Changes in Equity for the year ended 31st March, 2018

A. EQUITY SHARE CAPITAL

Particulars	Amount(Rs.)
As at 1 April, 2016	**6,347,000**
Changes in equity share capital	-
As at 31 March, 2017	**6,347,000**
Changes in equity share capital	-
As at 31 March, 2018	**6,347,000**

B. OTHER EQUITY

Particulars	Other Equity				
	Reserve and Surplus			Other Comprehensive Income	Total other Equity
	Share Premium	General Reserve	Retained Earnings		
As at 1 April, 2016	**57,374,552**	**21,469,208**	**31,745,929**	**-**	**110,589,689**
Total Comprehensive Income for the year	-	-	6,464,741	(43,912)	6,420,829
Dividend on Equity Shares	-	-	(317,350)	-	(317,350)
Tax on Dividend on Equity Shares	-	-	(51,482)	-	(51,482)
As at 31st March, 2017	**57,374,552**	**21,469,208**	**37,841,838**	**(43,912)**	**116,641,686**
Total Comprehensive Income for the year	-	-	11,348,780	(34,863)	11,313,917
Net Asset Transfer as per Demerger Scheme	(16,348,310)	-	-	-	(16,348,310)
Dividend on Equity Shares	-	-	(317,350)	-	(317,350)
Tax on Dividend on Equity Shares	-	-	(51,482)	-	(51,482)
As at 31st March, 2018	**41,026,242**	**21,469,208**	**48,821,785**	**(78,775)**	**111,238,460**

As per our report attached

For A. R. Sodha & CO.
Chartered Accountants
Firm Reg. No.: 110324W

Sd/-
A.R. Sodha
Partner
Membership No. : 031878

MUMBAI
Date: 30th May 2018

For and on behalf of the Board

Sd/-
Aarti Grover
Managing Director
DIN : 02625342

Sd/-
Raju Grover
Non Executive Director
DIN : 01584366

Sd/-
Deepak Potdar
Chief Financial Officer

Sd/-
Kamleshwari Bind
Company Secretary

Notes On Finanacial Statements for the Year ended 31st March 2018

Note No. 1

Property, Plant and Equiptment

Description of Assets	Gross Block				Depreciation				Net Block	
	Cost as on 1.4.2017 ₹	Additions ₹	Transfered during the year ₹	As at 31.03.2018 ₹	As at 1.4.2017 ₹	Provided for the year ₹	Transfered during the year ₹	As at 31.03.2018 ₹	As at 31.03.2018 ₹	As at 31.03.2017 ₹
A Tangable Assets :										
Land - Freehold	29,618	-	29,618	-	-	-	-	-	**-**	29,618
Building (Bhandup & Ambernath)	17,355,400	-	4,180,552	13,174,848	6,290,223	410,890	3,929,824	2,771,289	**10,403,560**	11,065,178
Plant & Machinery	34,356,485	52,000	-	34,408,485	23,787,636	1,262,719	-	25,050,355	**9,358,130**	10,568,846
Computers	4,547,140	431,070	-	4,978,210	3,931,838	307,849	-	4,239,688	**738,522**	615,301
Furniture, Fitting & Office Equipment	10,502,317	32,900	5,181,791	5,353,426	7,582,811	545,076	4,353,994	3,773,893	**1,579,533**	2,900,218
Vehicles	782,006	-	-	782,006	369,476	95,198	-	464,674	**317,332**	412,530
Electrical Fitting	3,261,922	-	2,660,019	601,903	2,138,757	57,416	1,950,921	245,252	**356,651**	1,082,551
SUB TOTAL (A)	**70,834,888**	**515,970**	**12,051,980**	**59,298,878**	**44,100,741**	**2,679,148**	**10,234,739**	**36,545,151**	**22,753,728**	**26,674,244**
B Capital Work in Progress :										
Building under Construction (Refer Note)	14,766,844	-	14,766,844	-	-	-	-	-	**-**	14,766,844
SUB TOTAL (B)	**14,766,844**	**-**	**14,766,844**	**-**	**-**	**-**	**-**	**-**	**-**	**14,766,844**
SUB TOTAL A + B	**85,601,732**	**515,970**	**26,818,824**	**59,298,878**	**44,100,741**	**2,679,148**	**10,234,739**	**36,545,151**	**22,753,728**	**41,441,088**
Previous Year	84,301,232	1,300,498	-	85,601,730	40,904,617	3,256,026	-	44,160,643	41,441,088	43,396,615

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

Notes On Finanacial Statements for the Year ended 31st March 2018

Note : 2	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
FINANCIAL ASSETS - INVESMENTS			
Saraswat Bank (1000 Equity shares)	**10,000**	10,000	10,000
RDJ Constructions Pvt Ltd (Subsidary)			
(10000 Equity Shares)	**-**	112,900	99,900
	10,000	122,900	109,900

Note : 3	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
FINANCIAL ASSETS - OTHERS			
Balance with bank held as Fixed Deposit	**318,261**	293,464	297,496
	318,261	293,464	297,496

Note : 4	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
DEFFERED TAX ASSET/LIABILITY (NET)			
(a) Deferred Tax Liabilities			
i) Difference in Book value of Fixed Assets	1,374,696	799,456	739,593
TOTAL	**1,374,696**	799,456	739,593
(b) Deferred Tax Assets			
i) on Provision for Gratuity & Leave encashment	726,998	909,351	1,066,107
ii) on Provision for doubtfull debts	2,112,803	831,096	-
iii) Brought Forward Loss of Previous.Year	-	4,192,146	-
TOTAL	**2,839,801**	5,932,593	1,066,107
TOTAL	**1,465,105**	5,133,137	326,514

Note : 5	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
OTHER NON CURRENT ASSETS			
Capital Advances	**359,188**	359,188	551,782
Net Assets In Pakistan Unit (Considered Doubtful)	**876,320**	876,320	876,320
Less : Provision for above	**(876,320)**		
Sundry Deposits	**3,024,119**	3,532,389	3,546,669
Sales Tax Receivable	**1,918,839**	2,288,459	2,235,435
Income Tax refund receivable	**1,466,379**	**-**	**-**
MAT Credit Entitlement	**3,575,301**	-	-
	10,343,826	7,056,356	7,210,206

Notes On Finanacial Statements for the Year ended 31st March 2018

Note : 6	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
INVENTORIES :			
(At cost or Net realisable value which ever is less)			
Raw Materials & Stores	**14,788,568**	15,708,906	12,989,035
Materials in process	**5,423,531**	8,857,798	8,420,929
Finished Goods	**13,848,939**	19,346,896	24,485,266
Trading Goods	**6,807,506**	11,229,311	11,189,601
	40,868,544	55,142,911	57,084,831

Note : 7	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
FINANCIAL ASSETS			
TRADE RECEIVABLES			
(Unsecured)			
Debts outstanding for a period exceesing six months from the date they were due for payment.			
Considered Good	**12,618,597**	12,809,334	17,010,716
Considered Doubtful	**7,594,546**	6,964,069	6,379,630
	20,213,143	19,773,403	23,390,346
Less: Provision for Doubtful Debts	**7,594,546**	6,964,069	6,379,630
	12,618,597	12,809,334	17,010,716
Others: Considered Good	**94,791,605**	85,083,508	86,104,539
	107,410,202	97,892,842	103,115,255

Note : 8	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
FINANCIAL ASSETS			
CASH AND CASH EQUIVALENTS :			
Cash in Hand	**260,583**	57,949	222,019
Bank Balances :			
In Current Account	**9,778,507**	8,251,823	8,824,554
	10,039,090	8,309,772	9,046,573
Other Bank Balances :			
In Fixed Deposits	**6,721,992**	4,004,309	-
In Fixed Deposits against LC Margin	**1,951,390**	1,843,282	1,758,707
Bank Guarantee Margin	**70,900**	70,900	70,900
Unclaimed Dividend Account	**404,615**	376,890	467,926
	9,148,897	6,295,381	2,297,533
	19,187,987	14,605,153	11,344,106

Notes On Finanacial Statements for the Year ended 31st March 2018

Note : 9	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
OTHER CURRENT ASSETS			
Unsecured,Considered Good			
Advances to employees	**100,000**	152,000	110,000
(including. Rs.1,00,000/- to Director)			
Prepaid Expenses	**974,974**	590,566	353,382
Advance Tax	**-**	1,552,311	2,034,272
Other Receivable	**-**	4,354	2,618
Balances with Govt Authorities :			
Modvat	**-**	88,444	28,120
Service Tax	**-**	487,578	270,591
Excise Receivable	**525,628**	525,628	525,628
Central Excise Duty (PLA)	**-**	24,174	88,031
Accrued Interest on Fixed Deposit	**164,328**	124,810	47,631
Advances to suppliers for Raw Material	**1,727,454**	325,223	53,601
	3,492,384	3,875,088	3,513,874

Note : 10	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
EQUITY SHARE CAPITAL			
AUTHORISED			
97,500 Equity Shares of Rs. 100/- each	**97,50,000**	97,50,000	97,50,000
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.	**6,347,000**	6,347,000	6,347,000
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	63470	63470	63470
Add : Shares Issued during the year	-	-	-
Issued, subscribed and fully paid up equity shares outstanding at end of the year	63470	63470	63470
b) Details of Shareholder Holding more than 5% Shares			
Name of the Shareholder	Cms Traffic System Limited	Cms Traffic System Limited	Cms Traffic System Limited
No.of Shares Held	**-**	21,656	21,656
% of Holding	**-**	34.12%	34.12%
Name of the Shareholder	Cms Computers Limited	Cms Computers Limited	Cms Computers Limited
No.of Shares Held	**45,899**	24,243	23,945
% of Holding	**72.32%**	38.20%	37.73%

Notes On Finanacial Statements for the Year ended 31st March 2018

Note : 11	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
OTHER EQUITY			
Share Premium Account			
Opening Balance	**57,374,552**	57,374,552	57,374,552
Less : Adjustment as per Demerger Scheme	**16,348,310**	-	-
Closing Balance	**41,026,242**	57,374,552	57,374,552
General Reserve			
Opening Balance	**21,469,208**	21,469,208	21,469,208
Less : Adjustment	**-**	-	-
Closing Balance	**21,469,208**	21,469,208	21,469,208
Profit and Loss Account			
Opening Balance	**37,797,925**	31,745,929	34,867,282
Add Profit/(Loss) for The year	**11,313,917**	6,420,829	(2,752,521)
	49,111,842	38,166,758	32,114,761
Less: Appropriations			
Transfer to General Reserve	**-**	-	-
Proposed Dividend on equity shares	**317,350**	317,350	317,350
Tax On dividend	**51,482**	51,482	51,482
Closing Balance	**48,743,010**	37,797,925	31,745,929
TOTAL	**111,238,460**	116,641,686	110,589,689

Note : 12	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
NON CURRENT LIABILITIES			
(A) FINANCIAL LIABILITIES - BORROWINGS			
Secured			
Vehicle Loan Mahindra & Mahindra Financial Services Ltd	**184,563**	296,746	395,920
Less : Current Maturity of Long term Borrowings	**(126,896)**	(112,183)	(99,175)
(Secured Against Mahindra Bolero Vehicle)	**57,667**	184,563	296,745
Unsecured Loan from Directors	**-**	-	2,000,000
	57,667	184,563	2,296,745

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

Note : 13	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
NON CURRENT LIABILITIES			
PROVISIONS			
Leave Encashment	**2,089,079**	2,482,602	2,307,631
TOTAL	**2,089,079**	2,482,602	2,307,631

Notes On Finanacial Statements for the Year ended 31st March 2018

Note : 14	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
OTHER NON CURRENT LIABILITIES			
DEPOSITS			
Dealer,Distributor & Stockist	**2,464,489**	2,439,489	2,514,500
Other Deposits	**-**	1,200,000	1,200,000
	2,464,489	3,639,489	3,714,500

Note : 15	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
FINANCIAL LIABILITIES - BORROWINGS			
SECURED LOANS :			
Working Capital loans from			
The Saraswat Co- Op Bank Ltd			
ODCC	**24,652,841**	32,435,326	37,280,645
Secured against hypothecation of Raw Materials, Finished Goods, Semi - Finished Goods and Book Debts, block of assets of the Company including Factory Land, and Building at Ambernath)			
TOTAL	**24,652,841**	32,435,326	37,280,645

Note : 16	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
TRADE PAYABLES	**46,965,074**	53,752,109	49,672,390
	46,965,074	53,752,109	49,672,390

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 : 17	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
OTHER FINANCIAL LIABILITIES			
Current Maturity of Long term Borrowings	**126,896**	112,183	99,175
Unclaimed Dividends	**404,615**	376,890	467,926
Unclaimed amount for fractional Share	**664**	664	664
	532,175	489,736	567,765

Note : 18	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
OTHER CURRENT LIABILITIES			
Outstanding Liabilities	**2,034,653**	2,756,698	3,244,645
Statutory Dues	**2,536,527**	860,726	2,683,646
Advance From Customers	**1,676,231**	1,884,053	526,216
	6,247,412	5,501,478	6,454,507

Notes On Finanacial Statements for the Year ended 31st March 2018

Note : 19	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
CURRENT LIABILITIES			
PROVISIONS			
Provision for Employee Benefit	**1,128,904**	1,380,008	2,268,139
Provision for Excise duty	**-**	2,149,655	2,721,077
Leave Encashment	**475,842**	499,947	442,551
Gratuity	**48,300**	59,340	1,736,158
	1,653,046	4,088,950	7,167,925

Note : 20	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
SALES :			
Sale of Manufactured Goods	**236,279,189**	221,623,162	212,611,984
Export Sale	**6,955,436**	3,196,511	4,311,421
Sale of Trading Goods	**4,795,637**	7,134,674	8,201,728
Repair Charges	**165,380**	134,917	209,744
Sale of Scrap	**2,064,833**	4,201,822	4,719,076
	250,260,475	236,291,086	230,053,953

Note : 21	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
OTHER INCOME :			
Interest from Bank on Fixed Deposit	**495,987**	277,191	154,643
Dividend Income From Shares	**3,000**	1,500	1,500
Other Non operating income Comprises :			
Rental Income	**-**	7,282,500	5,475,000
Interest From Customers	**-**	48,297	57,726
Insurance Claim Received	**-**	468,455	-
Profit on Sale of Assets	**-**	-	420,472
Excess Provision Written Back	**-**	1,005,176	-
Liabilities No Longer Exists Written Back	**933,270**	-	-
	1,432,257	9,083,119	6,109,341

Note : 22	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Cost of Material Consumed:			
Opening Stocks Raw Materials & Stores:	**15,708,906**	12,989,035	16,408,765
Add: Raw Material & Stores Purchases	**119,924,534**	127,762,288	107,268,982
	135,633,440	140,751,323	123,677,747
Closing Stocks Raw Material & Stores	**14,788,568**	15,708,906	12,989,035
	120,844,872	125,042,417	110,688,712

Notes On Finanacial Statements for the Year ended 31st March 2018

Note : 23	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Cost of traded goods sold			
Opening Stocks of Trading Goods	**11,229,311**	11,189,601	12,410,736
Add : Purchases	**2,136,801**	3,592,817	3,766,363
	13,366,112	14,782,418	16,177,099
Closing Stock	**6,807,506**	11,229,311	11,189,601
	6,558,606	3,553,107	4,987,498

Note : 24	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Changes in Inventory of Finished goods, work-in-progress			
Opening Stocks :			
Materials in Process	**8,857,798**	8,420,929	6,908,536
Finished Goods	**19,346,896**	24,485,266	30,702,917
	28,204,694	32,906,195	37,611,453
Less : Closing Stocks :			
Materials in Process	**5,423,531**	8,857,798	8,420,929
Finished Goods	**13,848,939**	19,346,896	24,485,266
	19,272,470	28,204,694	32,906,195
	8,932,224	4,701,501	4,705,258

Note : 25	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
EMPLOYEE BENEFIT EXPENSES :			
Salaries, Wages, Bonus, Exgratia & Gratuity	**39,602,468**	43,802,782	49,201,219
Contribution to Provident & other funds & Schemes	**2,514,271**	2,573,889	2,705,216
Welfare Expenses	**3,716,486**	3,363,527	3,703,343
	45,833,225	49,740,198	55,609,778

Note : 26	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
FINANCE COST :			
Interest - Banks	**2,711,596**	4,051,326	3,824,855
Interest - Others	**30,534**	97,679	286,171
Bank Charges	**360,135**	373,220	1,235,923
	3,102,265	4,522,225	5,346,949

Notes On Finanacial Statements for the Year ended 31st March 2018

Note : 27	**As at 31st March 2018**	As at 31st March 2017	As at 1st April 2016
OTHER EXPENSES :			
Component Processing and other charges	**20,056,400**	22,105,045	23,476,443
Power, Fuel & Water Charges	**713,546**	779,947	836,683
Octroi, Transportation & Forwarding, etc.	**1,892,275**	2,413,778	3,306,375
Conveyance & Traveling	**4,944,786**	5,188,482	5,629,583
Printing & Stationery	**417,524**	406,415	419,275
Postage & Telephone	**985,445**	1,173,193	1,100,643
Cash Discount	**616,290**	1,937,830	1,801,913
Maintenance & Repairs : Machinery	**24,072**	65,830	86,857
Maintenance & Repairs : Building	**22,500**	849,238	49,000
Maintenance & Repairs : Others	**1,267,053**	401,068	983,896
Insurance & Keyman Insurance	**765,968**	658,708	755,050
Rent, Rates & Taxes	**671,732**	933,087	685,619
Indirect Taxes Paid	**1,106,499**	805,229	544,546
Discounts	**1,010,173**	3,416,828	4,256,713
Bad debts & Misc Written off	**231,351**	62,208	411,455
Provision for Doubtfull Debts and Assets	**1,961,829**	2,308,443	2,105,193
Legal & Professional Charges	**6,354,648**	3,920,296	2,799,918
Advertisement & Publicity	**246,676**	126,481	89,645
Sales Commission	**115,004**	-	180,579
Sales Promotion	**96,244**	104,826	527,707
Miscellaneous Expenses	**5,133,770**	4,128,252	3,472,688
	48,633,784	51,785,185	53,519,781

Note No.28

Notes to Financial Statements for the year ended 31 March 2018.

1. Corporate information

The financial statements comprise financial statements of Kaycee Industries Limited for the year ended 31 March 2018. The company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on Bombay stock exchanges in India. The registered office of the company is located at 32, Old Kamani Chambers, Ramjibhai Kamani Marg, Ballard Estate, Mumbai 400001.

The Company is a manufacturing and trading company in the field of Industrial switches, Counters, Watermeter, Electrical Components Etc.

2. Basis of Preparation

The financial statements of the Company comprising of Balance Sheet, Statement of Profit and Loss, Statement of changes in Equity and Cash Flow Statement together with the notes have been prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 (“Ind AS”) as amended.

These financial statements for the year ended 31st March 2018 are the first financials with comparatives, prepared under Ind AS. For all periods up to and including the year ended 31 March 2017, the Company prepared its financial statements inaccordance accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1st April, 2016 being the date of transition to Ind AS. Reconciliations and descriptions of the effect of the transition have been summarized

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies stated out below.

The financial statements are presented in INR

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Property, Plant and equiptment:

As on 1st April 2016 “transition date”, the company opted to continue with the carrying value for all its property, plant and equiptment as recognized in its previous GAAP financial as deemed cost. After transition to IND-AS, company opted to follow cost model.

Property, plant and equiptment are stated at original cost inclusive of incidental expensesrelated to acquisition net of tax/duty credit availed, net of accumulated depreciation and accumulated impairment losses, if any. Such Cost includes the cost of replacing part of the plant and equiptment and borrowing cost for long-term construction project if the recognition criteria are met. When significant parts of plant and equiptment are required to be replaced at intervals, the company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equiptment as a replacement if the recognition criteria are satisfied. All other repair and maintenance cost are recognized in profit or loss as incurred.

Capital work-in-progress includes cost of property, plant and equiptment under installation/ under development as at the balance sheet date.

Depreciation on the property, plant and equiptment is provided over the useful life of asset as estimated on Straight line method. Property, plant and equiptment which are added/disposed off during the year, depreciation is provided on pro-rata basis with reference to the date of addition/deletion.

	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

3.2 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected inprofit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale

- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development iscomplete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

3.3 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

3.4 Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

a) Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.

b) Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on first in, first out basis.

c) Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Initial cost of inventories includes the transfer of gains and losses on qualifying cash flow hedges, recognised in OCI, inrespect of the purchases of raw materials.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

3.5 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits with bank which are short-term, highly liquid investments that are readily convertible into known amount of cash and which are subject to insignificant risk of change in value.

3.6 Foreign currency transactions

The Company’s financial statement are presented in INR, which is also the company’s functional currency.

Foreign currency transaction are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting of each balance sheet date of the company's monetary items at the closing rate are recognized as income or expenses in the period in which they are arise. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

3.7 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting Period

The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3.8 Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is Unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

3.9 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods:

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Rendering of services:

Revenue from sale of service is recognised as per terms of the contract with customers when the outcome of the transactions involving rendering of services can be estimated reliably.

Interest Income

For all financial instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividends

Revenue is recognised when the Company right to receive the payment is established, which is generally when shareholders approve the dividend.

Rental income

Rental income arising from operating leases is accounted for on a straight-line basis over the lease term.

3.10 <u>Government Grants</u>

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

3.11 <u>Earning per share (EPS)</u>

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding duringthe year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutivepotential Equity shares into Equity shares.

3.12 <u>Taxes</u>

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The breakup of the major components of the deferred tax assets and liabilities as at balance sheet date has been arrived at after setting off deferred tax assets and liabilities where the company have a legally enforceable right to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

3.13 Segment Accounting

The chief operational decision maker monitors the operating result of its business segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit or loss in the financial statement. The operating segment have been identified on the basis of the nature of products/ services.

a) Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter-segment revenue
b) Expenses that are directly identifiable with/allocable to segment are considered for determining the segment result. Expenses which relate to the company as a whole and not allocable to segment are included under unallocable expenditure
c) Income which relates to the company as a whole and allocable to segment is included in unallocable income.
d) Segment result includes margin on inter-segment and sales are reduced in arriving at the profit before tax to the company
e) Segment assets and liabilities include those directly identifiable with respective segment. Unallocable assets and liabilities represent the asset and liabilities that relate to the company as a whole and not allocable to any segment.

Inter-Segment transfer pricing

Segment revenue resulting from transaction with other business segment is accounted on the basis of transfer price agreed between the segments. Such transfer prices are either determined to yield a desired margin or agreed on a negotiated basis.

3.14 <u>Leases</u>

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Finance leases are capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company’s general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

3.15 <u>Employee Benefits</u>

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

Retirement benefit in the form of provident fund is a defined contribution plan. Company’s contribution to the provident fund based on a percentage of salary is made to Employee Provident Fund and is charged to profit and loss account when an employee renders the related service.

b) Defined Benefit Plan

The company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund.

The Company also provide defined benefit in the form of leave accrual and encashment.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The company recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and nonroutine settlements; and

- Net interest expense or income

3.16 <u>Provisions and contingent liabilities</u>

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.

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.

3.17 <u>Exceptional Items</u>

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the company is such that its disclosure improves the understanding of the performance of the company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statement.

3.18 <u>Non-current assets held for sale/ distribution to owners and discontinued operations</u>

The Company classifies non-current assets and disposal of group of assets as held for sale/ distribution to owners if their carrying amounts will be recovered principally through a sale/ distribution rather than through continuing use. Actions required to complete the sale/ distribution should indicate that it is unlikely that significant changes to the sale/ distribution will be made or that the decision to sell/ distribute will be withdrawn. Management must be committed to the sale/distribution expected within one year from the date of classification.

Non-current assets held for sale/for distribution to owners and disposal of group of assets are measured at the lower of their carrying amount and the fair value less costs to sell/ distribute. Assets and liabilities classified as held for sale/distribution are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale/ distribution to owners are not depreciated or amortised.

A disposal of group of assets qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations,
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations

Or

- Is a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.

3.19 Financial Instrument

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortised cost.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A ‘debt instrument’ is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement~ and either

(a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case,
the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
b) Financial assets that are debt instruments and are measured as at FVTOCI
c) Lease receivables under Ind AS 17
d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18
e) Loan commitments which are not measured as at FVTPL
f) Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 17

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer asignificant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument

- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. On that basis, the company estimates the following provision matrix at the reporting date:

	Current (0- 1 year)	1 year to 2year	Above 2 year
Default Rate	NIL	25%	100%

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head ‘other expenses’ in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.

- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as ‘accumulated impairment amount’ in the OCI.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts,financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments and hedge accounting
Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively.

Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the statement of profit and loss. Commodity contracts that are entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Company's expected purchase, sale or usage requirements are held at cost.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

3.20. <u>Business Combination under common control</u>

Common control business combination include transaction, such as transfer of subsidiaries or business, between entities within a Group.

Business combinations involving entities or business under common control are accounted for using the pooling of interest method. Under pooling of interest, the assets and liabilities of the combining entities are reflected at their carrying amount, the only adjustment that are made are to harmonise accounting policies.

The financial information in the financial statement in respect of prior period are restated as if the business combination had occurred from the beginning of the preceding period in the financial statement, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information is restated only from that date.

The differences, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other asset and the amount of share capital of the transferor is transferred to capital reserve and presented separately from other capital reserves with disclosure of its nature and purpose in the notes.

4. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments,however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Companys of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Impairment of non-Financial Assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless theasset does not generate cash inflows that are largely independent of those from other assets or Company's of assets.

When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

Employee benefit plans

Defined contribution plans

The Company makes Provident Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised 7,93,218 (Year ended 31 March, 2017 6,98,837) for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

Defined benefit plans

The Company offers the following employee benefit schemes to its employees:

i. Gratuity
ii. Leave encashment

i. Gratuity

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:

	PARTICULARS	Gratuity	Gratuity'
A.	**Changes in Present Value of Obligation**	Funded 31.03.2018	Funded 31.03.2017
	Present Value of Obligation at Beginning	89,65,289	1,00,64,492
	Interest Cost	7,17,223	8,05,159
	Current Service Cost	4,62,357	5,02,711
	Benefit Paid	(25,69,629)	(22,27,454)
	Actuarial (Gain)/Loss on Obligations	5,84,162	(8,02,983)
	Present Value of Obligation as at end of the year	81,59,402	89,65,289
B.	**Fair Value of Plan Assets**		
	Fair Value of the Plan Assets	99,80,953	97,06,784
	Expected return on Plan Assets	6,76,080	8,02,983
	Contributions	23,699	16,98,639
	Benefits Paid	(25,69,629)	(22,27,454)
	Actuarial Gain/Loss on Plan Assets	NIL	NIL
	Fair Value of the Plan Assets	81,11,103	99,80,953
C.	**Amount Recognized in the Balance Sheet.**		
	Present Value of Obligation	81,59,402	89,65,289
	Fair Value of the Plan Assets	81,11,103	99,28,551
	Net Liability/(Asset) Recognized	48,300	(9,63,262)
D.	**Amount Recognized in Profit and Loss**		
	Current Service Cost	4,62,357	5,02,711
	Interest Cost	7,17,223	8,05,159
	Expected Return on Plan assets	(6,76,080)	(8,02,983)
	Actuarial (Gain)/Loss	5,84,162	(1,79,620)
	Total Expenses recognized in Profit & Loss A/c	**10,87,662**	3,25,268
E.	**Assumptions**		
	Actual Return on Plan Asset	6,76,080	7,99,045
	Mortality Table	LIC (2006-08) Ultimate	LIC (2006-08) Ultimate
	Discount Rate	8%	8%
	Expected Rate of Return on Plan Assets	7.5%	8%
	Salary Escalation	4%	4%

i. Leave Encashment:

The valuation is done as per the parameters and measurements suggested under Ind AS 19 (Ind AS 19) As per Para 158 of Ind AS 19, disclosure for other long term employee benefits are not mandatory and hence the same has not been disclosed.

5. Disclosure of Related Parties / Transactions With Related Parties:-

Relationship	**Name of Related Party**
Holding Company	CMS Computers Limited
Enterprise over which Director and/or his relatives has control significant influence)	CMS Traffic Systems Limited
Key Management Personnel (KMP)	Ms. Aarti R. Grover (Managing Director) Mr. Chandraprakash Jain (Executive Director) Mr. Deepak Potdar (CFO) Miss. Kamaleshwari Bind (CS)
Relative of KMP	Mrs. Jyoti C.Jain (Spouse of Executive Director)

Transactions during F.Y 2017-18

Sr. No.	Name of the Related Party	Nature	Amount Rs.	O/S as on 31.03.2018
I				
1	CMS Traffic Systems Ltd.	Sales	2151625.08 (18,18,562)	36,65,142.38 Dr. (39,17,141.11) Dr.
2	CMS Traffic Systems Ltd.	Reimbursement Of Salary	14,15,254 (14,88,473)	
II				
3	CMS Computers Limited	Rent Received	Nil (41,37,000)	Nil Dr. (70,18,595.33) Cr
4	CMS Computers Limited	Sales	1,34,74,978.72 (28,61,064)	
5	CMS Computers Limited	Purchases	Nil (984386)	
6	RDJ Construction Pvt. Ltd	Reimbursement Of Salary	6,00,000 (690000)	74,24,360.36 Dr (6,90,000) Dr.
III	**Key management Personnel**			
7	Ms. Aarti Grover	Salary & Perquisites	Nil (17,04,600)	Nil (Nil)
8	Mr. Deepak Potdar	Salary & Perquisites	763003 (711282)	Nil (Nil)
9	Miss Kamaleshwari Bind	Salary & Perquisites	Nil (691569)	Nil (Nil)
10	Mr. Chandraprakash Jain	Salary & Perquisites	Nil (11,89273)	1,00,000 Dr (1,00,000) Dr
IV	**Relative of KMP**			
11	Mrs.Jyoti C.Jain	Professional Fees	5,71,875 (4,00,000)	Nil Cr. (90000) Cr.

6. **Fair values**

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Particulars	Carrying Values			Fair Values		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Financial Assets						
Investments	10,000	122,900	109,900	10,000	122,900	109,900
Loans	0	0	0	0	0	0
Total	**10,000**	**122,900**	**109,900**	**10,000**	**122,900**	**109,900**
Financial Liabilities						
Borrowings	24,837,404	32,732,072	39,676,565	24,837,404	32,732,072	39,676,565
Total	**24,837,404**	**32,732,072**	**39,676,565**	**24,837,404**	**32,732,072**	**39,676,565**

The management assessed that fair value of cash and cash equivalents, trade receivables, other financial assets,trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

7 **Financial Risk management**

The Company's business activities are exposed to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's senior management has the overall responsibility for establishing and governing the Company's risk management framework. The Company has constituted a core Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Audit Committee of the Company.

A Liquidity risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities.The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses.

The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended 31st March, 2018 and 31st March, 2017. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis. The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits and other highly marketable debt investments with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

B Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include loans and borrowings and deposits.

i) **Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This risk exist mainly on account of borrowings of the Company. However, all these borrowings are at fixed interest rate and hence the exposure to change in interest rate is insignificant.

ii) **Foreign Currency Risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company is not exposed to significant foreign currency risk as at the respective reporting dates.

iii) **Price Risk**

The Company is mainly exposed to the price risk due to its investment in debt mutual funds. The price risk arises due to uncertainties about the future market values of these investments.

C Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and other financial assets.

i) **Trade Receivables**

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. An impairment analysis is performed at each reporting date on an individual basis for major trade receivables.

ii) **Other Financial Assets**

Credit risk from balances with banks and financial institutions is managed by the Company in accordance with the Company's policy. Investments of surplus funds are made only in highly marketable debt instruments with appropriate maturities to optimise the cash return on instruments while ensuring sufficient liquidity to meet its liabilities.

D Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

8. **First time Adoption of Ind AS**: The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from 1st April, 2017, with a transiting date of 1st April, 2016. These financial statements for the year ended 31st March, 2018 are the first financial statements the

Company has prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act, 2013, read together with rule 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP')

The Company has prepared opening Balance Sheet as per Ind AS as of 1st April, 2016 (transition date) by recognizing all assets and liabilities whose recognition is required by Ind AS, derecognizing items of assets or liabilities which are not permitted to be recognised by Ind AS, reclassifying items from Previous GAAP to Ind AS as required, and applying Ind AS to measure the recognised assets and liabilities. The optional exemptions availed by the Company under Ind AS 101 is as follows:

i) **Investment in subsidiaries, joint ventures and associates:** The Company has elected to measure investment in subsidiaries, joint ventures and associates at cost.

ii) **Deemed cost of property, plant and equipment:** The Company has elected to continue with the carrying value determined in accordance with Previous GAAP for all of its property, plant and equipment recognised as of 1st April, 2016 (transition date) and use that carrying value as deemed cost of such assets as of transiting date.

First Time Ind AS Adoption Reconciliations

i) Effect of Ind AS adoption on the standalone balance sheet as at 31st March, 2017 and 1st April,2016

Particulars	Balance Sheet as at 1st April, 2017			Balance Sheet as at 1st April, 2016		
	Previous GAAP	Effect of Transition to Ind AS	Ind AS	Previous GAAP	Effect of Transition to Ind AS	Ind AS
(1) ASSETS						
Non-current assets						
(a) Property, Plant and Equipment	41,441,088	0	41,441,088	43,396,615	0	43,396,615
(b) Investment Property	0	0	0	0	0	0
(c) Financial Assets						
(i) Investments	122,900	0	122,900	109,900	0	109,900
(ii) Others	293,464	0	293,464	297,496	0	297,496
(d) Deferred tax liabilities (Net)	5,133,137	0	5,133,137	326,514	0	326,514
(e) Other non-current assets	7,056,356	0	7,056,356	7,210,206	0	7,210,206
(2) CURRENT ASSETS						
(a) Inventories	55,142,911	0	55,142,911	57,084,831	0	57,084,831
(b) Financial Assets						
(i) Investments	0	0	0	0	0	0
(ii) Trade receivables	97,892,842	0	97,892,842	103,115,255	0	103,115,255
(iii) Cash and cash equivalents	8,309,772	0	8,309,772	9,046,573	0	9,046,573
(iv) Other Bank Balances	6,295,381	0	6,295,381	2,297,533	0	2,297,533
(v) Others (to be specified)	0	0	0	0	0	0
(d) Other current assets	3,875,088	0	3,875,088	3,513,874	0	3,513,874
TOTAL ASSETS	**225,562,939**	**0**	**225,562,939**	**226,398,797**	**0**	**226,398,797**

Particulars	Balance Sheet as at 1st April, 2017			Balance Sheet as at 1st April, 2016		
	Previous GAAP	Effect of Transition to Ind AS	Ind AS	Previous GAAP	Effect of Transition to Ind AS	Ind AS
EQUITY AND LIABILITIES						
Equity						
(a) Equity Share capital	6,347,000	0	6,347,000	6,347,000	0	6,347,000
(b) Other Equity	116,272,854	368,832	116,641,686	110,220,857	368,832	110,589,689
LIABILITIES						
Non-Current liabilities						
(a) Financial Liabilities						
(i) Borrowings	184,563	0	184,563	2,296,745	0	2,296,745
(b) Provisions	2,482,602	0	2,482,602	2,307,631	0	2,307,631
(iii) Other financial liabilities (other than those specified in item ©	0	0	0	0	0	0
(c) Deferred tax liabilities (Net)	0		0			
(d) Other Non-Current Liabilities	3,639,489	0	3,639,489	3,714,500	0	3,714,500
Current liabilities						
(a) Financial Liabilities						
(i) Borrowings	32,435,326	0	32,435,326	37,280,645	0	37,280,645
(ii) Trade payables	53,752,109	0	53,752,109	49,672,390	0	49,672,390
(iii) Other financial liabilities (other than those specified in item ©	489,736	0	489,736	567,765	0	567,765
(b) Other Current Liabilities	5,501,478	0	5,501,478	6,454,507	0	6,454,507
(c) Provisions	4,457,782	-368,832	4,088,950	7,536,757	-368,832	7,167,925
(d) Current Tax Liabilities (Net)	0	0	0	0	0	0
TOTAL EQUITY AND LIABILITIES	**225,562,939**	**0**	**225,562,939**	**226,398,797**	**0**	**226,398,797**

ii) Effect of Ind AS adoption on Total Comprehensive Income

Particulars	For the year ended 31 March, 2017		
	Previous GAAP	Effect of Transition to Ind AS	Ind AS
Revenue from Operations	236,291,086	-	236,291,086
Other Income	9,083,119	-	9,083,119
Total Revenue	**245,374,205**	**-**	**245,374,205**
Expenses			
Purchases of Stock-in-Trade	128,595,524	-	128,595,524
Changes in inventories of Stock-in-trade	4,701,501	-	4,701,501
Employee benefits expense	49,799,538	(59,340)	49,740,198
Finance costs	4,522,225	-	4,522,225
Depreciation and amortization expense	3,256,027	-	3,256,027
Other Expenses	51,785,185	-	51,785,185
Total Expenses	**242,660,000**	**(59,340)**	**242,600,660**

Particulars	For the year ended 31 March, 2017		
	Previous GAAP	Effect of Transition to Ind AS	Ind AS
Profit/(loss) before exceptional items and Tax	**2,714,205**	**59,340**	**2,773,545**
Exceptional Items	-	-	-
Profit/(loss) before tax	**2,714,205**	**59,340**	**2,773,545**
Tax Expense:			
(a) Current Tax	700,000	-	700,000
(b) Prior Tax	400,000	-	400,000
(c) Deferred Tax	(4,806,623)	15,428	(4,791,195)
(c) I.Tax of earlier years w/off	-	-	-
	(3,706,623)	**15,428**	**(3,691,195)**
Profit (Loss) for the period from continuing operations	**6,420,828**	**43,912**	**6,464,740**
Other Comprehensive Income			
A Items that will not be reclassified to profit or loss			
(i) Remeasuremnet of Defined Benefit Obligation under Other Comprehensive Income	-	(59,340)	(59,340)
(ii) Income tax relating to above	-	15,428	15,428
Total Comprehensive Income for the period (Comprising Profit /(Loss) and Other Comprehensive Income for the period)	**6,420,828**	**-**	**6,420,828**

iii) Reconciliation of Profit and Other Equity between Ind AS and Previous GAAP

Particulars	Notes	Total comprehen-sive income	Total Equity	
		Mar-18	Mar-17	Apr-16
Net Profit/Total equity (shareholder's fund) under Previous GAAP		**6,420,828**	**122,619,854**	**116,567,857**
Remeasuremnet of Defined Benefit Obligation under Other Comprehensive Income	1	43,912	0	-
Fair Valuation for Current and Non current Investment in shares	2	-	-	-
Reversal of Provision for Proposed Dividend	3	-	317,350	317,350
Reversal of Tax on Proposed Dividend	3	-	51,482	51,482
Deferred Tax	4	-	-	-
Total equity as per Ind AS/Profit/(loss) before Other Comprehesive Income as per Ind AS		**6,464,740**	**122,988,686**	**116,936,689**
Other comprehensive income (net of tax)	2	(43,912)		
Total Comprehensive income as per Ind AS		**6,420,828**		

Explanation for reconciliation of Total Equity and Other Comprehensive income as previously reported under IGAAP to Ind AS

1 Provision for Proposed Dividend and the tax thereon

- Under previous GAAP, the Company had recognised liability on account of dividend proposed by the Board of directors pending approval from the shareholders.

- Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the annual general meeting

9. PAYMENT TO THE AUDITORS :

		2017-2018	2016-2017
a	As Audit Fee – Statutory	3,00,000	3,45,000
b	In Other Capacities :		
i	Certification	88,500	1,99,489
ii	Gratuity Audit	0	5,750
iii	Tax Audit Fees	0	1,15,000
iv	Vat Audit Fees	0	74,750
v	Corporate Governance	0	Nil
vi	Consolidated Balance Sheet	0	28,750
vii	Expenses Reimbursed	0	25,000

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

		2017-2018	2016-2017
a	Raw Materials	9,08,715	30,90,651
b	Finished Goods (Trading)	8,10,103	26,19,025

11. CONSUMPTION OF RAW MATERIALS & STORES

		2017-2018		2016-2017	
		Percentage of Total Consumption	Amount (Rs.)	Percentage of Total Consumption	Amount (Rs.)
a	Imported	0.66%	9,08,715	2.32%	30,90,651
b	Indegenous	99.34%	13,54,26,987	97.68%	13,02,06,374

12. EARNINGS IN FOREIGN CURRENCY :

		2017-2018 Rupees	2016-2017 Rupees
a)	F.O.B. Value of Exports	69,10,403	31,17,091

13 EXPENDITURE IN FOREIGN CURRENCY:

		2017-2018 Rupees	2016-2017 Rupees
a)	Foreign bank charges	74,943	40,499

14 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

15 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 2017-2018.

16. Segment wise Reporting as per Note No. 29.

17. During the year the Company has reviewed Accounts Receivable and made provision for doubtful debts Rs. 10,85,509. (P.Y.Rs 23,08,443).

18. In the opinion of the management of the company 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.

19. Sundry Debtors and Creditors are subject to confirmation and reconciliation, if any.

20. **Contingent Liability and Commitment**
(to the extent not provided for)

	Particulars	**2017-18**	**2016-17**
I)	**Contingent Liabilities**		
(A)	Disputed indirect tax liabilities not acknowledged as debts	27,92,944	3,96,000
(B)	Guarantees	-	-
(C)	Other Company money for which the Company is contingently liable	-	-
II)	**Commitments**	-	-

Company had paid under Central excise Liability under protest of Rs 5,25,628/- for F.Y 2003-2004 and which is still under dispute.

21. Honarable National Company Law Tribunal - Mumbai Bench has approved the scheme of Arrangement between Kaycee Industries Limited and RDJ Construction Private limited for demeger of Companies Business of leasing of immovable properties with effect from 1st April, 2017 vide its order dated 23rd March, 2018. Accordingly accounting effect of the scheme has been given. The details of Assets and liabilities transferred is as follows

Particulars	Amount	Amount
Tangible Asstes Transferred		
Land at Bhandup	29,618	
Building at Bhandup	250,728	
Furniture fiitting and Electrical Installations	1,536,893	
Capital Work in Progress at Bhandup	14,766,843	16,584,082
Current Assets Transferred		
Trade Receivables	851,325	851,325
		17,435,407
Less : Liabilities transferred		
Security Deposit	1,200,000	1,200,000
Net Assets Transferred		16,235,407
Add : Cancellation of Investment in RDJ Construction Pvt Ltd		112,900
Amount reduced from Security Premium as per Scheme		**16,348,307**

As Scheme is effective from 1st April, 2017, Income and expenses relating to demerged business till the approval of scheme by Honarable National Company Law Tribunal - Mumbai Bench has been received and paid by the company and accordingly and amount of Rs..74.24 Lacs is receivable from RDJ Construction Private Limited and the same has been shown under current assets.

As per our report of even date attached

For A.R SODHA & CO.
Firm Registration No: 110324W
Chartered Accountants

Sd/-
A.R Sodha
Partner
Membership No.031878
Mumbai
Date : 30th May 2018

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. 29

1. Segments have been identified in line with the Ind AS 108 on 'Operating Segments'taking into account the organisation's product revenue.

2. 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

		2017-2018	2016-2017
1.	Segment Revenue (Net Sale/ Income from)		
	a. Segment - Switches	196,985,660	179,682,441
	b. Segment - Counters	22,982,434	22,959,288
	c. Segment - Others	30,292,381	33,649,357
	TOTAL	**250,260,475**	236,291,086
	Less : Intersegment Revenue	-	-
		250,260,475	236,291,086
2.	Segment Results (Profit)(+)/Loss(-) before tax and interest from segment		
	a. Segment - Switches	60,371,087	42,900,071
	b. Segment - Counters	3,955,520	3,364,342
	c. Segment - Others	7,481,427	10,293,638
	TOTAL	**71,808,034**	56,558,051
	Add : Other Income	1,432,257	8,077,943
	Less : (I) Interest	3,102,265	4,522,225
	(ii) Other unallocable expenditure net off unallocable income	55,029,417	57,340,223
	Total Profit/(Loss) before Tax	**15,108,609**	2,773,546

As per our report of even date attached

For A.R SODHA & CO.
Firm Registration No: 110324W
Chartered Accountants

Sd/-
A. R. Sodha
Partner
Membership No.031878

Mumbai
Date : 30th May 2018

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

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 75th Annual General Meeting of the Company held on Friday, 28th Day of September, 2018 at 11.30 a.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 75th Annual General Meeting carefully before voting electronically.

KAYCEE INDUSTRIES LIMITED

Address: OLD KAMANI CHAMBERS, 32-RAMJIBHAI KAMANI MARG, BALLARD ESTATE, MUMBAI-400001
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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 Friday, the 28th September, 2018 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, 2018 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 Mrs. Raju Grover (DIN 01584366), who retires by rotation		
4.	Appointment Ms. Aarti Grover, Managing Director DIN 02625342, for a period of 5 years.		

Signed this ....day of 2018

Please affix Re.1/- revenue stamp and

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

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.

KAYCEE INDUSTRIES LIMITED

75TH
ANNUAL REPORT
2017-2018