

Brand that sets  
the standard



# KAYCEE INDUSTRIES LTD.

Regd. Office : Old Kamani Chambers, 32, Ramjibhai Kamani Marg, Ballard Estate, Mumbai - 400 001.  
Tel. : +91 22 2261 3521 / 22 / 23 Fax : +91 22 2261 6106 CIN No. : L70102MH1942PLC006482  
Email : kayceeindltd@vsnl.com Web : kayceeindustries.com

Date: 22<sup>nd</sup> September, 2015

To,  
Department of Corporate Services  
Bombay Stock Exchange Limited  
P J Towers, Dalal Street  
Fort, Mumbai – 400 001

**Sub: Submission of Annual Report under Clause 31**

Re.: Scrip Code: 504084

Dear Sir/ Madam,

We wish to submit the annual report of Kaycee Industries Limited for the financial year 2014-15.

Kindly take note of the same and acknowledge the receipt.

Thanking you,

For Kaycee Industries Limited

Kamaleshwari Bind  
Company Secretary & Compliance Officer



FACTORY :- Plot No. F-25, Addl. Ambarnath Industrial Area, Anand Nagar,  
Ambarnath (East), Thane - 4210502



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Email : kayceeindia@vsnl.com Web : kayceeindustries.com

## FORM A

(Pursuant to Clause 31(a) of Listing Agreement)

1.	Name of the Company	Kaycee Industries Limited
2.	Annual Financial Statements for the year ended	31 <sup>st</sup> March, 2015
3.	Type of Audit Observation	Un-qualified
4.	Frequency of observation	Not Applicable in review of the above comment No. 03
5.	To be signed by	
	• Managing Director	 Ms. Aarti Grover
	• CFO	 Mr. Deepak Potdar
	• Auditor of the Company	Ref our Audit Report dated 30 <sup>th</sup> May, 2015 on the financial statements of the company  For N. D. KAPUR & CO. Chartered Accountants Firm's Registration No: 001196N  S. K. AGRAWAL Partner Membership No. 13968 Mumbai 07 <sup>th</sup> September, 2015
	• Audit Committee Chairperson	 Mrs. Sona Ramchandani



FACTORY :- Plot No. F-25, Adl. Ambarnath Industrial Area, Anand Nagar,  
Ambarnath (East), Thane - 4210502



KAYCEE IND. LTD.  
ISO 9001 : 2008  
FILE NO. : 200812220009

## **Notice to the Members**

NOTICE is hereby given that the SEVENTY SECOND 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 Wednesday , the 30th September, 2015 at 1.30 P.M. to transact the following businesses:

### **ORDINARY BUSINESS**

1. To receive, consider and adopt Balance Sheet as at 31st March, 2015 and the Profit and Loss Account for the year ended on that date together with reports of Director's and Auditor's thereon.
2. To declare dividend on Equity Shares of the Company
3. To appoint a Director in place of Ms. Aarti Grover, Managing Director who retires by rotation and being eligible, offers herself for reappointment.
4. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution to ratification of appointment of Auditors of the Company:

**"RESOLVED THAT** pursuant to provision of Section 139 of the Companies Act, 2013 and Rules made there under, the appointment of M/S. N.D. Kapur & Co., Chartered Accountant, Mumbai (Firm Registration No. 001196N), as Auditors of the Company approved in the Seventy first Annual General Meeting (AGM) held on 30<sup>th</sup> September, 2014 till the conclusion of Seventy-Fourth AGM be and is hereby ratified to hold office from the conclusion of the seventy-second AGM till the conclusion of Seventy-Third AGM and that Board of Directors of the Company be and is hereby authorized to fix such remuneration as may be determined by the Audit Committee in consultation with auditors and that such remuneration may be paid on progressive billing basis to be agreed upon between the Auditors and the Board of Directors."

### **SPECIAL BUSINESS:**

5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** Mrs. Pramila Merani (DIN No. 07002974) who was as an Additional Director of the Company by the Board of Directors with effect from 30<sup>th</sup> September, 2014 and who holds office up to the date of the forthcoming Annual general Meeting under Section 161 of the Companies Act, 2013 ("the Act") and who is eligible for appointment and has consented to act as Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing her candidature for the office of Director, be and is hereby appointed as Director of the Company.

**RESOLVED FURTHER THAT** pursuant to the provision of Section 149, 152, Schedule IV and other applicable provisions of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any modification(s) or re-enactment(s) thereof for the time being in force), Mrs. Pramila Merani (DIN No. 07002974), a Non-executive Director of the Company , who has submitted a declaration that she meets the criteria for Independence as provided in Section 149(6) of the Act and who is eligible for



appointment, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (Five) consecutive years from 30<sup>th</sup> September, 2014.”

6. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** Mrs. Savitri Lal Butani (DIN No. 07003047) who was as an Additional Director of the Company by the Board of Directors with effect from 30<sup>th</sup> September, 2014 and who holds office up to the date of the forthcoming Annual general Meeting under Section 161 of the Companies Act, 2013 (“the Act”) and who is eligible for appointment and has consented to act as Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing her candidature for the office of Director, be and is hereby appointed as Director of the Company.

**RESOLVED FURTHER THAT** pursuant to the provision of Section 149, 152, Schedule IV and other applicable provisions of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any modification(s) or re-enactment(s) thereof for the time being in force), Mrs. Savitri Lal Butani (DIN No. 07003047), a Non-executive Director of the Company, who has submitted a declaration that she meets the criteria for Independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (Five) consecutive years from 30<sup>th</sup> September, 2014.”

By Order of the Board of  
**Kaycee Industries Limited**  
Sd/-

**Kamaleshwari Bind**  
**Company Secretary & Compliance Officer**

Registered office :  
Old Kamani Chambers,  
32- Ramjibhai Kamani Marg,  
Ballard Estate, Mumbai- 400 001  
Dated : 13<sup>th</sup> August, 2015

**NOTES:**

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a member of the Company. The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the registered office of the Company not less than 48 Hours before the time for holding the aforesaid meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregated not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or members.

2. Information about the Directors proposed to be appointed/reappointed as stipulated under Clause 49 of Listing Agreement with the Stock Exchange in India, are provided in the Report on Corporate Governance forming part of the Annual Report. The Board of Directors of the Company recommends the appointments/re-appointments of such Directors.
3. A statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
4. Members/Proxies should bring the enclosed Attendance slip duly filled in for attending the meeting along with a copy of the Annual Report. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of Board Resolution authorizing their representatives to attend and vote on their behalf in the meeting.
5. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID Numbers and those who hold the shares in physical form are requested to write their Folio Number(s) in the Attendance Slip for attending the meeting.
6. Members who have shareholdings in multiple accounts in identical names or joint accounts in the same order are requested to send all the shares certificate(s) to the Registrar and Share Transfer Agents, Datamatics Financial Services Limited Plot No.A-16 & 17 part 'B' Cross Lane, MIDC Andheri (E), Mumbai 400 093 for consolidation of all such shareholdings into one account to facilitate better service.
7. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, the 23<sup>rd</sup> September, 2015 to Wednesday, the 30<sup>th</sup> September, 2015 (both days inclusive).
8. The Dividend as recommended by the Board, if sanctioned at the Meeting, will be paid to those Members or their mandates whose names appear in the Register of Members on Wednesday, 30<sup>th</sup> September, 2015, for those holding shares in physical form. In respect of the shares held in dematerialized form, the dividend will be paid on the basis of beneficial ownership as per the details furnished by the Depositories for this purpose at the end of business hours on **23<sup>rd</sup> September, 2015**.
9. (a) Members are requested to notify change of address, if any, with PINCODE to the Company or to its Registrar and Share Transfer Agents quoting reference of their folio and in case their shares are held in dematerialized form, this information should be passed on to their respective Depository Participants.



- (b) In case the mailing address mentioned in this Annual Report is with the PINCODE, members are requested to kindly inform their PINCODE immediately.
10. A member desirous of getting any information on the accounts or operations of the Company or share related matter is requested to forward his/her query(ies) to the Company at least Seven days prior to the meetings so that the required information can be made available at the meeting.
11. Individual members can now take the facility of making nomination of their holding. The nominee shall be the person in whom all rights of transfer and/or amount payable in respect of Shares shall vest in the event of the death of the members and the joint-holder(s), if any. A minor can be a nominee provided the name of the guardian is given in the nomination form. Non-individuals including society, trust, body corporate, partnership firm, karta of Hindu undivided family, holder of Power of Attorney cannot nominate. For further details in this regard members may contact, Datamatics Financial Services Limited, Mumbai, the Registrar and Share Transfer Agents of the Company.
12. In all correspondence with the Company or with its Registrar and Share Transfer Agents, members are requested to quote their folio number and in case their shares are held in dematerialized form, they must quote their Client ID and their DP ID Numbers.
13. The Ministry of Corporate Affairs (MCA) has taken a “Green Initiative in Corporate Governance” allowing paperless compliance by Companies through electronic mode. Companies are now permitted to send various notices/documents to its members through electronic mode to the registered e-mail addresses of members. Keeping in view the underlying theme and the circular issued by MCA, the Company proposed to send all documents to members like General Meeting Notices (including AGM), Audited Accounts, Director Report, Auditors Report etc. to the members through e-mail. Members holding shares in dematerialized form are requested to register their e-mail ID with their Depository Participants and members holding shares in physical form are requested to register their e-mail ID with Registrar and Share Transfer Agents of the Company i.e , Datamatics Financial Services Limited, Plot No. A-16 & 17, part ‘B’ Cross lane, MIDC, Andheri (E), Mumbai- 400 093 for sending documents through e-mail.
14. The Notice of the 72<sup>nd</sup> AGM and instruction for e-voting, along with the Attendance Slip and Proxy Form, is being sent by electronic mode to all the members whose e-mail addresses are registered with the Company/ Depository Participant(s) for communication purpose unless any member has requested for a hard copy of the same. For members who have not registered their e-mail addresses, physical copies of the Annual Report 2014-2015 are being sent by permitted mode.
15. Members may also note that the Notice of the 72<sup>nd</sup> AGM and the Annual Report 2014-2015 will be available on the Company’s website, [www.kayceeindustries.com](http://www.kayceeindustries.com).
16. The Securities and Exchanges Board of India(SEBI) vide its Circular dated 21<sup>st</sup> March, 2013 has provided that companies making cash payments to their investors shall use approved electronic mode of payment such as ECS, NECS, NEFT etc. To enable usage of electronic payment instruments, companies are required to maintain requisite bank details of their investors. Therefore, members of the Company who hold shares in physical form are requested to submit the following information under their signatures to Registrar and Share transfer Agents of the Company i.e Datamatics Financial Services Limited for registering bank details if not already registered earlier:-



- a) Name of the sole/first joint-holder
  - b) Folio Number
  - c) Name of Bank
  - d) Address of the Bank branch with Pin code
  - e) Bank Account No.
  - f) Type of Bank Account whether saving or current
  - g) MICR Code and
  - h) IFSC Code
17. In terms of the provisions of Section 124 of the Companies Act, 2013 (corresponding to Section 205A of the Companies Act, 1956), the amount of dividend not encashed or claimed within 7 (Seven) years from the date of its transfer to the unpaid dividend account, will be transferred to the Investor Education and Protection Fund (IEPF) established by the Government. Accordingly, the unclaimed dividend in respect of financial year 2007-08 is due for transfer to IEPF by October 2015. In terms of provisions of Section 124 of the Companies Act, 2013 (Corresponding to Section 205C of the Companies Act, 1956), no claim shall lie against the company for the said Fund after the said transfer.
18. All relevant documents referred in the Notice and statement will be available for inspection by the members at the Registered Office of the Company between 10 A.M to 4 P.M on any working day of the company up to the date of meeting.
19. **Information and other instructions relating to e-voting are as under :**
- (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 Clause 35B of the Listing Agreement, 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 72<sup>nd</sup> AGM. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the AGM but shall not be entitled to cast their vote again at the AGM.  
  
The Company has appointed Mr. Aashit Doshi, ACS, a Company Secretary in practice as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner.
  - (iii) The Company has engaged the services of Central Depository Services Limited ("CDSL") as the Agency to provide e-voting facility.
  - (iv) **Voting rights shall be reckoned on the paid-up value of shares registered in the name of member/beneficial owner (in case of electronic shareholding) as on cut-off date i.e 23<sup>rd</sup> September, 2015.**



- (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 23<sup>rd</sup> September, 2015 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 27<sup>th</sup> September, 2015 at 9.00 a.m and ends on 29<sup>th</sup> September, 2015 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 23<sup>rd</sup> September, 2015 , 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](http://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](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

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

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>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. .</li> <li>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 Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
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 in instruction (iv).

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.

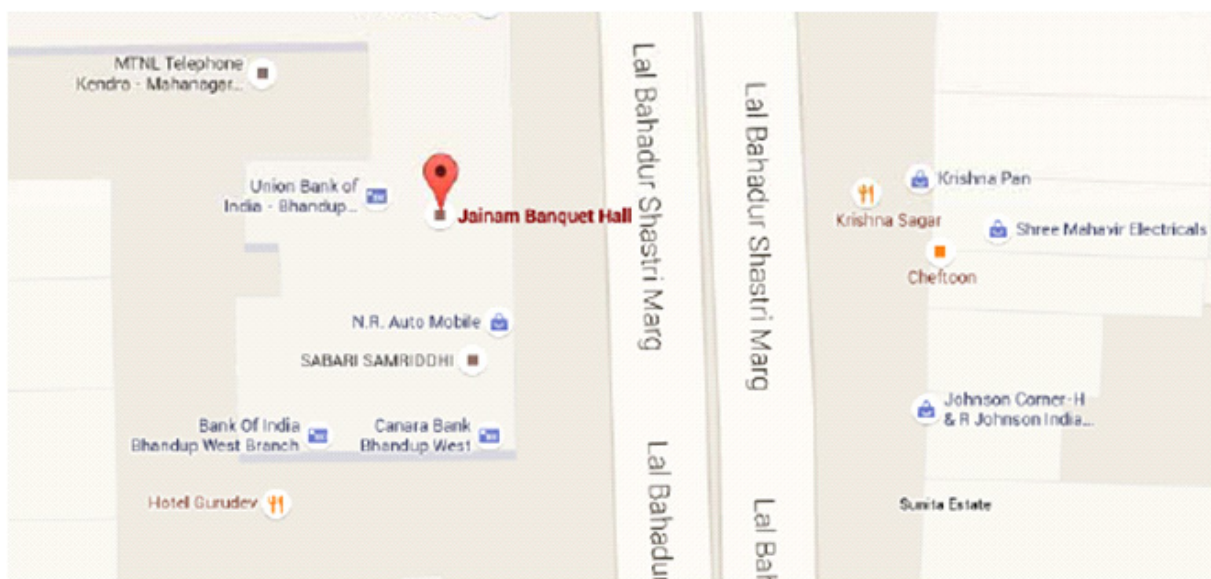
1. Click on the EVSN for the relevant <Company Name> on which you choose to vote.
2. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/ NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option 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](http://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](mailto: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](mailto: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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
- The Company has appointed, Mr.Aashit Doshi, Practising Company Secretary (Membership No. ACS 28415) 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

- The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.kayceeindustries.com](http://www.kayceeindustries.com) and on the website of CDSL [www.evoting.cdsl.com](http://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.

20. The route map of the venue of the AGM is given herein below. The prominent landmark near the venue is MTNL, Bhandup, Mumbai.



## **Annexure to the Notice**

### **Explanatory Statement**

The following Explanatory statement relating to Special Business at item Nos. 5 & 6 of the accompanying Notice sets out all material facts as required under section 102 of the Companies Act, 2013 ("the Act").

#### **Item No. 5**

The Board of Directors of the Company appointed, pursuant to the provisions of Section 161 of the Act, Mrs. Pramila Merani as an Additonal Director of the Company with effect from 30<sup>th</sup> September, 2014.

In terms of the provisions of Section 161 of the Act, Mrs. Pramila Merani will hold office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a member along with the deposit of requisite amount under section 160 of the Act proposing the candidature of Mrs. Pramila Merani for the office of Director of the Company.

Mrs. Pramila Merani is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director.

The Company has received a declaration from Mrs. Pramila Merani that she meets with the criteria of Independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

The Board of Directors of the Company on the recommendation of Nomination and Remuneration Committee of Directors recommends appointment of Mrs. Pramila Merani as Independent Director for five consecutive years with effect from 30<sup>th</sup> September, 2014 subject to approval of members.

In terms of Section 149 and other applicable provisions of the Act, Mrs. Pramila Merani being eligible, is proposed for appointment as Independent Director for five consecutive years on the Board of the Company.

In the Opinion of the Board, Mrs. Pramila Merani fulfills the conditions for her appointment as an Independent Director as specified in the Act and the Listing Agreement. Mrs. Pramila Merani is independent of the management.

Keeping in view her vast expertise and knowledge, it will be in the interest of the Company that Mrs. Pramila Merani is recommended to be appointed as an Independent Director.

Except Mrs. Pramila Merani, none of the other Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

#### **Item No. 6**

The Board of Directors of the Company appointed, pursuant to the provisions of Section 161 of the Act, Mrs. Savitri Butani as an Additonal Director of the Company with effect from 30<sup>th</sup> September, 2014.

In terms of the provisions of Section 161 of the Act, Mrs. Savitri Butani will hold office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a member along with the deposit of requisite amount under section 160 of the Act proposing the candidature of Mrs. Savitri Butani for the office of Director of the Company.



Mrs. Savitri Butani is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director.

The Company has received a declaration from Mrs. Savitri Butani that she meets with the criteria of Independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

The Board of Directors of the Company on the recommendation of Nomination and Remuneration Committee of Directors recommends appointment of Mrs. Savitri Butani as Independent Director for five consecutive years with effect from 30<sup>th</sup> September, 2014 subject to approval of members.

In terms of Section 149 and other applicable provisions of the Act, Mrs. Savitri Butani being eligible, is proposed for appointment as Independent Director for five consecutive years on the Board of the Company.

In the Opinion of the Board, Mrs. Savitri Butani fulfills the conditions for her appointment as an Independent Director as specified in the Act and the Listing Agreement. Mrs. Savitri Butani is independent of the management.

Keeping in view her vast expertise and knowledge, it will be in the interest of the Company that Mrs. Savitri Butani is recommended to be appointed as an Independent Director.

Except Mrs. Savitri Butani, none of the other Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

By Order of the Board of  
**Kaycee Industries Limited**

Sd/-  
**Kamaleshwari Bind**  
**Company Secretary & Compliance Officer**

Registered office :  
Old Kamani Chambers,  
32- Ramjibhai Kamani Marg,  
Ballard Estate, Mumbai- 400 001  
Dated : 13<sup>th</sup> August, 2015



## DIRECTORS' REPORT

The Members

**Kaycee Industries Limited**

Mumbai

Your Directors have pleasure in presenting the 72<sup>nd</sup> Annual Report and Financial Statements for the Financial Year ended 31st March, 2015.

### WORKING RESULTS:

The Company's financial performance, for the year ended March 31, 2015 is summarized below:-

### Financial Performance:

Particulars	2014-2015(Rs.)	2013-2014(Rs.)
Sales & Other Income	227529425	255824426
Profit before Depreciation	(8964720)	9868880
Less : Depreciation & Amortization	3012787	3692450
Profit/(Loss) Before Taxation	(11977507)	6176429
Less : Taxation	(579993)	1858121
Profit/(Loss) after Taxation	(11397514)	4318309

### DIVIDEND:

The Directors recommend payment of Dividend of Rs. 5/- Per equity share of Rs. 100 each, amounting to Rs. 3,17,350/- and Dividend distribution tax of Rs. 51,482/- there on equity shares, for the year ended March 31, 2015.

### PERFORMANCE REVIEW:

During the year under review, total income of the Company was Rs. 227529425 as against Rs. 255824426 in previous year ended 31st March, 2014. Net loss incurred Rs. 11397514 as against Net Profit of Rs. 4318309 in the preceding year. Your company suffering from loss due to low order received from clients and adverse market conditions. Your Directors are putting in their best efforts to improve the performance of the Company.

The operational performance of the Company has been comprehensively covered in the Management Discussion and Analysis Report

### FUTURE OUTLOOK

In the current year, the business of the Company is likely to improve due to better market condition, technological advancements/improvement in the economy particularly in the Manufacturing Sector. Moreover, the company may be diversifying into other related business areas where business potential is much more.

### 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 to place tremendous importance on overall development of all its employees.

**TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND**

The unclaimed dividend amount aggregating to Rs. 14,520/- for the financial year on 31st March, 2007 was transferred to the Investor Education and Protection Fund established by the Central Government, during the financial year ended March 31, 2014, 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**.

**EMPLOYEES**

The industrial relations during the year under review have remained cordial and satisfactory. The Board thanks all the Employees for their valuable contribution to the working of the Company.

In accordance with the provisions of Section 197(12) of the Companies Act, 2013 and Rule 5(1) and 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of employees and the Disclosure pertaining to remuneration and other details are set out in the **Annexure - II** to the Directors' Report.

However, as per the provisions of Section 136(1) of the Companies Act, 2013, the Directors' Report is being sent to the shareholders without this Annexure. Shareholders interested in obtaining a copy of the Annexure may write to the Company Secretary at the Company's Registered Office.

**CORPORATE GOVERNANCE:**

In line with requirement of the Listing Agreement with the Stock Exchanges, Report on Corporate Governance is given in **Annexure –III** along with certificate from M/s. N.D. Kapur & Co., Chartered Accountants confirming compliance with the requirement of Corporate Governance.

**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, 2015 and of the 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:**

To comply with the composition of the Board of Directors requirement as per section 149 and section 152 of the Companies Act, 2013 and the rules made there under and the applicable provisions of the Listing Agreement, Mrs. Pramila Merani, has been appointed as an Additional Director (Independent) and Mrs. Savitri Butani, has been appointed as an Additional Director (Independent), also complying the requirement of woman director on the Board. Both Mrs. Pramila Merani and Mrs. Savitri Butani shall hold office up to the date of ensuing Annual General Meeting. In terms of the said provisions, the Company has received requisite notice in writing from a member proposing appointment of Mrs. Pramila Merani as an Independent Director for five (5) consecutive years effective from 30<sup>th</sup> September, 2014 to 29<sup>th</sup> September, 2019. The Company has also received requisite notice in writing from a member proposing appointment of Mrs. Savitri Butani as an Independent Director for Five (5) consecutive years effective from 30<sup>th</sup> September, 2014 to 29<sup>th</sup> September, 2019.

As per the applicable provisions of the Companies Act, 2013, Ms. Aarti Grover, Managing Director, retires by rotation, and being eligible offers herself for reappointment.

The Company has received declaration from all the Independent Directors of the Company, viz Mrs. Pramila Merani and Mrs. Savitri Butani confirming that they meet with the criteria of independence as prescribed under the Companies Act, 2013 and clause 49 of the listing agreement.

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.

During the year, there is a change in Key Managerial Personnel of the Company, viz. Mr. Deepak Potdar, has been appointed as Chief Financial Officer and Ms. Kamaleshwari Bind as Company Secretary & Compliance Officer.

**AUDITORS**

The present Auditors of the Company M/s. N.D .Kapur & Co., are retiring at the forthcoming Annual General Meeting of the Company and are eligible for reappointment. The Company has received the requisite certificate from them pursuant to Section 139 and 141 of the Companies Act, 2013 and rules framed there under, confirming their eligibility for re-appointment as Auditors of the Company.

**SECRETARIAL AUDIT REPORT**

The Board of Directors of the Company has appointed Mr. Aashit Doshi, Practising Company Secretary, Mumbai, to conduct the Secretarial Audit pursuant to Section 204 of the Companies Act, 2013 and the Companies





(Appointment and Remuneration of Managerial Personnel) Rules, 2014 and their report, viz. Secretarial Audit Report in Form MR-3 is appended to this Report as **Annexure IV**.

Cheque was received with the notice proposing for directorship by the member, but it was not deposited in the Bank.

**MANAGEMENT DISCUSSION AND ANALYSIS:**

Management Discussion and Analysis Report is given in **Annexure -V**.

**NUMBER OF MEETINGS OF THE BOARD**

The Company has complied with the provisions for holding Board Meetings and the gap between any two meetings did not exceed 120 days. During the financial year under review 12 (Twelve) Board Meetings were held during the year. The dates on which the meetings were held are 17.04.2014, 12.05.2014, 30.05.2014, 16.06.2014, 14.08.2014, 23.09.2014, 30.09.2014, 01.11.2014, 14.11.2014, 24.12.2014, 23.01.2015, 14.02.2015.

**POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS**

The Policy of the Company on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and remuneration of Key Managerial Personnel and other employees of the Company pursuant to sub-section (3) of section 178 is adopted.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186**

There are no loans, guarantees or investments falling under section 186 of the Companies Act, 2013. However, there were no investments during the financial year. Other details are mentioned in the Notes to the financial statements.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SECTION 188(1)**

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](http://www.kayceeindustries.com).

**MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

There have been no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

**RISK MANAGEMENT POLICY AND INTERNAL FINANCE CONTROL ADEQUACY**

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks in achieving key objectives of the Company. The Company has developed and implemented Risk Management Policy of the Company to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage.

The internal control systems are commensurate with the nature, size and complexity of the business of the Company. These are routinely tested and certified by Statutory as well as Internal Auditors.

**CORPORATE SOCIAL RESPONSIBILITY**

The Company does not have a networth of ₹ 500 crore or turnover of ₹ 1000 crore or net profit of ₹ 5 crore and accordingly the provisions of Section 135 of the Companies Act, 2013 are not applicable to the Company.

**SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

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

M/s CMS Computers Limited 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**

Extract of Annual Return in Form MGT-9 as on 31.03.2015 is appended to this Report as **Annexure VI**

**WHISTLE BLOWER POLICY**

The Whistle Blower Policy (Vigil Mechanism) was constituted by the Board of Directors of the Company, pursuant to Section 177 of the Companies Act, 2013 and the rules made there under and Clause 49 of the Listing Agreement, to report genuine concerns of Directors and Employees.

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

The Company has in place an Anti Sexual Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaint Committee (ICC) has been set up to redress complaints received regarding sexual harassment. During the year under review, no complaints were reported to the Board.

**APPRECIATION AND ACKNOWLEDGEMENT:**

Your Directors wish to convey their thanks to all the Company's valued Customers, Bankers, Vendors, Business Associates, Government Authorities, and Shareholders for their continued support and patronage to the Company.

The Board also expresses its appreciation towards the contribution made by all the Employees of the Company.  
By Order of the Board of

**Kaycee Industries Limited**

Sd/-

Raju Grover

Chairperson

DIN No: 01584366

Place: Mumbai

Date: 13th August 2015

### Form AOC - I

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiary company

1.	Sl. No.	1
2.	Name of the subsidiary	RDJ Construction Private Limited
3.	Reporting period for the subsidiary concerned	01.04.2014 to 31.03.2015
4.	Reporting currency	Rupees
5.	Share capital	100,000/-
6.	Reserves & surplus	3,430,537/-
7.	Total assets	39,215,069/-
8.	Total Liabilities	35,684,532/-
9.	Investments	NIL
10.	Turnover	121,848/-
11.	Profit before taxation	95,028/-
12.	Provision for taxation	37,731/-
13.	Profit after taxation	57,297/-
14.	Proposed Dividend	NIL
15.	% of shareholding	99.90 %



**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.

<b>POWER AND FUEL CONSUMPTION</b>	<b>CURRENT YEAR31.03.2015</b>	<b>PREVIOUS YEAR31.03.2014</b>
<b>a. Ambernath Factory</b>		
Unit (KWH)	26927	17547
Total Amount (Rs.)	304270	201070
Rate/KWH (Average) Rs.	11.30	11.46
<b>b. Bhandup Factory</b>		
Unit (KWH)	161067	238035
Total Amount (Rs.)	1446900	2331819
Rate/KWH (Average) Rs.	8.98	9.80

**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. 7,405,065/-

Foreign Exchange Outgo: Rs. 2, 15,964/-

By Order of the Board of  
**Kaycee Industries Limited**

Sd/-

**Raju Grover**

**Chairperson**

DIN No: 01584366

Place: Mumbai

Date: 13th August 2015

**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 2014-2015:

Sr. No.	Name of Director	Remuneration	Median Remuneration of Employees	Ratio
1	Ms. Aarti Grover Managing Director	1704600	256,628	6.64

2. Percentage increase in remuneration of each Director in the financial year 2014-2015 :

Sr. No.	Name	Designation	Percentage increase in remuneration
1	Ms. Aarti Grover	Managing Director	-6.18%

3. Percentage increase in the median remuneration of employees in the financial year 2014-2015 is -6.18 %.
4. The number of permanent employees on the rolls of the Company, as on 31st March, 2015 is 169.

5. **Relationship between average increase in remuneration and Company performance:**

During the year, the total revenue of the Company during the year 2014-15 was Rs. 2275.29 Lacs as compared to Rs. 2558.24 Lacs of previous fiscal year. The Cash Profit/(loss) was Rs. (89.66) Lacs whereas net profit/(loss) after tax was Rs. (113.98) Lacs during the year under review whereas the average increase in remuneration was in line with industry trend and company's performance.

6. **Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:**

There is no increase in the remuneration of Key Managerial Personnel in 2014-15. During the year, the total revenue of the Company during the year 2014-15 was Rs. 2275.29 Lacs as compared to Rs. 2558.24 Lacs of previous fiscal year. The Cash Profit/loss was Rs. (89.66) Lacs whereas net profit after tax was Rs. (113.98) Lacs during the year under review.

7. **Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company :**



Particulars	As on 31st March, 2015	As on 31st March, 2014	% Variation
Market Capitalization (Rs in lacs)	1906.64	1730.83	10.16
Price Earnings Ratio	-16.73	40.08	-141.74

8. Key parameters for any variable component of remuneration of the Executive Directors: None of the Directors remuneration includes any variable component.
9. There are no employees of the Company who received remuneration in excess of the highest paid Director during the financial year 2014-2015.
10. 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/-

**Raju Grover**

**Chairperson**

DIN No: 01584366

Place : Mumbai

Date : 13th August 2015



## **Corporate Governance Report**

### **CORPORATE GOVERNANCE**

Corporate Governance is a systems of structuring, operating and controlling a company with a view to achieve long term strategic goals to satisfy its stakeholders including shareholders, creditors, employees, customers and suppliers, as well as complying with the legal and regulatory requirements, apart from meeting environmental and local community needs. It involves defining and implementing a system of rules, processes, procedures and relationships to manage the organization and fulfills its legal & financial obligations and implementing processes that guarantee transparent information to all stakeholders.

### **COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE**

Your company has always endeavored for bringing excellence in all spheres of its working be it quality control, customer satisfaction, shareholders servicing, relationship with Employees etc. The basic Corporate Governance norms have been adopted at the Board, Management and Operational levels.

Your Company is in compliance with the mandatory requirements of Corporate Governance under Clause 49 of the Listing Agreement with the Stock Exchange, as detailed below:-

#### **I. BOARD OF DIRECTORS**

##### ***(A) Composition of Board***

The Composition of the Board is in conformity with clause 49 of the Listing Agreement relating to the composition in terms of non executive/Independent directors. The Board of Directors of the Company comprises of 5 Directors with one Promoter (Executive) Director, one Promoter (Non-Executive) Director and Three Independent (Non-Executive) Directors.

##### ***(B) Non-Executive Directors compensation and disclosures***

No remuneration has been paid to the Non Executive Directors during the year. No stock options were granted to Non Executive Independent Directors.

##### ***(C) Other Provisions as to Board and Committees***

The meetings are convened by giving appropriate advance notice after obtaining approval of the Chairperson of the Board/Committee. Detailed agenda, management reports and other explanatory statements are circulated in advance in the defined agenda format amongst the members for facilitating meaningful, informed and focused decisions at the meetings.

The meetings of the Board of Directors are normally held at the Company's registered office in Mumbai 12 (Twelve) Board Meetings were held during the financial year 2014-2015. The dates on which the meetings were held are 17.04.2014, 12.05.2014, 30.05.2014, 16.06.2014, 14.08.2014, 23.09.2014, 30.09.2014, 01.11.2014, 14.11.2014, 24.12.2014, 23.01.2015, 14.02.2015.

Details of number of Board meetings attended by Directors, attendance at the AGM, number of other directorship/ committee membership held by them during the year 2014-2015 are tabulated below:



Name	Category	No. of Board Meeting Held during the year 2014-15	No. of Board Meeting attended during the year 2014-15	Whether Attendance at the Last AGM	Other Directorship and Committee positions		
					Directorship	Committee Membership	Committee Chairman
Aarti Grover	Promoter Director (Executive)	12	5	No	18	Nil	Nil
Raju Grover	Promoter Director (Non- Executive)	12	12	Yes	18	2	Nil
Sona Purshottam Ramchandani	Independent Director (Non- Executive)	12	12	Yes	11	2	2
Pramila Merani	Independent Director (Non-Executive)	12	5	No	4	2	Nil
Savitri Butani	Independent Director (Non- Executive)	12	5	No	1	Nil	Nil

The Board periodically reviews progress made by the Company.

## II. AUDIT COMMITTEE

The Company has an Audit Committee of Directors. The Company complies with the provisions of Section 177 of the Companies Act, 2013 as well as requirements of Listing Agreement under clause 49 of the listing agreement pertaining to the Audit Committee. Its composition and functioning is as under:

- The Audit Committee consists of the three directors as members and two of them are independent directors.
- All members of the committee are financially literate and the Chairperson is having the requisite financial management expertise.
- The Chairperson of the Audit Committee is Mrs. Sona Ramchandani, an independent director.
- The Chairperson of the Audit Committee is supposed to be present at coming Annual General Meeting going to be held on 30<sup>th</sup> September, 2015.
- The representatives of the statutory auditors and such other person and official of the company are invited to attend the Audit Committee meetings as and when required.
- Composition of Audit Committee:

The present Composition of the committee is tabulated as under:-

Name of Member	Category	Position
Mrs. Raju Grover	Non-Executive	Member
Mrs. Sona Ramchandani	Independent	Chairperson
Mrs. Pramila Merani	Independent	Member

\*Company Secretary is the Compliance Officer of the Committee.

*Terms of Reference of Audit Committee (to the extent applicable)*

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;



17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.  
**Explanation (i):** The term “related party transactions” shall have the same meaning as provided in Clause 49(VII) of the Listing Agreement.

#### **Review of information by Audit Committee**

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

#### **Meeting of the Audit Committee**

During the Year, the Audit Committee had met 2 (Two) times on 15.11.2014, 06.1.2015. The composition of the Audit Committee and number of meetings attended by the members are given below:

Name of Member	Category	Position	No. of meetings held	Number of meetings attended
Mrs. Sona Ramchandani	Independent	Chairperson	2	2
Mrs. Raju Grover	Non-Executive	Member	2	2
Mrs. Pramila Merani	Independent	Member	2	2

\*The Company Secretary acts as the secretary of the Committee.

### **III. NOMINATION AND REMUNERATION COMMITTEE**

For complying the requirement of Section 178 of Companies Act, 2013 board has established the Nomination and Remuneration Committee to work with the entire board to determine the appropriate characteristics, skills, experience required for the board as a whole and for individual members. Board members are

expected to possess the required qualifications, integrity, expertise and experience for the experience. The composition of the Committee consists of Non-Executive Director.

Name of Member	Category
Mrs. Raju Grover	Promoter Director
Mrs. Sona Ramchandani	Independent
Mrs. Pramila Merani	Independent

The Board likes to further inform as under.

- i) There was no remuneration meeting held during the year as there was no requirement.
- ii) No remuneration was paid to the Non-executive Directors.

#### **IV. SHARE TRANSFER-CUM-SHAREHOLDERS GRIEVANCE COMMITTEE**

##### **i) Terms of reference**

The Share Transfer-cum-Shareholders Grievance Committee is constituted under the Chairmanship of a non-executive director to consider and approve various requests for transfer, subdivision, consolidation, renewal, exchange, dematerialization, rematerialization, issue of new Certificates in replacement of old ones and redress the grievances of the Shareholders as may be received from time to time.

##### **ii) Composition and Meeting**

The present Composition of the committee is tabulated as under:-

Name of Member	Category	Position
Mrs. Raju Grover	Non-Executive	Member
Mrs. Sona Ramchandani	Independent	Chairperson
Mrs. Pramila Merani	Independent	Member

Company Secretary is the Compliance Officer of the Committee, who oversees the investor's grievances. During the Year 2014-15, the Share Transfer-cum-Shareholders Grievance Committee had met 1 (One) time on 06.1.2015. The composition of the said Committee and number of meetings attended by the members are given below:

Name of Member	Category	Position	No. of meetings held	Number of meetings attended
Mrs. Raju Grover	Non-Executive	Member	1	1
Mrs. Sona Ramchandani	Independent	Chairperson	1	1
Mrs. Pramila Merani	Independent	Member	1	1

##### **iii) Investor Complaints received and redressed**

Investors' complaints were received, reviewed and approved at the meeting held during the year 2014-15. All queries received during the year 2014-15 under review were replied to the satisfaction of the investors.



<b>No. of Complaints Received</b>	<b>12</b>
<b>No. of Complaints Resolved</b>	<b>12</b>
<b>No. of Complaints Pending</b>	<b>NIL</b>

## V. GENERAL BODY MEETINGS

Location and time where the last three Annual General Meetings were held and the Special Resolutions passed thereat:

<b>Year</b>	<b>Date</b>	<b>Location</b>	<b>Time</b>	<b>Whether Spl.Resolutions Passed</b>
2011-12	29 <sup>th</sup> September, 2012	Bhandup	13.30	Yes
2012-13	30 <sup>th</sup> September, 2013	Bhandup	13.30	Yes
2013-14	30 <sup>th</sup> September, 2014	Bhandup	13.30	No

Special Resolutions passed through Postal Ballot during financial year 2014-15: NIL

## VI. DISCLOSURES

### (A) Basis of related party transactions

The required disclosure with respect to the related party transactions, if any were duly made to Audit Committee on a quarterly basis. Transactions with related parties, if any are disclosed in the Notes to the Accounts as part of Financial Statements.

### (B) Disclosure of Accounting Treatment

During the year there has been no deviation in Accounting Policies/Accounting Standards of the company. The same are disclosed in the Notes to the Accounts as part of Financial Statements.

### (C) Proceeds from Public issue, right issue, preferential issue etc.

Your company has not issued any share capital during the year 2014-15 under review by way of public issue, right issue and preferential issue or by any other means.

### (D) Details of Non Compliance

No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or on any matter related to Capital Markets during the last three years.

### (E) SEBI Complaints Redress System (SCORES)

The Company processes the investors' complaints received by it through a computerized complaints redress system. The salient features of this system are Computerized database of all inwards receipts and action taken on them, online submission of Action Taken Reports (ATRs) along with supporting documents electronically in SCORES.

## VIII. CODE OF CONDUCT

- (i) In compliance with clause 49 of the Listing Agreement and the Companies Act, 2013 the company has framed a Code of Conduct and Code of Fair Disclosures. The copies of Code of Conduct as applicable to the Members of Board, Executive officers (including Senior Management of the Company)

and Non Executive officers and all employees of the company have been sent to all the Directors and Senior Management Personnel. These will be posted on the website of the company. The copy of the Code of Conduct and Code of Fair Disclosures can be inspected from the Registered Office of the company.

- (ii) All the members of the Board of Directors and Senior Management personnel have affirmed compliance with the Code as applicable to them during year ended March 31, 2015. The annual report of the Company contains certificate duly signed by the Managing Director and CFO of the company.

#### **IX. REPORT ON CORPORATE GOVERNANCE**

The Quarterly Compliance report has been submitted to the Stock Exchanges where the Company's equity shares are listed in the requisite format duly signed by the Compliance Officer i.e. Company Secretary.

#### **X. COMPLIANCE CERTIFICATE**

- A. Compliance Certificate for Corporate Governance from the Auditors of the Company is annexed here with.
- B. The company had not adopted the non-mandatory requirements as mentioned in the Clause 49.

#### **XI. MEANS OF COMMUNICATION**

Quarterly and Annual Audited financial results are sent immediately to the Bombay Stock Exchange after they are approved by the Board of Directors. The Company published its results within the stipulated time as per the Listing Agreement in leading newspapers, i.e. Free Press Journal in English & Navshakti in Marathi .

As per clause 54 of Listing Agreement, the Company has maintained functional website ([www.kayceeindustries.com](http://www.kayceeindustries.com)).

The Company has designated an email-id [complianceofficer@cms-kaycee.co.in](mailto:complianceofficer@cms-kaycee.co.in)

#### **XII. GENERAL SHAREHOLDER INFORMATION**

Annual General Meeting	Wednesday, the 30th September, 2015 at 01.30 PM at Jainam Banquet Hall, L.B.S Marg, Bhandup (West), Mumbai-400 078
Financial Year	April 01, 2014 to March 31, 2015
Book closure period	September 21st , 2015 to September 30th , 2015 (Both days inclusive)
Dividend payment	Till 30 <sup>th</sup> October, 2015

##### **(i) Financial Calendar**

Events	Actual date/Tentative time frame
Financial Reporting for the quarter ending 30th June, 2015	2nd Week of August, 2015
Financial Reporting for the quarter ending 30th September, 2015	2nd Week of November, 2015
Financial Reporting for the quarter ending 31st December, 2015	2nd Week of February, 2016
Financial Reporting for the quarter ending 31st March, 2016	last week of May, 2016

**(ii) Listing:**

The Equity Shares of the company are listed on Bombay Stock Exchange Ltd. Already paid listing fee for the year 2015-16 to BSE.

(iii) ISIN No. and BSE Security Code is INE813G01015 and 504084 respectively.

**(iv) Stock Market Price Data**

The Monthly High/Low stock prices of Company Equity Shares at Bombay Stock Exchange during Financial Year 2014-2015 are given below:

	<b>KAYCEE INDUSTRIES LIMITED (SHARE PRICES )</b>	
<b>Month</b>	<b>High (Rs.)</b>	<b>Low (Rs.)</b>
Apr-14	3,075	2,515
May-14	3,545	2,515
June-14	3768	3100
Jul-14	4,640	3,050.00
Aug-14	3849	3,511.25
Sep-14	4,480	3335
Oct-14	4,475	3,450.00
Nov-14	4,250	3,618.05
Dec-14	4,100	3301.05
Jan-15	3,860	3,200
Feb-15	3689	3,025
Mar-15	3,500	2,715

**(v) Share Transfer System and R&T Agent**

Shares lodged for transfer in house and at our Registrar & Transfer Agent M/s. Datamatics Financial Services Limited, Mumbai are normally processed and approved by Share Transfer-cum-Shareholders Grievance Committee of the Company on quarterly basis. The Registrar & Share Transfer Agent of the company is "DATAMATICS FINANCIAL SERVICES LTD." The Transfer and Transmission of shares is processed within stipulated time from date of receipt of documents complete in all respect.

**(vi) Distribution of shareholding**

Distribution of shareholding as on March 31st, 2015:

<b>Category (No. of Shares)</b>	<b>No. of Shareholders</b>	<b>Percentage of Shareholders</b>	<b>No. of Shares</b>	<b>Percentage of Total Shares</b>
Upto 500	1638	99.7564	16589	26.14
501 – 1000	2	0.1218	1162	1.83
1001 – 5000	0	-	0	-
5001- 999999	2	0.1218	45719	72.03
<b>TOTAL</b>	<b>1642</b>	<b>100.0000</b>	<b>63470</b>	<b>100.00</b>



Shareholding pattern as on March 31, 2015

Category of Shareholder	No. of Shareholders	Total No. of Shares held	Percentage of Shareholding
(A) Promoters & Promoter Group	2	45719	72.03
(B) Public shareholding			
(i) Mutual Funds /Banks /FIIS /IFCI	5	158	0.25
(ii) NRIs/ Foreign Nationals	0	0	-
(iii) Private Corporate Bodies	48	625	0.98
(iv) Individuals	1581	16150	25.45
(v) Any other	6	818	1.29
<b>TOTAL</b>	<b>1642</b>	<b>63470</b>	<b>100.00</b>

**(vii) Dematerialization of shares and liquidity**

The shareholders of the company have been admitted with both NSDL and CDSL for dematerialization. This helps the investor to dematerialize their holding in electronic form and resultant fast transfer of shares. As on 31st March 2015, 91% of Equity shares stand dematerialized.

- viii) Outstanding ADRs/GDRs/Warrants/Options or any convertible Instruments, conversion date and likely impact on Equity - There are no outstanding GDRs/ADRs/Warrants of the Company.

Plant Location : 1

70, Lake Road, Kaycee Industrial Compound, Bhandup (W), Mumbai 400 078

Plant Location : 2

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

**(ix) Green Initiative**

Pursuant to Circulars No. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 issued by the Ministry of Corporate Affairs (MCA), MCA has undertaken a "Green Initiative in Corporate Governance", by allowing paperless compliance including service of notices/documents by companies to their shareholders through electronic mode. In order to enable the Company to send such documents in electronic form, members who hold shares in physical form are requested to register their e-mail addresses with the Company by sending a letter to the address given below, or an e-mail on their respective e-mail ID [complianceofficer@cms-kaycee.co.in](mailto:complianceofficer@cms-kaycee.co.in) and intimate changes in the e-mail Id from time to time.

- (x) Address for correspondence:-

Company Secretary KAYCEE INDUSTRIES LIMITED OLD KAMANI CHAMBERS, 32-RAMJIBHAI KAMANI MARG, BALLARD ESTATE, MUMBAI- 400 001. Email id : <a href="mailto:k_bind@cms.co.in">k_bind@cms.co.in</a>	Our Registrar& Share Transfer Agent:- DATAMATICS FINANCIAL SERVICES LIMITED, Plot No.A-16 & 17 part B Cross Lane, MIDC, Andheri (E), Mumbai 400 093. Email id : <a href="mailto:anand_bhilare@dfssll.com">anand_bhilare@dfssll.com</a>
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### **CEO/CFO Certifications**

As required under Clause 49 (IX) of the Listing Agreement with the Stock Exchanges, the Chief Executive Officer and the Chief Financial Officer of the Company have certified regarding the Financial Statements for the year ended March 31, 2015 which is annexed to this Report.

We, to the best of our knowledge and belief, do hereby certify that:

- a) We have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2015 and that to the best of our knowledge and belief;
  - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- b) To the best of our knowledge and belief, no transactions entered into by the Company during the year that are fraudulent, illegal or violate the Company's Code of Conduct;
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and they have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies;
- d) We have indicated to the Auditors and the Audit Committee;
  - i) Significant changes in internal control over financial reporting during the year;
  - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii) Instances of significant fraud of which they have become aware and involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

By Order of the Board of  
For **KAYCEE INDUSTRIES LIMITED**

Place: Mumbai  
Date: 13<sup>th</sup> August, 2015

Sd/-  
Deepak Potdar  
Chief Finance Officer

Sd/-  
Aarti Grover  
Managing Director



### **DECLARATION ON COMPLIANCE OF COMPANY'S CODE OF CONDUCT**

This is to confirm that the company has adopted a Code of Conduct for its employees and Directors.

I confirm that that the Company has in respect of the financial year ended 31st March, 2015, received from the Senior Management Personal and the members of the Board, a declaration of compliance with the code of conduct as applicable to them.

For the purpose of this declaration, senior management team means the Chief Financial Officer, the Company Secretary and all functional heads of Company as on March 31, 2015.

By Order of the Board of

For **Kaycee Industries Limited**

Sd/-  
(Aarti Grover)  
Managing Director  
Place: Mumbai  
Date : 13<sup>th</sup> August, 2015

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To  
The Members of  
**Kaycee Industries Limited**

We have examined the compliance of conditions of Corporate Governance by Kaycee Industries Limited ('the Company'), for the year ended 31st March, 2015, as stipulated in Clause 49 of the Listing Agreement of the Company entered into with Bombay Stock Exchanges Limited.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company, for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For N.D. Kapur & Co.,  
Chartered Accountants,  
Firm's Registration No. 001196N

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

Place : Mumbai  
Date : August 13, 2015

**SECRETARIAL AUDIT REPORT****Form No. MR-3****FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2015**

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

To

The Members

**KAYCEE INDUSTRIES LIMITED**

Old Kamani Chambers

32-Ramjibhai Kamani Marg

Ballard Estate, Mumbai-400001

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2015 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 31<sup>st</sup> March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; and
  - (c) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

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

- (i) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; and
- (ii) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999
  - (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

I have also examined compliance with the applicable clauses of the Listing Agreement for Equity Shares entered into by the Company with Stock Exchange(s). Further, as per the explanations given to me in the representations made by the management and relied upon by me, I further report that Clause 49 of the Listing Agreement does not apply to the Company.

Further to report that the Secretarial Standards issued by the Institute of Company Secretaries of India under the Companies Act, 2013 were not notified during the period and hence not verified.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above to this report to the extent applicable except that the Company has not received Deposit from the Member proposing appointment(s) of Director(s) under section 160 of the Companies Act, 2013 along with Notice in writing.

I further report that:

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

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

Majority decision is carried through and as informed, there were no dissenting members' views and hence not recorded as part of the minutes.



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 may be further strengthened.

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

**Sd/-**

**Aashit Doshi**

**Practicing Company Secretary**

**ACS: 28415 CP: 10190**

Date: 13/08/2015

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.





To

The Members

**KAYCEE INDUSTRIES LIMITED**

Old Kamani Chambers

32-Ramjibhai Kamani Marg

Ballard Estate, Mumbai-400001

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

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

Sd-/

**Aashit Doshi**

**Practicing Company Secretary**

**ACS: 28415 CP: 10190**

Date: 13/08/2015

Place: Mumbai



## MANAGEMENT DISCUSSION AND ANALYSIS

### INDUSTRY STRUCTURE AND DEVELOPMENT

The macro-economic situation is still sluggish and policy measures taken by the new Government are yet to positively influence the economy and the business of electrical distribution and other components industry. The slowdown in electrical distribution and other components industry began few years back, continued to this financial year also and continued impacting capacity utilization and price realization because of keen competition amongst organized sector manufacturers owing to overcapacity in industry. Demand of Switches, counter and other electrical items by corporate both private and public sectors, are much lower and with that limited demand is being chased by huge capacity. This has caused industry's capacity utilization at sub-optimum level and price realization and liquidity problem is still faced by most of players in the Industry.

With the new Government at Centre, public sentiment has substantially improved. Measures taken by the new Government are positive for overall industrial sectors including electrical distribution and other components industry. The situation is expected to improve gradually and the initiatives and measures on policy matters will have its genuine effect in contribution to economic growth over next 18-24 months 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.

### FINANCIAL PERFORMANCE & ANALYSIS

The total revenue of the Company during the year 2014-15 was Rs.2275.29 Lacs as compared to Rs. 2558.24 Lacs for previous fiscal year. The net loss after tax during the current year was Rs. 113.98 Lacs as compared to net profit of Rs. 43.18 Lacs during the previous year.

### INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

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.

### 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.

### RISK AND CONCERN

Considering the existing continued slow-down and future positive medium to long term outlook due to steps taken on policy matters by the new government, situation is expected to revive gradually in near future. The major risk factors affecting the Company are overcapacity in industry, increase in receivable positions due to delay in payment by certain customers, uncertainty in execution of low fixed price orders.

### OUTLOOK

The Company expects further improvement in volume at available market prices. Currency fluctuation is also affecting margins since cost of raw material, being of import origin, is affected. Increasing competition, delay in implementation of announced projects and measures, high prices of major raw materials and other components



will continue to impact realizations, both at gross and net level. Expected reduction in interest rate by banks and financial institution not moving at desired pace also delaying revival of stuck projects and takeoff of new projects recently announced. Your Company is always focused on cost control and productivity improvement areas to effectively fight competition. With new Government at the Centre taking positive steps in policy matters, revival of indolent phase is expected gradually in next 18-24 months period and outlook for long term seems positive for our Company.

**CAUTIONARY STATEMENT**

Statements in this report on Management Discussion and Analysis may be forward looking statements within the meaning of applicable security laws or regulations. These statements are based on certain assumptions and expectations of future events. Actual results could however, differ materially, from those expressed or implied. Important factors that could make a difference to the Company's operations include global and domestic demand supply conditions, finished goods prices, raw material costs and availability and changes in government regulations and tax structure, economic development within India and the countries with which the Company has business contacts and other factors such as litigation and industrial relations.

By Order of the Board of  
**Kaycee Industries Limited**

Sd/-  
Raju Grover  
Chairperson  
Place: Mumbai  
Date: 13th August, 2015

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

As on financial year ended on 31.03.2015

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 :**

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-400001
6.	Whether listed Company	YES
7.	Name, Address & Contact details of the Registrar & Transfer Agent, if any.	Datamatics Financial Services Limited Plot No.A-16 & 17 part 'B' Cross Lane, MIDC Andheri (E), Mumbai 400 093. Contact : 022-66712188

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

Sr.No	Name and Description of Main Products/ services	NIC Code of the Product/Service	%to total turnover of the Company
1	SWITCHES	27104	73.96%
2	COUNTERS	26519	10.90%

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

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

Sr.No	Name and Description of Main Products/ services	NIC Code of the Product/Service	%to total turnover of the Company
	—	—	—
	—	—	—

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

Category of Shareholders	No. of Shares Held of the Beginning of the Year (As on 31 March-2014)				No. of Shares held at the end of the year (As on 31- March-2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian	—	—	—	—	—	—	—	—	—
a) Individual/HUF	—	—	—	—	—	—	—	—	—
b) Central Govt	—	—	—	—	—	—	—	—	—
c) State Govt(s)	—	—	—	—	—	—	—	—	—
d) Bodies Corp.	45725	—	45725	72.0419	45719	—	45719	72.0325	0.0094
e) Bank/FI	—	—	—	—	—	—	—	—	—
f) Any other	—	—	—	—	—	—	—	—	—
<b>Total shareholding of Promoter (A)</b>	<b>45725</b>		<b>45725</b>	<b>72.0419</b>	<b>45719</b>	—	<b>45719</b>	<b>72.0325</b>	0.0094
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	—	—	—	—	—	—	—	—	—
b) Banks/FI	—	158	158	0.2489	—	158	158	0.2489	00
c) Central Govt	—	—	—	—	—	—	—	—	—
d) State Govt(s)	—	—	—	—	—	—	—	—	—
e) Venture Capital Funds	—	—	—	—	—	—	—	—	—
f) Insurance Companies	—	—	—	—	—	—	—	—	—
g) FIs	—	—	—	—	—	—	—	—	—
h) Foreign Venture Capital Funds (Specify)	—	—	—	—	—	—	—	—	—
Sub-total (B)(1):-	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—
<b>2.Non-Institutions</b>									
a) Bodies Corp.	397	19	416	0.6554	606	19	625	0.9847	0.3293
i) Indian									
ii) Overseas	—	—	—	—	—	—	—	—	—
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 Lakh	11416	4991	16407	25.8500	11260	4890	16150	25.4451	(0.4049)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	—	—	—	—	—	—	—	—	—
c Others (specify)									
Non Resident Indians	5	644	649	1.0225	2	644	646	1.0178	0.0047
Non Resident Indians rept	115	—	115	0.1812	172	—	172	0.2710	(0.0898)
Overseas Corporate bodies	—	—	—	—	—	—	—	—	—
Foreign Nationals	—	—	—	—	—	—	—	—	—
Clearing Members	—	—	—	—	—	—	—	—	—
Trusts —	—	—	—	—	—	—	—	—	—
Foreign Bodies- DR	—	—	—	—	—	—	—	—	—
Sub-Total (B)(2):-									
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>11933</b>	<b>5812</b>	<b>17745</b>	<b>27.958</b>	<b>12040</b>	<b>5711</b>	<b>17751</b>	<b>27.9675</b>	0.0095
c.Shares held by custodian for GDRs & ADRs	—	—	—	—	—	—	—	—	—
<b>Grand Total (A+B+C)</b>	<b>57658</b>	<b>5812</b>	<b>63470</b>	<b>100</b>	<b>57759</b>	<b>5711</b>	<b>63470</b>	<b>100</b>	

**B) SHAREHOLDING OF PROMOTER**

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of Total shares of the Company	% of shares pledged/encumbered to total shares	No. of Shares	% of Total shares of the Company	% of shares pledged/encumbered to total shares	
1	CMS TRAFFIC SYSTEMS LIMITED	21656	34.12	—	21656	34.12	—	—
2	CMS COMPUTERS LIMITED	24069	37.922	—	24063	37.913	—	0.009
	Total	45725	72.042	—	45719	72.033	—	—

**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	45725	72.042	45725	72.042
	Date wise Increase/Decrease in Promoters shareholding during the year specifying the reason for increase/decrease (e.g allotment /transfer/bonus/sweat equity etc.)	<b>NO TRANSACTION DURING THE YEAR</b>			
	At the end of the year	45725	72.042	45725	72.042

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

SN	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.	CUSTODIAN OF ENEMY PROP FOR(I)	629	0.991	629	0.991
2.	JYOTI C JAIN	271	0.427	271	0.427
3.	PIYUSH VASANTLAL VARAIYA	426	0.671	426	0.671
4.	ASLAM QADAR KHAN	330	0.520	330	0.520
5.	CHANDRA PRAKASH JAIN	319	0.530	319	0.530
6.	RAJ MOHINI	298	0.470	298	0.470
7.	SHARAD KANAYALAL SHAH	200	0.315	200	0.315
8.	NEMISH S SHAH	112	0.176	112	0.176
9.	PANSY DINSHAW MEHTA	141	0.222	141	0.222
10.	RENU GUPTA	128	0.202	128	0.202

**E) Shareholding of Directors and Key Managerial Personnel**

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	At the beginning of the year	—	—	—	—
	Date wise Increase/Decrease in Promoters Shareholding during the bonus/sweat equity etc);	NO HOLDING OF DIRECTOR OR KMP			
	At the end of the year	—	—	—	—

**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	33,115,855	2,000,000	Nil	Nil
ii) Interest due but not paid	0	0	Nil	Nil
iii) Interest accrued but not due	0	0	Nil	Nil
<b>Total (i+ii+iii)</b>	33,115,855	2,000,000	Nil	Nil
Change in Indebtedness during the financial year			Nil	Nil
*Addition	Nil	Nil	Nil	Nil
*Reduction	Nil	Nil	Nil	Nil
Net Change	Nil	Nil	Nil	Nil
Indebtedness at the end of the financial year	Nil	Nil	Nil	Nil
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>				

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

SN	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		AARTI GROVER	DEEPAK POTDAR	KAMALESHWARI BIND	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income- tax Act, 1961	1704600	625562	395796	2725958
	(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**

SN	Particular of Remuneration	Name of Directors			Total Amount
		Mrs. Sona Ramchandani	Mrs. Pramila Merani	Mrs. Savitri Butani	
1	Independent Directors				
	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	—	—	—	



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

SN	Particular 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 (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	-	395796	625562	
2	Stock Option	—	—	—	—
3	Sweat Equity	—	—	—	—
4	Commission-as % of profitOthers, specify	—	—	—	—
5	Others, please specify	—	—	—	—
	Total —		395796	625562	—

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

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

**INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS**

To  
**THE MEMBERS OF  
KAYCEE INDUSTRIES LIMITED**

**Report on the Financial Statements**

We have audited the accompanying financial statements of **KAYCEE INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and loss and the cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position and financial performance and cash flow of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- (b) in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date and
- (c) its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
  - (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) on the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
  - (f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. there is no pending litigation as on 31 March 2015 and therefore the Company has not made any disclosure in this regard in its financial statements;
    - ii. the Company did not have any long-term contracts including derivatives contracts and therefore no provision is required to be made in this regard;
    - iii. there is no amount of due which is required to be transferred to Investor Education and Protection Fund.

**For N. D. KAPUR & CO.****Chartered Accountants**

Firm's Registration No: 001196N

Sd/-

**S. K. AGRAWAL****Partner**

Membership No. 13968

Mumbai

Dated: May 30, 2015

**ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT**

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2015, we report that:

1. In respect of its fixed assets:
  - a) The Company is in the process of updating records showing full particulars, including quantitative details and situation, of its fixed assets.
  - b) All the fixed assets have been physically verified by the management according to a regular program, which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies with respect to book records were noticed on such verification.
2.
  - a) The inventory has been physically verified by the respective Management of the Company and subsidiary Company during the year. In our opinion, the frequency of verification is reasonable.
  - b) In our opinion, the procedures of physical verification of inventory followed by the Management of the Company are reasonable and adequate in relation to the size of the aforesaid Company and the nature of their business.
  - c) The Company is maintaining proper records of inventory. No material discrepancies were noticed on physical verification of inventory of the aforesaid Company as compared to the respective book records.
3. The Company has not granted any loans, secured or unsecured, to companies, firm or other parties covered in the register maintained under section 189 of the Companies Act, 2013, and hence clause 3(iii) of the Companies (Auditor's Report) Order 2015 is not applicable to the company.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for sale of goods and services. We have not observed any major weakness in the internal control system during the course of the audit.
5. The Company has not accepted any deposit from the public.
6. As informed to us, the maintenance of Cost Records has not been prescribed by Central Government under Section 148 of the Act for any of the goods sold or services rendered by the Company for the accounting year ended on 31st March 2015.
7. In respect of statutory dues:
  - a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited



during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31 March 2015 for a period of more than six months from the date they became payable.

- b. The disputed statutory dues aggregating to Rs 3.96 lacs (P.Y. Rs 3.96 lacs) have not been deposited on account of matters pending before appropriate authorities are as under:

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

- c. According to the information and explanations given to us, there is no amount of due which is required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under.
8. The company has no accumulated losses as at 31<sup>st</sup> March, 2015 and it has incurred cash loss during the current financial year and has not incurred cash loss in the immediately preceding financial year.
9. Based on our audit procedures and according to the records, information and explanation given to us by the Company, there is no default in repayment of dues to financial institutions or banks. The Company has not issued any debentures and therefore question of default in repayment of dues to debenture holders does not arise.
10. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from any bank or financial institutions.
11. The Company has not raised any term loan.
12. On the basis of examination of books of accounts and other records of the Company, we have not come across any fraud on or by the Company, noticed or reported during the course of our audit, nor have we been informed of such case by the Management.

**For N. D. KAPUR & CO.**  
**Chartered Accountants**  
 Firm's Registration No: 001196N  
 Sd/-  
**S. K. AGRAWAL**  
**Partner**  
 Membership No. 13968

Mumbai  
 Dated: May 30, 2015

## BALANCE SHEET AS AT 31ST MARCH, 2015

	Note No.	31st March, 2015 Rupees	31st March, 2014 Rupees
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 SHAREHOLDERS' FUND :</b>			
(a) Share Capital	1	6,347,000	6,347,000
(b) Reserves & Surplus	2	113,342,210	126,142,931
(c) Money received against share warrants		-	-
		<b>119,689,210</b>	<b>132,489,931</b>
<b>2 SHARE APPLICATION MONEY PENDING ALLOTMENT :</b>		-	-
<b>3 NON-CURRENT LIABILITIES</b>			
(a) Long term Borrowings	3	2,000,000	2,000,000
(b) Deferred Tax Liabilities	4	-	-
(c) Other Long term Liabilities		-	-
(d) Long term Provisions	5	4,666,831	3,521,718
		<b>6,666,831</b>	<b>5,521,718</b>
<b>4 CURRENT LIABILITIES</b>			
(a) Short Term Borrowings	6	35,575,355	28,065,097
(b) Trade payables	7	41,156,830	52,608,407
(c) Other Current Liabilities	8	6,158,890	5,145,621
(d) Short Term Provisions	9	8,027,196	4,696,980
		<b>90,918,272</b>	<b>90,516,105</b>
<b>TOTAL</b>		<b>217,274,313</b>	<b>228,527,755</b>
<b>II. ASSETS</b>			
<b>1 NON CURRENT ASSETS</b>			
(a) Fixed Assets			
(i) Tangible Assets	10	27,975,302	24,569,535
(ii) Intangible Assets		-	-
(iii) Capital Work in Progress		14,766,844	14,766,844
(iv) Intangible assets under development		-	-
(b) Non current Investment	11	109,900	109,900
(c) Deferred Tax Assets	4	935,524	355,531
(d) Long Term loans and Advances		-	-
(e) Other Non Current Assets	12	876,320	876,320
		<b>44,663,890</b>	<b>40,678,130</b>
<b>2 CURRENT ASSETS</b>			
(a) Current Investments		-	-
(b) Inventories	13	66,430,954	66,841,705
(c) Trade Receivables	14	90,874,702	93,089,813
(d) Cash and cash equivalents	15	6,124,779	17,824,172
(e) Short-term loans and advances	16	4,207,355	4,865,899
(f) Other current assets	17	4,972,633	5,228,035
		<b>172,610,423</b>	<b>187,849,625</b>
<b>TOTAL</b>		<b>217,274,313</b>	<b>228,527,755</b>

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

1 TO 27

For and on behalf of the Board

For N.D KAPUR &amp; CO.

Firm Registration No:001196N

Chartered Accountants

S.K.AGRAWAL

Partner

MUMBAI

Date: 30th May 2015

Sd/-

AARTI GROVER

Managing Director

Sd/-

Deepak Potdar

Chief Financial Officer

Sd/-

RAJU GROVER

Director

Sd/-

Kamleshwari Bind

Company Secretary

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2015

	Note No.	31st March, 2015 Rupees	31st March, 2014 Rupees
<b>A CONTINUING OPERATION</b>			
1 Revenue from operations	18	224,309,525	252,152,516
2 Other Income	19	3,219,900	3,671,910
3 <b>Total Revenue</b>		<b>227,529,425</b>	<b>255,824,426</b>
4 <b>Expenses</b>			
(a) Cost of materials consumed	20	126,580,808	142,569,290
(b) Purchases of stock-in-trade	21	6,027,551	7,344,429
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	(11,481,847)	(11,945,111)
(d) Employee Benefit Expenses	23	59,140,406	56,202,461
(e) Finance cost	24	4,704,596	3,288,225
(f) Depreciation and Amortisation Expenses	10	3,012,787	3,692,450
(g) Other Expenses	25	51,522,631	48,496,253
<b>Total Expenses</b>		<b>239,506,932</b>	<b>249,647,996</b>
5 <b>Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)</b>		<b>(11,977,507)</b>	<b>6,176,429</b>
6 Exceptional items		-	-
7 <b>Profit/(Loss) before extraordinary items and tax(5-6)</b>		<b>(11,977,507)</b>	<b>6,176,429</b>
8 Extraordinary items		-	-
9 <b>Profit / (Loss) before tax (7 - 8)</b>		<b>(11,977,507)</b>	<b>6,176,429</b>
10 <b>Tax Expenses</b>			
(a) Current tax		-	1,925,000
(a) Prior Period		-	(307,533)
(b) Deferred Tax		(579,993)	240,654
11 <b>Profit / (Loss) from continuing operations (9 - 10)</b>		<b>(11,397,514)</b>	<b>4,318,309</b>
Earning per equity share of face value of Rs.100 each ( Basic & Diluted)		<b>(179.57)</b>	<b>68.04</b>

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

1 TO 27

For and on behalf of the Board

For N.D KAPUR &amp; CO.

Firm Registration No:001196N

Chartered Accountants

S.K.AGRAWAL

Partner

MUMBAI

Date: 30th May 2015

Sd/-

AARTI GROVER

Managing Director

Sd/-

Deepak Potdar

Chief Financial Officer

Sd/-

RAJU GROVER

Director

Sd/-

Kamleshwari Bind

Company Secretary

## CASH FLOW FOR THE YEAR ENDED 31ST MARCH 2015

		2013-2015		2013-2014	
		RS	RS	RS	RS
<b>A.</b>	Cash Flow From Operating Activities				
	Net Profit/(Loss ) Before Tax and extra Ordinary Items		(11,977,507)		6,176,429
	Adjusted for				
	Provision for Doubtful Debts	555,034		(348,923)	
	Depreciation	3,012,787		3,692,450	
	Interest received	(788,683)		(1,075,910)	
	Dividend received	(1,000)		(1,000)	
	Adjustment in Exchange Gain / Loss	(271,119)		138,582	
	Rent Received	(2,400,000)		(2,595,000)	
	Loss on Fixed Asset discarded	-		13,175	
	Interest Charged	4,704,596	4,811,615	3,288,225	3,111,599
	<b>Operating profit before working capital changes</b>		<b>(7,165,891)</b>		<b>9,288,028</b>
	Adjustments for:				
	Trade and other receivables	2,574,024		(8,941,315)	
	Inventories	410,751		(23,972,611)	
	Trade payable / Other Liabilities	(5,962,978)	(2,978,203)	6,934,841	(25,979,085)
	<b>Cash generated from operations</b>		<b>(10,144,094)</b>		<b>(16,691,057)</b>
	Direct taxes Paid		247,458		(495,577)
	Net cash flow before extra ordinary items		(9,896,636)		(17,186,634)
	Prior Period items		-		(307,533)
	<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>		<b>(9,896,636)</b>		<b>(17,494,167)</b>
<b>B.</b>	Cash flow from investing activities				
	Inflow				
	Interest received		788,683		1,075,910
	Dividend received		1,000		1,000
	Rent received		2,400,000		2,595,000
	Outflow				
	Purchase of fixed assets		(7,452,933)		(3,229,614)
	<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>		<b>(4,263,250)</b>		<b>442,296</b>
<b>C.</b>	Cash flow from financing activities				
	Inflow				
	Increase in bank borrowing -NET		7,510,258		3,366,046
	Increase in Share Capital		-		1,000,000
	Share Premium Account		-		32,120,000
	Outflow				
	Dividend and dividend tax paid		(737,649)		(621,429)
	exchanger rate difference				
	Interest paid		(4,704,596)		(3,288,225)
	<b>NET CASH USED IN FINANCING ACTIVITIES (C)</b>		<b>2,068,013</b>		<b>32,576,392</b>
	<b>NET CHANGES IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>		<b>(12,091,874)</b>		<b>15,524,521</b>
	CASH & CASH EQUIVALENTS-OPENING BALANCE		18,256,378		2,731,854
	CASH & CASH EQUIVALENTS-CLOSING BALANCE		6,164,504		18,256,378

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

Firm Registration No:001196N  
**Chartered Accountants**

**S.K.AGRAWAL**  
 Partner

MUMBAI  
 Date: 30th May 2015

**For and on behalf of the Board**

Sd/-

**AARTI GROVER**  
 Managing Director

Sd/-  
**Deepak Potdar**  
 Chief Financial Officer

Sd/-

**RAJU GROVER**  
 Director

Sd/-  
**Kamleshwari Bind**  
 Company Secretary



**Notes On Financial Statements for the Year ended 31st March 2015**

<b>Note : 1</b>	<b>As at 31st March 2015</b>	<b>As at 31st March 2014</b>
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
97,500 Equity Shares of Rs. 100/- each	<b>97,50,000</b>	97,50,000
<b>ISSUED, SUBSCRIBED AND PAID UP:</b>		
63,470 (P.Y 63,470) Equity Shares of Rs.100/- each	<b>6,347,000</b>	6,347,000
Includes 3125 Shares issued to erstwhile Deferred Shareholders pursuant to scheme of conversion sanctioned by Hon'ble Bombay High Court on 10th July, 1985.		
<b>a) Reconciliation of the number of equity shares and share capital:</b>		
Issued, subscribed and fully paid up equity shares outstanding at beginning of the year	63470	53470
Add: Shares issued during the year	-	10000
Issued, subscribed and fully paid up equity shares outstanding at end of the year	<b>63470</b>	<b>63470</b>
<b>b) Details of Shareholder Holding more than 5% Shares</b>		
<b><u>Name of the Shareholder</u></b>		
No. of Shares Held	Cms Traffic System Limited	Cms Traffic System Limited
% of Holding	<b>21,656</b>	21,656
	<b>34.12%</b>	34.12%
<b><u>Name of the Shareholder</u></b>		
No. of Shares Held	Cms Computers Limited	Cms Computers Limited
% of Holding	<b>24,063</b>	24,069
	<b>37.91%</b>	37.92%
<b>Note : 2</b>	<b>As at 31st March 2015</b>	<b>As at 31st March 2014</b>
<b>RESERVES AND SURPLUS</b>		
<b>Share Premium Account</b>		
Opening Balance	<b>57,374,552</b>	25,254,552
Add : Share Premium Credited on Share Issue	-	32,120,000
Closing Balance	<b>57,374,552</b>	57,374,552
<b>General Reserve</b>		
Opening Balance	<b>22,503,587</b>	21,003,587
Less : Adjustment Related to Fixed Assets (Refer Note 27)	<b>1,034,379</b>	1,500,000
Closing Balance	<b>21,469,208</b>	22,503,587
<b>Profit and Loss Account</b>		
Opening Balance	<b>46,264,795</b>	44,184,133
Add Profit/(Loss) for The year	<b>(11,397,514)</b>	4,318,309
	<b>34,867,282</b>	48,502,441
Less: Appropriations		
Transfer to General Reserve	-	1,500,000
Proposed Dividend on equity shares	<b>317,350</b>	634,700
Tax On dividend	<b>51,482</b>	102,949
Closing Balance	<b>34,498,450</b>	<b>46,264,792</b>
<b>TOTAL</b>	<b>113,342,210</b>	126,142,931

**Notes On Financial Statements for the Year ended 31st March 2015**

<b>Note : 3</b>	<b>As at 31st March 2015</b>	<b>As at 31st March 2014</b>
<b>LONG TERM BORROWINGS</b>		
Unsecured		
Loan From Director	2,000,000	2,000,000
	<b>2,000,000</b>	<b>2,000,000</b>
The Company do not have Any long term borrowing In the form of Term loan , debentures and Bonds in the reported financials year		

<b>Note : 4</b>	<b>As at 31st March 2015</b>	<b>As at 31st March 2014</b>
<b>DEFFERED TAX ASSET/LIABILITY (NET)</b>		
<b>(a) Deferred Tax Liabilities</b>		
i) on Depreciation/amortisation of Fixed Assets	<b>505,611</b>	492,999
ii) on Provision for doubtful debts	-	113,208
iii) on Other Timing Difference	-	-
TOTAL	<b>505,611</b>	606,207
<b>(b) Deferred Tax Assets</b>		
i) on Provision for Gratuity & Leave encashment	<b>1,269,629</b>	961,738
ii) on Provision for doubtful debts	<b>171,506</b>	-
iii) on Other Timing Difference	-	-
TOTAL	<b>1,441,135</b>	961,738
<b>TOTAL</b>	<b>935,524</b>	355,531

<b>Note : 5</b>	<b>As at 31st March 2015</b>	<b>As at 31st March 2014</b>
<b>LONG TERM PROVISIONS</b>		
<u>Provision for Employee Benefits</u>		
Leave Encashment	<b>3,240,511</b>	2,400,382
Gratuity	<b>1,426,320</b>	1,121,336
<b>TOTAL</b>	<b>4,666,831</b>	3,521,718

<b>Note : 6</b>	<b>As at 31st March 2015</b>	<b>As at 31st March 2014</b>
<b>SHORT TERM BORROWINGS</b>		
<b>SECURED LOANS :</b>		
Working Capital loans from		
<b>The Saraswat Co- Op Bank Ltd</b>		
Cash Credit	<b>3,723,547</b>	(69,457)
ODBD	<b>2,604,271</b>	2,011,871
<b>Central bank of India</b>		
Cash Credit	<b>26,226,191</b>	20,673,465
ODBD	<b>561,846</b>	3,072,219
	<b>33,115,855</b>	25,688,097
<b>DEPOSITS :</b>		
Unsecured (Dealer,Distributor & Stockist)	<b>2,459,500</b>	2,377,000
<b>TOTAL</b>	<b>35,575,355</b>	28,065,097

## Notes On Financial Statements for the Year ended 31st March 2015

<b>Note : 7</b>	<b>As at 31st March 2015</b>	<b>As at 31st March 2014</b>
<b>TRADE PAYABLES</b>	<b>41,156,830</b>	52,608,407
<b>TOTAL</b>	<b>41,156,830</b>	52,608,407
<b>Note :</b> 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.		

<b>Note : 8</b>	<b>As at 31st March 2015</b>	<b>As at 31st March 2014</b>
<b>OTHER CURRENT LIABILITIES</b>		
Outstanding Liabilities	<b>2,385,654</b>	2,651,099
Statutory Dues	<b>432,558</b>	497,953
Sales Tax Payable	<b>800,445</b>	-
Unclaimed Dividends	<b>230,370</b>	195,580
Unclaimed amount for fractional Share	<b>664</b>	664
Other Deposits	<b>18,000</b>	18,000
Advance From Customers	<b>2,291,199</b>	1,782,325
	<b>6,158,890</b>	5,145,621

<b>Note : 9</b>	<b>As at 31st March 2015</b>	<b>As at 31st March 2014</b>
<b>SHORT TERM PROVISIONS</b>		
<b>Others :</b>		
Provision for Employee Benefit	<b>4,246,929</b>	1,917,487
Provision for Excise duty	<b>3,411,435</b>	2,041,843
Proposed Dividend	<b>317,350</b>	634,700
Dividend Distribution tax	<b>51,482</b>	102,949
	<b>8,027,196</b>	4,696,979

Notes On Financial Statements for the Year ended 31st March 2015										
Note No. 10										
FIXED ASSETS										
Description of Assets	Gross Block			Depreciation			Net Block		As at 31.03.2015 ₹	As at 31.03.2014 ₹
	Cost as on 1.4.2014 ₹	Additions ₹	Deductions ₹	As at 31.03.2015 ₹	As at 1.4.2014 ₹	Provided for the year ₹	Adjustment during the year ₹	As at 31.03.2015 ₹		
<b>Tangible Assets :</b>										
Land	29,618	-	-	29,618	-	-	-	29,618	29,618	29,618
Building (Factory & Ambarnath)	14,240,152	1,430,310	-	15,670,462	4,924,152	414,209	-	10,332,101	9,316,000	9,316,000
Plant & Machinery	28,671,356	3,740,789	-	32,412,146	19,846,939	987,790	667,897	10,909,520	8,824,417	8,824,417
Computers	4,183,239	332,900	-	4,516,139	2,254,834	624,833	122,801	1,513,671	1,928,405	1,928,405
Furniture, Fitting & Office Equipment	8,020,371	1,448,889	-	9,469,260	4,845,947	778,921	189,319	3,655,073	3,174,425	3,174,425
Motor Vehicles	210,813	-	-	210,813	197,209	-	13,603	1	13,604	13,604
Electrical Fitting	2,761,877	500,045	-	3,261,923	1,478,810	207,034	40,760	1,535,318	1,283,067	1,283,067
<b>SUB TOTAL (A)</b>	<b>58,117,426</b>	<b>7,452,933</b>	-	<b>65,570,361</b>	<b>33,547,891</b>	<b>3,012,788</b>	<b>1,034,380</b>	<b>27,975,302</b>	<b>24,569,536</b>	
<b>Intangible Assets :</b>										
<b>SUB TOTAL (B)</b>	-	-	-	-	-	-	-	-	-	-
<b>Capital Work in Progress :</b>										
Building under Construction (Refer Note)	14,766,844	-	-	14,766,844	-	-	-	14,766,844	14,766,844	14,766,844
<b>SUB TOTAL (C)</b>	<b>14,766,844</b>	<b>-</b>	<b>-</b>	<b>14,766,844</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,766,844</b>	<b>14,766,844</b>	
<b>SUB TOTAL A + B + C</b>	<b>72,884,270</b>	<b>7,452,933</b>	<b>0</b>	<b>80,337,205</b>	<b>33,547,891</b>	<b>3,012,788</b>	<b>1,034,380</b>	<b>42,742,146</b>	<b>39,336,380</b>	
Previous Year	71,499,569	3,242,787	1,858,086	72,884,270	31,700,354	3,692,448	1,844,911	39,336,379	39,799,215	

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

**Notes On Financial Statements for the Year ended 31st March 2015**

<b>Note : 11</b>	<b>As at 31st March 2015</b>	<b>As at 31st March 2014</b>
<b>NON CURRENT INVESTMENTS</b>		
Investment (Unquoted) :		
<b>Saraswat Bank</b> (1000 Equity shares of Rs 10 each)	<b>10,000</b>	10,000
<b>RDJ Constructions Pvt Ltd (Subsidiary)</b> (9990 Equity Shares of Rs.10 Each)	<b>99,900</b>	99,900
	<b>109,900</b>	109,900

<b>Note : 12</b>	<b>As at 31st March 2015</b>	<b>As at 31st March 2014</b>
<b>OTHER NON CURRENT ASSETS</b>		
ASSETS & LIABILITIES IN PAKISTAN :	<b>876,320</b>	876,320
	<b>876,320</b>	876,320

<b>Note : 13</b>	<b>As at 31st March 2015</b>	<b>As at 31st March 2014</b>
<b>INVENTORIES :</b>		
<b>(At cost or Net realisable value which ever is less)</b>		
Raw Materials & Stores	<b>16,408,765</b>	25,978,773
Materials in process	<b>6,908,536</b>	4,246,354
Finished Goods	<b>30,702,917</b>	21,883,252
Trading Goods	<b>12,410,736</b>	14,733,326
	<b>66,430,954</b>	66,841,705

<b>Note : 14</b>	<b>As at 31st March 2015</b>	<b>As at 31st March 2014</b>
<b>TRADE RECEIVABLES</b>		
(Unsecured)		
Debts outstanding for a period exceeding six months from the date they were due for payment.		
Considered Good	<b>16,148,295</b>	9,903,572
Considered Doubtful	<b>4,274,437</b>	3,719,403
	<b>20,422,732</b>	13,622,975
Less: Provision for Doubtful Debts	<b>4,274,437</b>	3,719,403
	<b>16,148,295</b>	9,903,572
Others: Considered Good	<b>74,726,407</b>	83,186,241
	<b>90,874,702</b>	93,089,812

<b>Note : 15</b>	<b>As at 31st March 2015</b>	<b>As at 31st March 2014</b>
<b>CASH AND CASH EQUIVALENTS :</b>		
Cash in Hand	<b>149,868</b>	121,348
With Scheduled Banks :		
In Current Account	<b>4,092,185</b>	960,834
Bank Guarantee Margin	<b>70,900</b>	70,900
In Fixed Deposits	<b>170,732</b>	15,170,732
In Fixed Deposits against LC Margin	<b>1,410,725</b>	1,304,778
In Dividend Account	<b>230,370</b>	195,580
	<b>6,124,779</b>	17,824,172

**Notes On Financial Statements for the Year ended 31st March 2015**

<b>Note : 16</b>	<b>As at 31st March 2015</b>	<b>As at 31st March 2014</b>
<b>SHORT TERM LOANS AND ADVANCES</b>		
<b>Unsecured, Considered Good</b>		
Loans & Advances to employees	<b>107,600</b>	103,600
Prepaid Expenses	<b>382,576</b>	357,730
Expenses Recoverable	-	206,710
Advance Tax	<b>1,428,514</b>	1,095,979
<u>Balances with Govt Authorities :</u>		
Modvat	<b>9,253</b>	31,451
Service Tax	-	1,252,480
Excise Receivable	<b>525,628</b>	525,628
Central Excise Duty (PLA)	<b>86,998</b>	398,065
Sales Tax Receivable	<b>1,666,786</b>	864,256
Advance to Subsidiary Company	-	30,000
	<b>4,207,355</b>	4,865,899

<b>Note : 17</b>	<b>As at 31st March 2015</b>	<b>As at 31st March 2014</b>
<b>OTHER CURRENT ASSETS</b>		
Accrued Interest on FD	<b>39,725</b>	432,205
<u>Sundry Deposits :</u>		
Unsecured ,Considered Goods	<b>2,811,669</b>	2,811,669
Advances to suppliers for Raw Material	<b>2,121,239</b>	1,984,161
	<b>4,972,633</b>	5,228,035

<b>Note : 18</b>	<b>As at 31st March 2015</b>	<b>As at 31st March 2014</b>
<b>SALES :</b>		
Sale of Manufactured Goods	<b>235,291,937</b>	269,711,553
Less : Excise Duty	<b>30,477,987</b>	39,333,966
	<b>204,813,950</b>	230,377,587
Export Sale	<b>7,559,745</b>	5,143,107
Sale of Trading Goods	<b>9,564,753</b>	13,515,859
Repair Charges	<b>416,129</b>	278,331
Sale of Scrap	<b>1,954,948</b>	2,837,632
	<b>224,309,525</b>	252,152,516

<b>Note : 19</b>	<b>As at 31st March 2015</b>	<b>As at 31st March 2014</b>
<b>OTHER INCOME :</b>		
Interest from Bank on : Deposits	<b>788,683</b>	1,075,910
Dividend Income From : Shares	<b>1,000</b>	1,000
Other Non operating income Comprises :		
Rental Income	<b>2,400,000</b>	2,595,000
Interest on Refund	<b>30,217</b>	-
	<b>3,219,900</b>	3,671,910

**Notes On Financial Statements for the Year ended 31st March 2015**

<b>Note : 20</b>	<b>As at 31st March 2015</b>	<b>As at 31st March 2014</b>
<b>Cost of Material Consumed:</b>		
Opening Stocks Raw Materials & Stores:	<b>25,978,773</b>	16,628,622
Add: Raw Material & Stores Purchases	<b>117,010,800</b>	151,919,441
	<b>142,989,573</b>	168,548,063
Closing Stocks Raw Material & Stores	<b>16,408,765</b>	25,978,773
	<b>126,580,808</b>	142,569,290

<b>Note : 21</b>	<b>As at 31st March 2015</b>	<b>As at 31st March 2014</b>
<b>Purchases of Stock in Trade</b>		
Opening Stocks of Trading Goods	<b>14,733,326</b>	12,055,977
Add : Purchases	<b>3,704,961</b>	10,021,778
	<b>18,438,287</b>	22,077,755
Closing Stock	<b>12,410,736</b>	14,733,326
	<b>6,027,551</b>	7,344,429

<b>Note : 22</b>	<b>As at 31st March 2015</b>	<b>As at 31st March 2014</b>
<b>Changes in Inventory of Finished goods, work-in-progress and stock in trade</b>		
Opening Stocks :		
Materials in Process	<b>4,246,354</b>	1,812,580
Finished Goods	<b>21,883,252</b>	12,371,915
	<b>26,129,606</b>	<b>14,184,495</b>
Less : Closing Stocks :		
Materials in Process	<b>6,908,536</b>	4,246,354
Finished Goods	<b>30,702,917</b>	21,883,252
	<b>37,611,453</b>	<b>26,129,606</b>
	<b>(11,481,847)</b>	(11,945,111)

<b>Note : 23</b>	<b>As at 31st March 2015</b>	<b>As at 31st March 2014</b>
<b>EMPLOYEE BENEFIT EXPENSES :</b>		
Salaries, Wages, Bonus & Gratuity	<b>51,406,562</b>	48,700,679
Contribution to Provident & other funds & Schemes	<b>2,654,175</b>	2,485,829
Welfare Expenses	<b>5,079,669</b>	5,015,953
	<b>59,140,406</b>	56,202,461

**Notes On Financial Statements for the Year ended 31st March 2015**

<b>Note : 24</b>	<b>As at 31st March 2015</b>	<b>As at 31st March 2014</b>
<b>FINANCE COST :</b>		
Interest - Banks	<b>3,556,880</b>	2,670,545
Interest - Others	<b>260,000</b>	260,000
Bank Charges	<b>887,716</b>	357,680
	<b>4,704,596</b>	3,288,225

<b>Note : 25</b>	<b>As at 31st March 2015</b>	<b>As at 31st March 2014</b>
<b>OTHER EXPENSES :</b>		
Component Processing and other charges	<b>14,183,782</b>	11,650,626
Power, Fuel & Water Charges	<b>2,207,162</b>	2,880,003
Octroi, Transportation & Forwarding, etc.	<b>3,309,162</b>	3,447,869
Conveyance & Traveling	<b>5,823,379</b>	5,058,284
Reimbursement of Corporate Exp.	-	1,800,000
Printing & Stationery	<b>424,358</b>	855,769
Postage & Telephone	<b>1,196,978</b>	1,115,807
Cash Discount	<b>1,500,651</b>	2,435,492
Maintenance & Repairs :		
Machinery <b>76,278</b>		34,250
Building <b>256,293</b>		901,554
Others <b>1,099,321</b>	<b>1,431,891</b>	808,726
Insurance & Keyman Insurance	<b>2,225,123</b>	2,232,753
Rent, Rates & Taxes	<b>469,056</b>	1,136,254
Excise Duty Paid	<b>1,980,968</b>	896,305
Indirect Taxes Paid	<b>2,547,270</b>	1,383,188
Discounts	<b>4,212,304</b>	3,167,761
Bad Debts & Misc Written Off	<b>687,634</b>	907,375
Legal & Professional Charges (Refer No.18 for Auditors Remuneration)	<b>2,300,794</b>	1,829,680
Advertisement & Publicity	<b>92,280</b>	115,686
Sales Commission	<b>165,517</b>	57,582
Sales Promotion	<b>803,240</b>	1,016,864
Miscellaneous Expenses	<b>5,961,081</b>	4,764,426
	<b>51,522,631</b>	48,496,253





## NOTE NO. 26

## NOTES FORMING PART OF THE ACCOUNTS

## SIGNIFICANT ACCOUNTING POLICIES

**1 Background**

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

**2 BASIS OF PREPERATION OF FINANCIAL STATEMENT**

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

**b) Use of estimates**

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

**3 REVENUE RECOGNITION:**

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

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

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

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

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

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

**b) Defined Benefit Plan****Gratuity:**

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

accrual basis. Actuarial gains or losses arising during the year are recognized in the profit and loss account.

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

## 5 **Inventories**

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

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

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

## 6 **Fixed Assets** **Tangible Assets**

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

### **Depreciation**

Depreciation is provided using the written down value method in accordance with the schedule XIV of the Companies Act, 1956. Fixed assets with estimated useful life of less than 1 year & onetime use are fully depreciated in the year of acquisition. Depreciation on assets acquired or disposed off during the year is provided on a pro-rata basis from/up to the date of acquisition/disposal.

## 7 **Depreciation**

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

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

## 8 **Impairment Policy**

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

## 9 **Investments**

Investments that are readily realizable and intend to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Long term investments

are stated at cost less any diminution in their value, which is other than temporary. Current Investments are stated at lower of cost and market value. Unquoted long term investments are valued at lower of cost or latest available break up value.

**10 Research and Development**

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

**11 Foreign currency transaction**

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

**12 Segment Reporting Policies**

Identification of segment is based on the major manufacturing products.

**13 Earnings per share**

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

**14 Provisions and contingent liabilities**

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

The company has decided to provide for doubtful debts if debtors remain outstanding above one year. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

**15 Provision for Taxation**

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

- 16 Estimated value of contracts (Net of Advances) to be executed on capital account and not provided for Rs.Nil (Previous year Rs.Nil).
- 17 Company has not provided contingent liability of Rs. 3.96 Lacs against Central Excise assessment for year 2007- 2008, and Liability towards pending C forms have not been provided on account of uncertainty.
- 18 Pakistan unit of the Company continues to be under the control of Pakistan Government. It has not been possible to establish any communication with the said unit so far. Therefore, statement of Assets and Liabilities as at 30th June 1964 based on the last reports received have been incorporated in the Balance sheet as pre devaluation rate of rate of exchange.

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

	2014-2015 Rupees	2013-2012 Rupees
a) As Audit Fee - Statutory	224,720	224,720
b) In other capacities:		
i) For Certification	194,789	315,844
ii) For Provident Fund & Gratuity Audit	5,618	11,236
iii) Tax Audit Fees	84,270	84,270
iv) Vat Audit Fees	73,034	73,034
v) Expenses reimbursed	32,500	40,900

20 **MANAGERIAL REMUNERATION:**

	2014-2015	2013-2014
Salary and Allowances	1,704,600	1,452,600
Contribution to Statutory Funds	144,000	122,400

**Working Under Section 197 of Companies Act 2013 for FY 2014-15**

	2014-2015
Loss before tax	(11,977,507)
Limit Under Section 197 read with Clause A of Section II of Part II of Schedule V to the Companies Act 2013 -	
<b>Effective capital</b> -	
Share Capital	63,47,000
Reserves and surplus	11,30,41,266
long-term loans repayable after one year	20,00,000
<b>Effective capital</b> -	12,13,88,266
Limit on remuneration -	42,00,000

**Working Under Section 309 of Companies Act 1956 for FY 2013-14**

	<b>2013-2014</b>
Profit / (Loss) before tax	6,176,429
Add:	
Remuneration to Managing Director	1,575,000
Bonus to Employees	493,111
Interest to Others	260,000
Maintenance & Repairs	1,744,530
Depreciation and Amortisation Expenses	3,692,450
Total	13,941,520
Limit Under Section 197 = 5% of Above	697,076

Note: The above Remuneration paid is in excess of Limits prescribed U/S 309 of The Companies Act, 1956 and is subject to necessary approval.

**21 Details of Licensed and Installed Capacity, Production, Stock and Turnover.****21 A Licensed And Installed Capacity And Production:**

	<b>Licensed Capacity Nos.</b>	<b>Installed Capacity Nos.</b>	<b>Actual Production Nos.</b>
a) Rotary Switches	Not Specified	Not Applicable	736,473 (845,939)
b) Micro Switches	Not Specified	Not Applicable	481,994 (574,155)
c) Counters	Not Specified	Not Applicable	89,344 (101,132)
d) Water Meters	Not Specified	Not Applicable	847 (265)

**21 B TURNOVER:**

	<b>2011-2015</b>		<b>2013-2014</b>	
	<b>Unit Nos.</b>	<b>Amount Rs.</b>	<b>Unit Nos.</b>	<b>Amount Rs.</b>
<b>MANUFACTURED GOODS.</b>				
a) Rotary Switch	733926	170,420,801	837348	202,415,774
b) Micro Switches	477721	27,239,180	604477	35,411,735
c) Counters	80858	15,021,545	101310	20,248,397
d) Water Meters	273	3,016,889	19	336,348
e) Others		27,153,267		16,442,405
TRADED GOODS	55,460	9,564,753	53,156	13,515,859
<b>Total :-</b>		<b>252,416,435</b>		<b>288,370,518</b>

**21 C OPENING STOCK AND CLOSING STOCK OF FINISHED GOODS :**

	Opening Stock		Closing Stock	
	Qty Nos.	Value Rs.	Qty Nos.	Value Rs.
a) Rotary Switch	68,926 (60,335)	9,088,493 (6,786,218)	71473 (68926)	10,503,088 (9,088,493)
b) Micro Switches	34,009 (64,331)	1,255,562 (2,519,895)	38282 (34009)	2,175,465 (1,255,562)
c) Counters	1,956 (2,134)	472,140 (521,354)	10442 (1956)	2,088,277 (472,140)
d) Water Meters	247 (01)	2,759,158 (3,239)	821 (247)	9,184,337 (2,759,158)
e) Others	4,083,634 (211,414)	8,307,899 (2,541,208)	2,758,529 (4,083,634)	6,751,751 (8,307,899)

Previous year's Figures are given in brackets.

**21 D DETAILS OF TRADING ITEMS :**

	2014-2015		2013-2014	
	Unit Nos.	Amount Rs.	Unit Nos.	Amount Rs.
a) Opening Stock	109171	14,733,326	127,894	12,055,977
b) Purchases	27011	3,704,961	34,433	10,021,778
c) Turnover	55,460	9,564,573	53,156	13,515,859
d) Closing stock	80722	12,410,736	1,09,171	14,733,326

**21 E DETAILS OF RAW MATERIALS & STORES CONSUMED :**

	2014-2015		2013-2014	
	Qty	Value Rs.	Qty.	Value Rs.
a) Bimetal Tips & Components	4906204	10,671,707	5,643,382	16,366,718
b) Copper & PB	4885	2,986,346	4,065	2,797,448
c) Brass	8011	742,692	43	18,855
d) Steel & aluminum	32158	2,460,506	51,025	3,565,183
e) Plastic Powder & Moulding Component	44305	1,603,079	600,708	2,209,971
f) Motors	12011	2,726,497	8,403	1,900,669
g) Others		105,389,981		115,710,446
		126,580,808		142,569,290

**21 F VALUE OF IMPORTS (C.I.F.):**

	<b>2014-2015 Rupees</b>	<b>2013-2014 Rupees</b>
a) Raw Materials	1,764,262	5,916,791
b) Finished Goods (Trading)	9,896	6,203,507

**21 G CONSUMPTION OF RAW MATERIALS & STORES**

	<b>2014-2015</b>		<b>2013-2014</b>	
	<b>Percentage Of Total Consumption</b>	<b>Amount Rupees</b>	<b>Percentage of Total Consumption</b>	<b>Amount Rupees</b>
a) Imported	1.46%	1,764,262	4.29%	5,916,791
b) Indigenous	98.54%	119,362,250	95.71%	132,051,817

**22 EARNINGS IN FOREIGN CURRENCY :**

	<b>2014-2015 Rupees</b>	<b>2013-2014 Rupees</b>
a) F.O.B. Value of Exports	7,405,065	5,004,578

**23 EXPENDITURE IN FOREIGN CURRENCY :**

	<b>2014-2015 Rupees</b>	<b>2013-2014 Rupees</b>
a) Foreign bank charges	50,447	76,019
b) Brokerage & Commission	165,517	Nil

**24 Employee Benefits**

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

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

**I Defined Contribution Plan**

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

	<b>2014-15 Rupees</b>	<b>2013-14 Rupees</b>
Employer's Contribution to Provident Fund	1,114,764	1,416,402
Employer's Contribution to Pension Fund	1,137,300	783,601

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

## II Defined Benefit Plans

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

PARTICULARS	AS AT 31.03.2015		AS AT 31.03.2014	
	Gratuity Funded	Leave Encashment Unfunded	Gratuity Funded	Leave Encashment Unfunded
<b>A. Changes in Present Value of obligation</b>				
Present Value of Obligation	11,363,260	2,400,382	11,264,225	2,792,935
Interest Cost	909,061	190,830	901,138	261,139
Current Service Cost	1,908,681	418,617	1,604,038	465,401
Benefit Paid	2,395,219	1,023,731	1,909,958	437,597
Actuarial Gain/Loss on Obligations	489,039	-1,254,453	496,183	681,496
Present Value of Obligation	11,296,744	3,240,551	11,363,260	2,400,382
<b>B. Fair Value of Plan Assets</b>	Gratuity Unfunded	Leave Encashment Funded	Gratuity Unfunded	Leave Encashment Funded
Fair Value of the Plan Assets	10,837,300	N.A	10,803,307	N.A
Expected return on Plan Assets	939,167	N.A	930,132	N.A
Contributions	1,074,482	N.A	1,013,819	N.A
Benefits Paid	2,395,219	N.A	1,909,958	N.A
Actuarial Gain/Loss on Plan Assets	NIL	N.A	NIL	N.A
Fair Value of the Plan Assets	10,455,730	N.A	10,837,300	N.A
<b>C. Amount Recognized in the Balance Sheet.</b>	Gratuity Unfunded	Leave Encashment Funded	Gratuity Unfunded	Leave Encashment Funded
Present Value of Obligation	11,296,744	3,240,551	11,363,260	2,400,382
Fair Value of the Plan Assets	10,455,730	N.A	10,837,300	N.A
<b>D. Reconciliation of Balance Sheet.</b>	Gratuity Unfunded	Leave Encashment Funded	Gratuity Unfunded	Leave Encashment Funded
Present Value of Obligation	11,363,260	2,400,382	11,264,225	2,792,935
Total Expenses recognized in Profit & Loss A/c	1,426,320	1,863,860	812,946	437,597
Actuarial Gain/Loss	418,354	N.A	299,908	N.A
Employer's Contribution	1,074,482	1,023,731	1,013,819	830,150
Present Value of Obligation	11,296,744	3,240,511	11,363,260	2400,382
<b>E. Assumptions</b>	Gratuity Unfunded	Leave Encashment Funded	Gratuity Unfunded	Leave Encashment Funded
Actuarial Return on Plan Asset	939,167	N.A	930,132	N.A
Mortality Table	LIC (1994-96)	LIC (1994-96)	LIC (1994-96)	LIC (1994-96)
	Ultimate	Ultimate	Ultimate	Ultimate
Discount Rate	8%	7.95%	8%	9.35%
Expected Rate of Return on Plan Assets	8%	8%	8%	8%
Salary Escalation	4%	6%	4%	6%

Fare value of plan assets at the end of period Rs 10,455,730/- is funded fully with Life Insurance Corporation of India



- 25** 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
- 26** Pursuant to the enactment of Companies Act 2013, the company has applied the estimated useful lives as specified in Schedule II. Accordingly the unamortised carrying value is being depreciated over the revised/ remaining useful lives. The written down value of Fixed Assets whose lives have expired as at 1st April 2014 have been adjusted, in the opening balance of General Reserves amounting to Rs. 1,034,379/-.
- 27** Disclosure of Related Parties / Transactions With Related Parties:-

<b>Relationship</b>	<b>Name of Related Party</b>
Subsidiary company	RDJ Construction Private Limited
Group Companies (Enterprise over which Director and/or his relatives has significant influence)	CMS Traffic Systems Limited CMS Computers Limited Jess Prasad Engg. And Metallurgical Services Pvt. Ltd ST Energy Solution Private Limited CMS Engineering Services Private Limited G.G. Constructions Private Limited Datacom Computer Services Private Limited Dynamic Hydro Machines Private Limited Mailtek Services (India) Limited Netprint Solution India Private Limited New Video Private Limited CMS – Ident Pvt. Ltd. Computer Products and Services Pvt. Ltd. Dominant Developers Pvt. Ltd. Acu-Soft Technologies Pvt. Ltd. CMS-DITL Ltd. Computer Maintenance Service Royal Virgo Travels Systime Computers Limited CMS Universal Solution P Ltd CMS Info System Ltd. Resergent Infotech Pvt.Ltd. People Upliftment Foundation CMS Marshal Limited CMS Securitas Limited Money ease Capital Pvt. Ltd. CMS I.T Services Pvt.Ltd

**Key Management Personnel (KMP)**

**Directors :**

Mrs. Raju R. Grover  
 Ms. Aarti R. Grover  
 Mrs. Sona P. Ramchandani  
 Mrs. Pramila Prakash Merani  
 Mrs.Savitri Lal Butani  
 Mr.Deepak Potdar (CFO)  
 Miss. Kamaleshwari Bind (CS)

Sr. No.	Name of the Related Party	Relationship	Nature	Amount Rs.	O/S as on 31.03.2015
<b>I</b>	<b>Holding Companies</b>				
1	CMS Traffic Systems Ltd.	Group Company	Sales	4,739,747.83 (3,194,145.55)	4,564,481.37 Dr. (4,834,542.48) Dr.
2	CMS Traffic Systems Ltd.	Group Company	Reimbursement Of Salary	1,148,277 (748982.80)	
3	CMS Traffic Systems Ltd	Group Company	Conveyance Paid Reimbursed	Nil (9974)	
4	CMS Traffic Systems Ltd	Group Company	Material Purchased	Nil (23191)	
<b>II</b>	<b>Group Companies</b>				
5	CMS Computers Limited	Group Company	Reimbursement of Elect. Chrgs	1,671,380 (2,371,666)	4,093,419.74 Cr. (6,150,089.27) Cr
6	CMS Computers Limited	Group Company	Rent Received	2,696,640 (2,696,640)	
7	CMS Computers Limited	Group Company	Reimbursement of Water Charges	103,723 (Nil)	
8	CMS Computers Limited	Group Company	Transport & Import Duty Charges paid	Nil (107,080)	
9	CMS Computers Limited	Group Company	Sales	3,009,071.39 (2,878,757.20)	
10	CMS Computers Limited	Group Company	Fixed Assets Purchased	Nil (25,313)	
11	CMS Computers Limited	Group Company	Reimbursement Of Salary	53,596 (48,622)	
	CMS Computers Limited	Group Company	Purchases	122,049 (Nil)	
12	CMS Computers Limited	Group Company	Computer Maint. Chrgs Paid	49,276 (Nil)	
13	CMS Computers Limited	Group Company	Reim of Corp. Exp.	Nil (2,022,480)	
14	Systime Computers System Limited	Group Company		- -	339,657 Cr. (339,657) Cr.
15	Royal Virgo Travels	Director's firm	Interest on Loan	260,000 (260000)	2,000,000 Cr. (2000,000) Cr.
16	RDJ Construction Pvt. Ltd	Subsidiary Company	Advance	Nil (20,000)	Nil. (30,000) Dr
<b>III</b>	<b>Key management Person</b>				
17	Ms. Aarti Grover	Managing Director	Salary & Perquisites	1,704,600 (1,452,600)	Nil (Nil)

- Rs. NIL in respect of the related parties have been written off are provided during the year

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



- 28** 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 2014-2015.
- 29** During the year the Company has reviewed Accounts Receivable and reversed provision for doubtful debts Rs. 555,034. (P.Y. Provision made Rs 348,923).
- 30** Segment wise Reporting as per Note No. 27.
- 31** In the opinion of the Board Current Assets, Loans & Advances have a value on realization in the ordinary Course of Business at least equal to the amount at which they are stated in accounts and all current liabilities have been provided for.
- 32** Sundry Debtors and Creditors are subject to confirmation and reconciliation if any.
- 33** Previous Years figures have been regrouped / rearranged wherever necessary.

As per our report of even date attached

**For N.D. KAPUR & CO.**

Firm Registration No: 001196N

**Chartered Accountants**

Sd/-

**S. K. AGRAWAL**

Partner

Mumbai

Date : 30<sup>th</sup> May 2015

**For and on behalf of the Board**

Sd/-

Aarti Grover  
Managing Director

Sd/-

Raju Grover  
Director

Sd/-

Deepak Potdar  
Chief Financial Officer

Sd/-

Kamleshwari Bind  
Company Secretary

**NOTE NO. 27**

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

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

**SEGMENTWISE REPORTING**

	<b>2014-2015</b>	<b>2013-2014</b>
1. Segment Reserve ( Net Sale/ Income from)		
a. Segment - Switches	165,909,472	199,940,785
b. Segment - Counters	24,445,754	23,047,254
c. Segment - Others	33,954,299	29,164,478
<b>TOTAL</b>	<b>224,309,525</b>	<b>252,152,517</b>
Less : Intersegment Revenue	-	-
	<b>224,309,525</b>	<b>252,152,517</b>
2. Segment Results (Profit)(+)/Loss(-) before tax and interest from segment		
a. Segment - Switches	36,625,261	49,668,184
b. Segment - Counters	4,987,462	6,793,544
c. Segment - Others	7,509,553	6,535,672
<b>TOTAL</b>	<b>49,122,276</b>	<b>62,997,400</b>
Add : Other Income	3,219,900	3,671,910
Less : (i) Interest	4,704,596	3,288,225
(ii) Other unallocable expenditure net off unallocable income	59,615,087	57,204,656
<b>Total Profit/(Loss) before Tax</b>	<b>(11,977,507)</b>	<b>6,176,429</b>

**For N.D KAPUR & CO.**

Firm Registration No:001196N

**Chartered Accountants**

**Sd/-**

**S.K.AGRAWAL**

Partner

MUMBAI

Date: 30th May 2015

**For and on behalf of the Board**

Sd/-

**AARTI GROVER**

Managing Director

Sd/-

**Deepak Potdar**

Chief Financial Officer

Sd/-

**RAJU GROVER**

Director

Sd/-

**Kamleshwari Bind**

Company Secretary

**INDEPENDENT AUDITORS' REPORT**

To  
**THE MEMBERS OF  
KAYCEE INDUSTRIES LIMITED**

**Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of **Kaycee Industries Limited** ("the Holding Company") and its subsidiary (collectively referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Profit and Loss Statement and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Consolidated Financial Statements**

The Holding 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 consolidated financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of the appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatements. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Directors, as well as evaluating the overall presentation of the consolidated 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 consolidated financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) in the case of Consolidated Balance Sheet, of the consolidated state of affairs of the Group and its jointly controlled companies as at 31st March, 2015;
- ii) in the case of the Consolidated Statement of Profit and Loss, of the consolidated loss for the year ended on that date; and
- iii) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows for the year ended on that date.

**Other Matters**

We did not audit the financial statements of one subsidiary company, whose financial statements reflect total assets of Rs. 39,215,069/- as at March 31, 2015, total revenues of Rs. 121,848/- and net cash flows of Rs. 5,794,575/- for the year then ended on that date. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion is based solely on the reports of the other auditors.

**Report On Other Legal And Regulatory Requirements**

1. As required by the Companies (Auditors' Report) Order, 2015 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law maintained by the Holding Company, including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and report of other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2015 taken on record by the Board of Directors of the Holding Company, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of section 164 (2) of the Act.
  - (f) With respect to the other matters to be included in the Auditors' Report in accordance with rule 11 of the Companies (Audit and Auditors') Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:



- i. there is no pending litigation as on 31 March 2015 and therefore the Holding Company and Subsidiary Company have not made any disclosure in this regard in its financial statements;
- ii. the Holding Company and Subsidiary Company did not have any long-term contracts including derivatives contracts and therefore no provision is required to be made in this regard;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and Subsidiary Company during the year ended 31 March 2015.

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

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

Dated: May 30, 2015  
Mumbai

**ANNEXURE TO INDEPENDENT AUDITORS' REPORT**

**As stated in Para 1 of 'Report on Other Legal and Regulatory Requirements' in our Auditors' Report of even date to the Members of Kaycee Industries Limited on the consolidated financial statements for the year ended 31 March 2015**

1. In respect of its fixed assets:
  - a) The Holding Company and Subsidiary Company are in the process of updating records showing full particulars, including quantitative details and situation, of its fixed assets.
  - b) All the fixed assets have been physically verified by the management according to a regular program, which in our opinion, is reasonable having regard to the size of the Holding Company and Subsidiary Company and the nature of its assets. No material discrepancies have been noticed on such verification.
2.
  - a) The inventory has been physically verified by the respective Management of the Holding Company. In our opinion, the frequency of verification is reasonable.
  - b) In our opinion, the procedures of physical verification of inventory followed by the Management of the Holding Company are reasonable and adequate in relation to the size of the aforesaid Holding Company and the nature of their business.
  - c) The Holding Company is maintaining proper records of inventory. No material discrepancies were noticed on physical verification of inventory of the aforesaid Company as compared to the respective book records.
  - d) Subsidiary Company did not have any inventory during the financial year ended 31 March 2015.
3. The Holding Company and Subsidiary Company have not granted any loans, secured or unsecured, to companies, firm or other parties covered in the register maintained under section 189 of the Companies Act, 2013, and hence clause 3(iii) of the Companies (Auditor's Report) Order 2015 is not applicable.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Holding Company and Subsidiary Company and the nature of their business with regard to purchase of inventory and fixed assets and for sale of goods and services. We have not observed any major weakness in the internal control system during the course of the audit.
5. The Holding Company and Subsidiary Company have not accepted any deposit from the public.
6. As informed to us, the maintenance of Cost Records has not been prescribed by Central Government under Section 148 of the Act for any of the goods sold or services rendered by the Holding Company and Subsidiary Company for the accounting year ended on 31st March 2015.
7. In respect of statutory dues:
  - a. According to the information and explanations given to us and on the basis of our examination of the records of the Holding Company and Subsidiary Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state



insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Holding Company and Subsidiary Company with the appropriate authorities to the extent applicable to these companies.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at 31 March 2015 for a period of more than six months from the date they became payable.

- b. According to the information and explanations given to us, there are no dues of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax or cess which have not been deposited on account of any dispute as at 31 March 2015, except given below in case of Holding Company:-

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

- c. According to the information and explanations given to us, the amount required to be transferred to Investor Education and Protection Fund has been transferred within the stipulated time in accordance with the provisions of the Companies Act, 1956 and the Rules made thereunder.
8. On a consolidated basis, the Holding Company and its Subsidiary Company do not have any accumulated losses at the end of the financial year and have incurred cash losses in the financial year and have not incurred cash losses in the immediately preceding financial year.
  9. Based on our audit procedures and according to the records, information and explanation given to us by the Holding Company and its Subsidiary Company, there is no default in repayment of dues to financial institutions or banks. The Holding Company and its Subsidiary Company have not issued any debentures and therefore question of default in repayment of dues to debenture holders does not arise.
  10. According to the information and explanations given to us, the Holding Company and its Subsidiary Company have not given any guarantee for loans taken by others from any bank or financial institutions.
  11. The Holding Company and its Subsidiary Company have not raised any term loan during the year.
  12. According to the information and explanations given to us and the basis of examination of books of accounts and other records of the Holding Company, we have not come across any fraud on or by the Holding Company and its Subsidiary Company, noticed or reported during the course of our audit, nor have we been informed of such case by the Management.

**For N. D. KAPUR & CO.**  
**Chartered Accountants**  
 Firm's Registration No: 001196N  
 Sd/-  
**S. K. AGRAWAL**  
**Partner**  
 Membership No. 13968

Mumbai  
 Dated: May 30, 2015

## KAYCEE INDUSTRIES LIMITED

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2015

	Note No.	31st March, 2015 Rupees	31st March, 2014 Rupees
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 SHAREHOLDERS' FUNDS :</b>			
(a) Share Capital	1	6,347,100	6,347,100
(b) Reserves & Surplus	2	116,769,316	129,512,798
(c) Money received against share warrants			
Minority Interest		3,431	3,373
		<b>123,119,847</b>	<b>135,863,271</b>
<b>2 SHARE APPLICATION MONEY PENDING ALLOTMENT :</b>		-	-
<b>3 NON-CURRENT LIABILITIES</b>			
(a) Long term Borrowings	3	28,912,824	32,926,394
(b) Deferred Tax Liabilities	4	-	-
(c) Other Long term Liabilities		-	-
(d) Long term Provisions	5	4,666,831	3,521,718
		<b>33,579,655</b>	<b>36,448,112</b>
<b>4 CURRENT LIABILITIES</b>			
(a) Short Term Borrowings	6	35,575,355	28,065,097
(b) Trade payables	7	41,156,830	52,655,907
(c) Other Current Liabilities	8	14,892,598	5,156,857
(d) Short Term Provisions	9	8,027,197	4,696,980
		<b>99,651,980</b>	<b>90,574,841</b>
<b>TOTAL</b>		<b>256,351,482</b>	<b>262,886,224</b>
<b>II. ASSETS</b>			
<b>1 NON CURRENT ASSETS</b>			
(a) Fixed Assets			
(i) Tangible Assets	10	34,898,327	24,569,536
(ii) Intangible Assets		-	-
(iii) Capital Work in Progress		14,766,844	14,766,844
(iv) Intangible assets under development		-	-
(b) Non current Investment	11	10,000	10,000
(c) Deferred Tax Assets	4	935,524	355,531
(d) Long Term loans and Advances	12	26,316,153	34,411,507
(e) Other Non Current Assets	13	876,320	876,320
		<b>77,803,168</b>	<b>74,989,738</b>
<b>2 CURRENT ASSETS</b>			
(a) Current Investments		-	-
(b) Inventories	14	66,430,954	66,841,705
(c) Trade Receivables	15	90,874,702	93,089,813
(d) Cash and cash equivalents	16	11,850,172	17,864,653
(e) Short-term loans and advances	17	4,303,540	4,865,630
(f) Other current assets	18	5,088,946	5,234,685
		<b>178,548,314</b>	<b>187,896,486</b>
<b>TOTAL</b>		<b>256,351,482</b>	<b>262,886,224</b>

Notes Forming Part of the Accounts

1 TO 27

In terms of our report attached.

For N.D KAPUR &amp; CO.

Firm Registration No:001196N

Chartered Accountants

Sd/-

S.K.AGRAWAL

Partner

MUMBAI

Date: 30th May 2015

For and on behalf of the Board

Sd/-

AARTI GROVER

Managing Director

Sd/-

Deepak Potdar

Chief Financial Officer

Sd/-

RAJU GROVER

Director

Sd/-

Kamleshwari Bind

Company Secretary

## KAYCEE INDUSTRIES LIMITED

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2015

	Note No.	31st March, 2015 Rupees	31st March, 2014 Rupees
<b>A CONTINUING OPERATION</b>			
1 Revenue from operations	19	224,309,525	252,152,516
2 Other Income	20	3,341,748	3,671,910
3 <b>Total Revenue</b>		<b>227,651,273</b>	<b>255,824,426</b>
4 <b>Expenses</b>			
(a) Cost of materials consumed	21	126,580,808	142,569,290
(b) Purchases of stock-in-trade	22	6,027,551	7,344,429
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	(11,481,847)	(11,945,111)
(d) Employee Benefit Expenses	24	59,140,406	56,202,461
(e) Finance cost	25	4,704,887	3,288,339
(f) Depreciation and Amortisation Expenses	10	3,012,787	3,692,450
(g) Other Expenses	26	51,549,160	48,599,529
<b>Total Expenses</b>		<b>239,533,752</b>	<b>249,751,387</b>
5 <b>Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)</b>		(11,882,479)	6,073,039
6 Exceptional items		-	-
7 <b>Profit / (Loss) before extraordinary items and tax (5 - 6)</b>		(11,882,479)	6,073,039
8 Extraordinary items		-	-
9 <b>Profit / (Loss) before tax (7 - 8)</b>		(11,882,479)	6,073,039
10 <b>Tax Expenses</b>			
(a) Current tax		38,000	1,925,000
(b) Prior Period		(269)	(169,563)
(c) Deferred Tax		(579,993)	240,654
11 <b>Profit / (Loss) from continuing operations (9 - 10)</b>		<b>(11,340,217)</b>	<b>4,076,948</b>
<b>Less: Share of Minority Interest</b>		<b>57.30</b>	<b>(241.36)</b>
<b>Profit for the year (after adjustment of Minority Interest)</b>		<b>(11,340,274)</b>	<b>4,077,189</b>
Earning per equity share of face value of Rs.100 each ( Basic & Diluted)		<b>(178.67)</b>	<b>64.24</b>

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

1 TO 27

For and on behalf of the Board

For N.D KAPUR &amp; CO.

Firm Registration No:001196N

Chartered Accountants

Sd/-

S.K.AGRAWAL

Partner

MUMBAI

Date: 30th May 2015

Sd/-

AARTI GROVER

Managing Director

Sd/-

Deepak Potdar

Chief Financial Officer

Sd/-

RAJU GROVER

Director

Sd/-

Kamleshwari Bind

Company Secretary

## CONSOLIDATED CASH FLOW FOR THE YEAR ENDED 31ST MARCH 2015

		2013-2015		2013-2014	
		RS	RS	RS	RS
<b>A.</b>	Cash Flow From Operating Activities				
	Net Profit/(Loss ) Before Tax and extra Ordinary Items		(11,882,479)		6,073,039
	Adjusted for				
	Provision for Doubtful Debts`	555,034		(348,923)	
	Depreciation	3,012,787		3,692,450	
	Interest received	(910,531)		(1,075,910)	
	Dividend received	(1,000)		(1,000)	
	Adjustment in Exchange Gain / Loss	(271,119)		138,585	
	Rent Received	(2,400,000)		(2,595,000)	
	Loss on Fixed Asset discarded	-		13,175	
	Interest Charged	4,704,596	4,689,767	3,288,225	3,111,602
	<b>Operating profit before working capital changes</b>		<b>(7,192,711)</b>		<b>9,184,641</b>
	Adjustments for:				
	Trade and other receivables		-		-
	Inventories		-		-
	Trade payable / Other Liabilities		13,695,669		(26,821,470)
	<b>Cash generated from operations</b>		<b>6,502,958</b>		<b>(17,636,829)</b>
	Direct taxes Paid		209,727		(633,547)
	Net cash flow before extra ordinary items		6,712,685		(18,270,376)
	Prior Period items		-		(307,533)
	<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>		<b>6,712,685</b>		<b>(18,577,909)</b>
<b>B.</b>	Cash flow from investing activities				
	Inflow				
	Interest received		910,531		1,075,910
	Dividend received		1,000		1,000
	Rent received		2,400,000		2,595,000
	Outflow - New FD		-		-
	Purchase of fixed assets		(14,375,957)		(3,229,614)
			-		-
	<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>		<b>(11,064,426)</b>		<b>442,296</b>
<b>C.</b>	Cash flow from financing activities				
	Inflow				
	Increase in bank borrowing -NET		3,496,688		4,450,747
	Increase in Share Capital				
	Share Premium Account				
	Outflow				
	Dividend and dividend tax paid		(737,649)		(621,429)
	exchanger rate difference				
	Interest paid		(4,704,596)		(3,288,225)
	<b>NET CASH USED IN FINANCING ACTIVITIES (C)</b>		<b>(1,945,557)</b>		<b>33,661,093</b>
	<b>NET CHANGES IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>		<b>(6,297,299)</b>		<b>15,525,480</b>
	CASH & CASH EQUIVALENTS-OPENING BALANCE		18,296,859		2,771,379
	CASH & CASH EQUIVALENTS-CLOSING BALANCE		11,999,560		18,296,859

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

Firm Registration No:001196N

**Chartered Accountants**

**Sd/-**

**S.K.AGRAWAL**

Partner

MUMBAI

Date: 30th May 2015

**For and on behalf of the Board**

Sd/-

**AARTI GROVER**  
 Managing Director

Sd/-

**Deepak Potdar**  
 Chief Financial Officer

Sd/-

**RAJU GROVER**  
 Director

Sd/-

**Kamleshwari Bind**  
 Company Secretary

**Consolidated Notes On Financial Statements for the Year ended 31st March 2015**

<b>Note : 1</b>	<b>As at 31st March 2015</b>	<b>As at 31st March 2014</b>
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
98,500 Equity Shares of Rs. 100/- each	<b>9,850,000</b>	<b>9,850,000</b>
<b>ISSUED, SUBSCRIBED AND PAID UP:</b>		
63,471 (P.Y 63,471) 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.	<b>6,347,100</b>	<b>6,347,100</b>
<b>a) Reconciliation of the number of equity shares and share capital:</b>		
Issued, subscribed and fully paid up equity shares outstanding at beginning of the year	63,471	53,471
Add: Shares issued during the year	-	10,000
Issued, subscribed and fully paid up equity shares outstanding at end of the year	63,471	63,471
<b>b) Details of Shareholder Holding more than 5% Shares</b>		
<b><u>Name of the Shareholder</u></b>	Cms Traffic System Limited	Cms Traffic System Limited
No. of Shares Held	<b>21,656</b>	21,656
% of Holding	<b>34.12%</b>	34.12%
<b><u>Name of the Shareholder</u></b>	Cms Computers Limited	Cms Computers Limited
No. of Shares Held	<b>24,063</b>	24,069
% of Holding	<b>37.91%</b>	37.92%
<b>Note : 2</b>	<b>As at 31st March 2015</b>	<b>As at 31st March 2014</b>
<b>RESERVES AND SURPLUS</b>		
<b>Share Premium Account</b>		
Opening Balance	<b>57,374,552</b>	25,254,552
Add : Share Premium Credited on Share Issue	-	32,120,000
Closing Balance	<b>57,374,552</b>	57,374,552
<b>General Reserve</b>		
Opening Balance	<b>22,503,587</b>	21,003,587
Less : Adjustment Related to Fixed Assets (Refer Note 27)	<b>1,034,379</b>	1,500,000
Closing Balance	<b>21,469,208</b>	22,503,587
<b>Capital Reserve</b>	<b>1</b>	1
<b>Profit and Loss Account</b>		
Opening Balance	<b>49,638,034</b>	47,798,732
Add Profit/(Loss) for The year	<b>(11,340,274)</b>	4,077,189
	<b>38,297,760</b>	51,875,921
Less: Appropriations		
Transfer to General Reserve	-	1,500,000
Proposed Dividend on equity shares	<b>317,350</b>	634,700
Tax On dividend	<b>51,482</b>	102,949
Closing Balance	<b>37,928,928</b>	49,638,272
Less: Adjustment for Minority Interest	<b>3,372</b>	3,613
Closing Balance	<b>37,925,556</b>	<b>49,634,659</b>
<b>TOTAL</b>	<b>116,769,316</b>	<b>129,512,798</b>

**Consolidated Notes On Financial Statements for the Year ended 31st March 2015**

<b>Note : 3</b>	<b>As at 31st March 2015</b>	<b>As at 31st March 2014</b>
<b>LONG TERM BORROWINGS</b>		
Unsecured		
Loan From Directors & Relatives	<b>28,912,824</b>	29,727,824
Loan From Associate Companies	-	3,198,570
	<b>28,912,824</b>	32,926,394
The Company do not have Any long term borrowing In the form of Term loan , debentures and Bonds in the reported financial year.		

<b>Note : 4</b>	<b>As at 31st March 2015</b>	<b>As at 31st March 2014</b>
<b>DEFFERED TAX ASSET/LIABILITY (NET)</b>		
<b>(a) Deferred Tax Liabilities</b>		
i) on Depreciation/amortisation of Fixed Assets	<b>505,611</b>	492,999
ii) on Provision for doubtful debts	-	113,208
iii) on Other Timing Difference	-	-
<b>TOTAL</b>	<b>505,611</b>	606,207
<b>(b) Deferred Tax Assets</b>		
i) on Provision for Gratuity & Leave encashment	<b>1,269,629</b>	961,738
ii) on Provision for doubtful debts	<b>171,506</b>	-
iii) on Other Timing Difference	-	-
<b>TOTAL</b>	<b>1,441,135</b>	961,738
<b>TOTAL</b>	<b>935,524</b>	355,531

<b>Note : 5</b>	<b>As at 31st March 2015</b>	<b>As at 31st March 2014</b>
<b>LONG TERM PROVISIONS</b>		
<u>Provision for Employee Benefits</u>		
Leave Encashment	<b>3,240,511</b>	2,400,382
Gratuity	<b>1,426,320</b>	1,121,336
<b>TOTAL</b>	<b>4,666,831</b>	3,521,718

<b>Note : 6</b>	<b>As at 31st March 2015</b>	<b>As at 31st March 2014</b>
<b>SHORT TERM BORROWINGS</b>		
<b>SECURED LOANS :</b>		
Working Capital loans from		
<b>The Saraswat Co- Op Bank Ltd</b>		
Cash Credit	<b>3,723,547</b>	(69,457)
ODBD	<b>2,604,271</b>	2,011,871
<b>Central bank of India</b>	-	
Cash Credit	<b>26,226,191</b>	20,673,465
ODBD	<b>561,846</b>	3,072,219
	<b>33,115,855</b>	25,688,097
<b>DEPOSITS :</b>		
Unsecured (Dealer,Distributor & Stockist)	<b>2,459,500</b>	2,377,000
<b>TOTAL</b>	<b>35,575,355</b>	28,065,097

## Consolidated Notes On Financial Statements for the Year ended 31st March 2015

<b>Note : 7</b>	<b>As at 31st March 2015</b>	<b>As at 31st March 2014</b>
<b>TRADE PAYABLES</b>	<b>41,156,830</b>	52,655,907
<b>TOTAL</b>	<b>41,156,830</b>	52,655,907
<b>Note :</b> 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.		

<b>Note : 8</b>	<b>As at 31st March 2015</b>	<b>As at 31st March 2014</b>
<b>OTHER CURRENT LIABILITIES</b>		
Outstanding Liabilities	<b>2,419,362</b>	2,662,335
Statutory Dues	<b>432,558</b>	497,953
Sales Tax Payable	<b>800,445</b>	-
Unclaimed Dividends	<b>230,370</b>	195,580
Unclaimed amount for fractional Share	<b>664</b>	664
Other Deposits	<b>18,000</b>	18,000
Advance From Customers	<b>2,291,199</b>	1,782,325
Advance against Property	<b>8,700,000</b>	-
	<b>14,892,598</b>	5,156,857

<b>Note : 9</b>	<b>As at 31st March 2015</b>	<b>As at 31st March 2014</b>
<b>SHORT TERM PROVISIONS</b>		
<b>Others :</b>		
Provision for Employee Benefit	<b>4,246,929</b>	1,917,487
Income Tax	-	-
Provision for Excise duty	<b>3,411,435</b>	2,041,843
Proposed Dividend	<b>317,350</b>	634,700
Dividend Distribution tax	<b>51,482</b>	102,949
	<b>8,027,196</b>	4,696,979

Consolidated Notes On Financial Statements for the Year ended 31st March 2015 Note No. 10 FIXED ASSETS										
Description of Assets	Gross Block			Depreciation				Net Block		
	Cost as on 1.4.2014 ₹	Additions ₹	Deductions ₹	As at 31.03.2015 ₹	As at 1.4.2014 ₹	Provided for the year ₹	Adjustment during the year ₹	As at 31.03.2015 ₹	As at 31.03.2014 ₹	
<b>Tangible Assets :</b>										
Land	29,619	6,923,024	-	6,952,643	-	-	-	6,952,643	29,619	
Building (Factory & Ambemath)	14,240,152	1,430,310	-	15,670,462	4,924,152	414,209	-	10,332,101	9,316,000	
Plant & Machinery	28,671,356	3,740,789	-	32,412,145	19,846,939	997,790	667,897	10,909,519	8,824,417	
Computers	4,183,239	332,900	-	4,516,139	2,254,834	624,833	122,801	1,513,671	1,928,405	
Furniture, Fitting &										
Office Equipment	8,020,371	1,448,889	-	9,469,260	4,845,947	778,921	189,319	3,655,073	3,174,425	
Motor Vehicles	210,813	-	-	210,813	197,209	-	13,603	1	13,604	
Electrical Fitting	2,761,877	500,045	-	3,261,922	1,478,810	207,034	40,760	1,535,319	1,283,066	
<b>SUB TOTAL (A)</b>	<b>58,117,427</b>	<b>14,375,957</b>	<b>-</b>	<b>72,493,384</b>	<b>33,547,891</b>	<b>3,012,788</b>	<b>1,034,380</b>	<b>37,595,059</b>	<b>34,898,327</b>	<b>24,569,536</b>
<b>Intangible Assets :</b>										
<b>SUB TOTAL (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Capital Work in Progress :</b>										
Building under										
Construction (Refer Note)	14,766,844	-	-	14,766,844	-	-	-	14,766,844	14,766,844	
<b>SUB TOTAL (C)</b>	<b>14,766,844</b>	<b>-</b>	<b>-</b>	<b>14,766,844</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,766,844</b>	<b>14,766,844</b>	
<b>SUB TOTAL A + B + C</b>	<b>72,884,271</b>	<b>14,375,957</b>	<b>-</b>	<b>87,260,228</b>	<b>33,547,891</b>	<b>3,012,788</b>	<b>1,034,380</b>	<b>37,595,059</b>	<b>49,665,171</b>	<b>39,336,380</b>
Previous Year	71,499,570	3,242,787	1,858,086	72,884,271	31,700,354	3,692,448	1,844,911	39,336,380	39,799,216	

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



**Consolidated Notes On Financial Statements for the Year ended 31st March 2015**

<b>Note : 11</b>	<b>As at 31st March 2015</b>	<b>As at 31st March 2014</b>
<b>NON CURRENT INVESTMENTS</b>		
Investment (Unquoted) :		
<b>Saraswat Bank</b> (1000 Equity shares of Rs 10 each)	<b>10,000</b>	10,000
	<b>10,000</b>	10,000

<b>Note : 12</b>	<b>As at 31st March 2015</b>	<b>As at 31st March 2014</b>
<b>LONG TERM LOANS AND ADVANCES</b>		
Advance against Property	<b>26,316,153</b>	34,411,507
	<b>26,316,153</b>	34,411,507

<b>Note : 13</b>	<b>As at 31st March 2015</b>	<b>As at 31st March 2014</b>
<b>OTHER NON CURRENT ASSETS</b>		
ASSETS & LIABILITIES IN PAKISTAN :	<b>876,320</b>	876,320
	<b>876,320</b>	876,320

<b>Note : 14</b>	<b>As at 31st March 2015</b>	<b>As at 31st March 2014</b>
<b>INVENTORIES</b>		
<b>(At cost or Net realisable value which ever is less)</b>		
Raw Materials & Stores	<b>16,408,765</b>	25,978,773
Materials in process	<b>6,908,536</b>	4,246,354
Finished Goods	<b>30,702,917</b>	21,883,252
Trading Goods	<b>12,410,736</b>	14,733,326
	<b>66,430,954</b>	66,841,705

<b>Note : 15</b>	<b>As at 31st March 2015</b>	<b>As at 31st March 2014</b>
<b>TRADE RECEIVABLES</b>		
(Unsecured)		
Debts outstanding for a period exceeding six months from the date they were due for payment.		
Considered Good	<b>16,148,295</b>	9,903,572
Considered Doubtful	<b>4,274,437</b>	3,719,403
	20,422,732	13,622,975
Less: Provision for Doubtful Debts	4,274,437	3,719,403
	16,148,295	9,903,572
Others: Considered Good	<b>74,726,407</b>	83,186,241
	<b>90,874,702</b>	93,089,813

**Consolidated Notes On Financial Statements for the Year ended 31st March 2015**

<b>Note : 16</b>	<b>As at 31st March 2015</b>	<b>As at 31st March 2014</b>
<b>CASH AND CASH EQUIVALENTS :</b>		
Cash in Hand	<b>173,666</b>	155,406
With Scheduled Banks :		
In Current Account	<b>3,293,780</b>	967,257
Bank Guarantee Margin	<b>70,900</b>	70,900
In Fixed Deposits	<b>6,670,732</b>	15,170,732
In Fixed Deposits against LC Margin	<b>1,410,725</b>	1,304,778
In Dividend Account	<b>230,370</b>	195,580
	<b>11,850,172</b>	17,864,653

<b>Note : 17</b>	<b>As at 31st March 2015</b>	<b>As at 31st March 2014</b>
<b>SHORT TERM LOANS AND ADVANCES</b>		
<b>Unsecured, Considered Good</b>		
Loans & Advances to employees	<b>107,600</b>	103,600
Prepaid Expenses	<b>382,576</b>	357,730
Expenses Recoverable	-	206,710
Advance Tax	<b>1,390,514</b>	1,095,710
<u>Balances with Govt Authorities :</u>		
Modvat	<b>9,253</b>	31,451
Service Tax	-	1,252,480
Excise Receivable	<b>525,628</b>	525,628
Central Excise Duty (PLA)	<b>86,998</b>	398,065
Sales Tax Receivable	<b>1,666,786</b>	864,256
Other Advances	<b>134,185</b>	-
Advance to Subsidiary Company	-	30,000
	<b>4,303,540</b>	4,865,630

<b>Note : 18</b>	<b>As at 31st March 2015</b>	<b>As at 31st March 2014</b>
<b>OTHER CURRENT ASSETS</b>		
Accrued Interest on FD	<b>149,388</b>	432,205
<u>Sundry Deposits :</u>		
Unsecured ,Considered Goods	<b>2,811,669</b>	2,811,669
Advances to suppliers for Raw Material	<b>2,121,239</b>	1,984,161
Miscellaneous Expenditure	<b>6,650</b>	6,650
	<b>5,088,946</b>	5,234,685

<b>Note : 19</b>	<b>As at 31st March 2015</b>	<b>As at 31st March 2014</b>
<b>SALES :</b>		
Sale of Manufactured Goods	<b>235,291,937</b>	269,711,553
Less : Excise Duty	<b>30,477,987</b>	39,333,966
	<b>204,813,950</b>	230,377,587
Export Sale	<b>7,559,745</b>	5,143,107
Sale of Trading Goods	<b>9,564,753</b>	13,515,859
Repair Charges	<b>416,129</b>	278,331
Sale of Scrap	<b>1,954,948</b>	2,837,632
	<b>224,309,525</b>	252,152,516

**Consolidated Notes On Financial Statements for the Year ended 31st March 2015**

<b>Note : 20</b>	<b>As at 31st March 2015</b>	<b>As at 31st March 2014</b>
<b>OTHER INCOME :</b>		
Interest from Bank on : Deposits	<b>910,531</b>	1,075,910
Dividend Income From : Shares	<b>1,000</b>	1,000
Other Non operating income Comprises : Rental Income	<b>2,400,000</b>	2,595,000
Misc Interest on Refund	<b>30,217</b>	-
	<b>3,341,748</b>	3,671,910
<b>Note : 21</b>	<b>As at 31st March 2015</b>	<b>As at 31st March 2014</b>
<b>Cost of Material Consumed:</b>		
Opening Stocks Raw Materials & Stores:	<b>25,978,773</b>	16,628,622
Add: Raw Material & Stores Purchases	<b>117,010,800</b>	151,919,441
	<b>142,989,573</b>	168,548,063
Closing Stocks Raw Material & Stores	<b>16,408,765</b>	25,978,773
	<b>126,580,808</b>	142,569,290
<b>Note : 22</b>	<b>As at 31st March 2015</b>	<b>As at 31st March 2014</b>
<b>Purchases of Stock in Trade</b>		
Opening Stocks of Trading Goods	<b>14,733,326</b>	12,055,977
Add : Purchases	<b>3,704,961</b>	10,021,778
	<b>18,438,287</b>	22,077,755.07
Closing Stock	<b>12,410,736</b>	14,733,326
	<b>6,027,551</b>	7,344,429
<b>Note : 23</b>	<b>As at 31st March 2015</b>	<b>As at 31st March 2014</b>
<b>Changes in Inventory of Finished goods, work-in-progress and stock in trade</b>		
Opening Stocks :		
Materials in Process	<b>4,246,354</b>	1,812,580
Finished Goods	<b>21,883,252</b>	12,371,915
	<b>26,129,606</b>	<b>14,184,495</b>
Less : Closing Stocks :		
Materials in Process	<b>6,908,536</b>	4,246,354
Finished Goods	<b>30,702,917</b>	21,883,252
	<b>37,611,453</b>	<b>26,129,606</b>
	<b>(11,481,847)</b>	(11,945,111)

**Consolidated Notes On Financial Statements for the Year ended 31st March 2015**

<b>Note : 24</b>	<b>As at 31st March 2015</b>	<b>As at 31st March 2014</b>
<b>EMPLOYEE BENEFIT EXPENSES :</b>		
Salaries, Wages, Bonus & Gratuity	<b>51,406,562</b>	48,700,679
Contribution to Provident & other funds & Schemes	<b>2,654,175</b>	2,485,829
Welfare Expenses	<b>5,079,669</b>	5,015,953
	<b>59,140,406</b>	56,202,461

<b>Note : 25</b>	<b>As at 31st March 2015</b>	<b>As at 31st March 2014</b>
<b>FINANCE COST :</b>		
Interest - Banks	<b>3,557,171</b>	2,670,659
Interest - Others	<b>260,000</b>	260,000
Bank Charges	<b>887,716</b>	357,680
	<b>4,704,887</b>	3,288,339

<b>Note : 26</b>	<b>As at 31st March 2015</b>	<b>As at 31st March 2014</b>
<b>OTHER EXPENSES :</b>		
Component Processing and other charges	<b>14,183,782</b>	11,650,626
Power, Fuel & Water Charges	<b>2,207,162</b>	2,880,003
Octroi, Transportation & Forwarding, etc.	<b>3,309,162</b>	3,447,869
Conveyance & Traveling	<b>5,824,549</b>	5,058,284
Reimbursement of Corporate Exp.	-	1,800,000
Printing & Stationery	<b>424,358</b>	855,769
Postage & Telephone	<b>1,196,978</b>	1,115,807
Cash Discount	<b>1,500,651</b>	2,435,492
Maintenance & Repairs :		
Machinery	<b>76,278</b>	34,250
Building	<b>256,293</b>	901,554
Others	<b>1,099,321</b>	808,726
	<b>1,431,892</b>	
Insurance & Keyman Insurance	<b>2,225,123</b>	2,232,753
Rent, Rates & Taxes	<b>471,943</b>	1,153,549
Excise Duty Paid	<b>1,980,968</b>	896,305
Indirect Taxes Paid	<b>2,547,270</b>	1,383,188
Discounts	<b>4,212,304</b>	3,167,761
Bad Debts & Misc Written Off	<b>687,634</b>	907,400
Legal & Professional Charges (Refer No.18 for Auditors Remuneration)	<b>2,323,266</b>	1,915,636
Advertisement & Publicity	<b>92,280</b>	115,686
Sales Commission	<b>165,517</b>	57,582
Sales Promotion	<b>803,240</b>	1,016,864
Miscellaneous Expenses	<b>5,961,081</b>	4,764,426
	<b>51,549,161</b>	48,599,530

**NOTE NO. 27****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015****SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS****1 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS**

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

**2 PRINCIPLES OF CONSOLIDATION**

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

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

**3 REVENUE RECOGNITION:**

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

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

#### 4. **EMPLOYEE BENEFITS**

##### i) **Short Term Employees Benefits:**

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

##### ii) **Post Employment Benefit:**

##### a) **Defined Contribution Plan**

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

##### b) **Defined Benefit Plan**

##### **Gratuity:**

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

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

#### 5 **Inventories**

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

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

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

#### 6 **Fixed Assets** **Tangible Assets**

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

##### **Depreciation**

Depreciation is provided using the written down value method in accordance with the schedule XIV of the Companies Act, 1956. Fixed assets with estimated useful life of less than 1 year & onetime use are fully depreciated in the year of acquisition. Depreciation on assets acquired or disposed off during the year is provided on a pro-rata basis from/up to the date of acquisition/disposal.

## 7 **Depreciation**

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

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

## 8 **Impairment Policy**

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

## 9 **Investments**

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

## 10 **Research and Development**

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

## 11 **Foreign currency transaction**

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

## 12 **Segment Reporting Policies**

Identification of segment is based on the major manufacturing products.

## 13 **Earnings per share**

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

## 14 **Provisions and contingent liabilities**

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

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

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

**15 Provision for Taxation**

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

**16** Estimated value of contracts (Net of Advances) to be executed on capital account and not provided for Rs.Nil (Previous year Rs.Nil).

**17** Holding Company has not provided contingent liability of Rs. 3.96 Lacs against Central Excise assessment for year 2007- 2008, and Liability towards pending C forms have not been provided on account of uncertainty.

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

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

	<b>2014-2015</b> <b>Rupees</b>	<b>2013-2012</b> <b>Rupees</b>
a) As Audit Fee - Statutory	247,192	235,956
b) In other capacities:		
i) For Certification	194,789	315,844
ii) For Provident Fund & Gratuity Audit	5,618	11,236
iii) Tax Audit Fees	84,270	84,270
iv) Vat Audit Fees	73,034	73,034
v) Expenses reimbursed	32,500	40,900

**20 MANAGERIAL REMUNERATION:**

	<b>2014-2015</b>	<b>2013-2014</b>
Salary and Allowances	1,704,600	1,452,600
Contribution to Statutory Funds	144,000	122,400



**Working Under Section 197 of Companies Act 2013 for FY 2014-15**

	<b>2014-2015 Rs.</b>
Loss before tax	(11,882,479)
Limit Under Section 197 read with Clause A of Section II of Part II of Schedule V to the Companies Act 2013 -	
<b>Effective capital -</b>	
Share Capital	63,47,000
Reserves and surplus	11,67,69,316
long-term loans repayable after one year	28,912,824
<b>Effective capital -</b>	<b>152,029,240</b>
Limit on remuneration -	<b>42,00,000</b>

**Working Under Section 309 of Companies Act 1956 for FY 2013-14**

	<b>2013-2014</b>
Profit / (Loss) before tax	6,073,038
Add:	
Remuneration to Managing Director	1,575,000
Bonus to Employees	493,111
Interest to Others	260,000
Maintenance & Repairs	1,744,530
Depreciation and Amortisation Expenses	3,692,450
Total	<b>13,838,129</b>
Limit Under Section 197 = 5% of Above	<b>691,906</b>

Note: The above Remuneration paid is in excess of Limits prescribed U/S 309 of The Companies Act, 1956 and is subject to necessary approval.

**21 Details of Licensed and Installed Capacity, Production, Stock and Turnover.****21 A Licensed And Installed Capacity And Production:**

	<b>Licensed Capacity Nos.</b>	<b>Installed Capacity Nos.</b>	<b>Actual Production Nos.</b>
a) Rotary Switches	Not Specified	Not Applicable	736,473 (845,939)
b) Micro Switches	Not Specified	Not Applicable	481,994 (574,155)
c) Counters	Not Specified	Not Applicable	89,344 (101,132)
d) Water Meters	Not Specified	Not Applicable	847 (265)

**21 B TURNOVER:**

	<b>2011-2015</b>		<b>2013-2014</b>	
	<b>Unit Nos.</b>	<b>Amount Rs.</b>	<b>Unit Nos.</b>	<b>Amount Rs.</b>
<b>MANUFACTURED GOODS.</b>				
a) Rotary Switch	733926	170,420,801	837348	202,415,774
b) Micro Switches	477721	27,239,180	604477	35,411,735
c) Counters	80858	15,021,545	101310	20,248,397
d) Water Meters	273	3,016,889	19	336,348
e) Others		27,153,267		16,442,405
TRADED GOODS	55,460	9,564,753	53,156	13,515,859
<b>Total :-</b>		<b>252,416,435</b>		<b>288,370,518</b>

**21 C OPENING STOCK AND CLOSING STOCK OF FINISHED GOODS :**

	<b>Opening Stock</b>		<b>Closing Stock</b>	
	<b>Qty Nos.</b>	<b>Value Rs.</b>	<b>Qty Nos.</b>	<b>Value Rs.</b>
a) Rotary Switch	68,926 (60,335)	9,088,493 (6,786,218)	71473 (68926)	10,503,088 (9,088,493)
b) Micro Switches	34,009 (64,331)	1,255,562 (2,519,895)	38282 (34009)	2,175,465 (1,255,562)
c) Counters	1,956 (2,134)	472,140 (521,354)	10442 (1956)	2,088,277 (472,140)
d) Water Meters	247 (01)	2,759,158 (3,239)	821 (247)	9,184,337 (2,759,158)
e) Others	4,083,634 (211,414)	8,307,899 (2,541,208)	2,758,529 (4,083,634)	6,751,751 (8,307,899)

Previous year's Figures are given in brackets.

**21 D DETAILS OF TRADING ITEMS :**

	<b>2014-2015</b>		<b>2013-2014</b>	
	<b>Unit Nos.</b>	<b>Amount Rs.</b>	<b>Unit Nos.</b>	<b>Amount Rs.</b>
a) Opening Stock	109171	14,733,326	127,894	12,055,977
b) Purchases	27011	3,704,961	34,433	10,021,778
c) Turnover	55,460	9,564,573	53,156	13,515,859
d) Closing stock	80722	12,410,736	1,09,171	14,733,326

**21 E DETAILS OF RAW MATERIALS & STORES CONSUMED :**

	2014-2015		2013-2014	
	Qty	Value Rs.	Qty.	Value Rs.
a) Bimetal Tips & Components	4906204	10,671,707	5,643,382	16,366,718
b) Copper & PB	4885	2,986,346	4,065	2,797,448
c) Brass	8011	742,692	43	18,855
d) Steel & aluminum	32158	2,460,506	51,025	3,565,183
e) Plastic Powder & Moulding Component	44305	1,603,079	600,708	2,209,971
f) Motors	12011	2,726,497	8,403	1,900,669
g) Others		105,389,981		115,710,446
		126,580,808		142,569,290

**21 F VALUE OF IMPORTS (C.I.F.):**

	2014-2015 Rupees	2013-2014 Rupees
a) Raw Materials	1,764,262	5,916,791
b) Finished Goods (Trading)	9,896	6,203,507

**21 G CONSUMPTION OF RAW MATERIALS & STORES**

	2014-2015		2013-2014	
	Percentage Of Total Consumption	Amount Rupees	Percentage of Total Consumption	Amount Rupees
a) Imported	1.46%	1,764,262	4.29%	5,916,791
b) Indigenous	98.54%	119,362,250	95.71%	132,051,817

**22 EARNINGS IN FOREIGN CURRENCY :**

	2014-2015 Rupees	2013-2014 Rupees
a) F.O.B. Value of Exports	7,405,065	5,004,578

**23 EXPENDITURE IN FOREIGN CURRENCY :**

	2014-2015 Rupees	2013-2014 Rupees
a) Foreign bank charges	50,447	76,019
b) Brokerage & Commission	165,517	Nil

## 24 Employee Benefits

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

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

### I Defined Contribution Plan

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

	2014-15 Rupees	2013-14 Rupees
Employer's Contribution to Provident Fund	1,114,764	1,416,402
Employer's Contribution to Pension Fund	1,137,300	783,601

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

### II Defined Benefit Plans

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

PARTICULARS	AS AT 31.03.2015		AS AT 31.03.2014	
	Gratuity Funded	Leave Encashment Unfunded	Gratuity Funded	Leave Encashment Unfunded
Present Value of Obligation	11,363,260	2,400,382	11,264,225	2,792,935
Interest Cost	909,061	190,830	901,138	261,139
Current Service Cost	1,908,681	418,617	1,604,038	465,401
Benefit Paid	2,395,219	1,023,731	1,909,958	437,597
Actuarial Gain/Loss on Obligations	489,039	-1,254,453	496,183	681,496
Present Value of Obligation	11,296,744	3,240,551	11,363,260	2,400,382
<b>B. Fair Value of Plan Assets</b>	Gratuity Unfunded	Leave Encashment Funded	Gratuity Unfunded	Leave Encashment Funded
Fair Value of the Plan Assets	10,837,300	N.A	10,803,307	N.A
Expected return on Plan Assets	939,167	N.A	930,132	N.A
Contributions	1,074,482	N.A	1,013,819	N.A
Benefits Paid	2,395,219	N.A	1,909,958	N.A
Actuarial Gain/Loss on Plan Assets	NIL	N.A	NIL	N.A
Fair Value of the Plan Assets	10,455,730	N.A	10,837,300	N.A
<b>C. Amount Recognized in the Balance Sheet.</b>	Gratuity Unfunded	Leave Encashment Funded	Gratuity Unfunded	Leave Encashment Funded
Present Value of Obligation	11,296,744	3,240,551	11,363,260	2,400,382
Fair Value of the Plan Assets	10,455,730	N.A	10,837,300	N.A

PARTICULARS	AS AT 31.03.2015		AS AT 31.03.2014	
	Gratuity Unfunded	Leave Encashment Funded	Gratuity Unfunded	Leave Encashment Funded
<b>D. Reconciliation of Balance Sheet.</b>				
Present Value of Obligation	11,363,260	2,400,382	11,264,225	2,792,935
Total Expenses recognized in Profit & Loss A/c	1,426,320	1,863,860	812,946	437,597
Actuarial Gain/Loss	418,354	N.A	299,908	N.A
Employer's Contribution	1,074,482	1,023,731	1,013,819	830,150
Present Value of Obligation	11,296,744	3,240,511	11,363,260	2400,382
<b>E. Assumptions</b>				
Actuarial Return on Plan Asset	939,167	N.A	930,132	N.A
Mortality Table	LIC (1994-96)	LIC (1994-96)	LIC (1994-96)	LIC (1994-96)
	Ultimate	Ultimate	Ultimate	Ultimate
Discount Rate	8%	7.95%	8%	9.35%
Expected Rate of Return on Plan Assets	8%	8%	8%	8%
Salary Escalation	4%	6%	4%	6%

Fare value of plan assets at the end of period Rs 10,455,730/- is funded fully with Life Insurance Corporation of India

- 25** 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
- 26** Pursuant to the enactment of Companies Act 2013, the company has applied the estimated useful lives as specified in Schedule II. Accordingly the unamortised carrying value is being depreciated over the revised/ remaining useful lives. The written down value of Fixed Assets whose lives have expired as at 1st April 2014 have been adjusted, in the opening balance of General Reserves amounting to Rs. 1,034,379/-.
- 27** Disclosure of Related Parties / Transactions With Related Parties:-

Relationship	Name of Related Party
Subsidiary company	RDJ Construction Private Limited
Group Companies (Enterprise over which Director and/or his relatives has significant influence)	CMS Traffic Systems Limited CMS Computers Limited Jess Prasad Engg. And Metallurgical Services Pvt. Ltd ST Energy Solution Private Limited CMS Engineering Services Private Limited G.G. Constructions Private Limited Datacom Computer Services Private Limited Dynamic Hydro Machines Private Limited Mailtek Services (India) Limited Netprint Solution India Private Limited New Video Private Limited CMS – Ident Pvt. Ltd. Computer Products and Services Pvt. Ltd. Dominant Developers Pvt. Ltd. Acu-Soft Technologies Pvt. Ltd. CMS-DITL Ltd. Computer Maintenance Service Royal Virgo Travels Systime Computers Limited CMS Universal Solution P Ltd

CMS Info System Ltd.  
 Resergent Infotech Pvt.Ltd.  
 People Upliftment Foundation  
 CMS Marshal Limited  
 CMS Securitas Limited  
 Money ease Capital Pvt. Ltd.  
 CMS I.T Services Pvt.Ltd

**Key Management Personnel (KMP)**
**Directors :**

Mrs. Raju R. Grover  
 Ms. Aarti R. Grover  
 Mrs. Sona P. Ramchandani  
 Mrs. Pramila Prakash Merani  
 Mrs. Savitri Lal Butani  
 Mr. Deepak Potdar (CFO)  
 Miss. Kamaleshwari Bind (CS)

Sr. No.	Name of the Related Party	Relationship	Nature	Amount Rs.	O/S as on 31.03.2015
<b>I</b>	<b>Holding Companies</b>				
1	CMS Traffic Systems Ltd.	Group Company	Sales	4,739,747.83 (3,194,145.55)	4,564,481.37 Dr. (4,834,542.48) Dr.
2	CMS Traffic Systems Ltd.	Group Company	Reimbursement Of Salary	1,148,277 (748982.80)	
3	CMS Traffic Systems Ltd	Group Company	Conveyance Paid Reimbursed	Nil (9974)	
4	CMS Traffic Systems Ltd	Group Company	Material Purchased	Nil (23191)	
<b>II</b>	<b>Group Companies</b>				
5	CMS Computers Limited	Group Company	Reimbursement of Elect. Chrgs	1,671,380 (2,371,666)	4,093,419.74 Cr. (6,150,089.27) Cr
6	CMS Computers Limited	Group Company	Rent Received	2,696,640 (2,696,640)	
7	CMS Computers Limited	Group Company	Reimbursement of Water Charges	103,723 (Nil)	
8	CMS Computers Limited	Group Company	Transport & Import Duty Charges paid	Nil (107,080)	
9	CMS Computers Limited	Group Company	Sales	3,009,071.39 (2,878,757.20)	
10	CMS Computers Limited	Group Company	Fixed Assets Purchased	Nil (25,313)	
11	CMS Computers Limited	Group Company	Reimbursement Of Salary	53,596 (48,622)	
	CMS Computers Limited	Group Company	Purchases	122,049 (Nil)	
12	CMS Computers Limited	Group Company	Computer Maint. Chrgs Paid	49,276 (Nil)	
13	CMS Computers Limited	Group Company	Reim of Corp. Exp.	Nil (2,022,480)	
14	Systime Computers System Limited	Group Company		- -	339,657 Cr. (339,657) Cr.
15	Royal Virgo Travels	Director's firm	Interest on Loan	260,000 (260000)	2,000,000 Cr. (2000,000) Cr.
16	RDJ Construction Pvt. Ltd	Subsidiary Company	Advance	Nil (20,000)	Nil. (30,000) Dr
<b>III</b>	<b>Key management Person</b>				
17	Ms. Aarti Grover	Managing Director	Salary & Perquisites	1,704,600 (1,452,600)	Nil (Nil)

- Rs. NIL in respect of the related parties have been written off are provided during the year
- Related party relationship have been identified by the management and relied upon by the auditors
- 28** 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 2014-2015.
- 29** During the year the Company has reviewed Accounts Receivable and reversed provision for doubtful debts Rs. 555,034. (P.Y. Provision made.Rs 348,923).
- 30** Segment wise Reporting as per Note No. 34.
- 31** In the opinion of the Board Current Assets, Loans & Advances have a value on realization in the ordinary Course of Business at least equal to the amount at which they are stated in accounts and all current liabilities have been provided for.
- 32** Sundry Debtors and Creditors, Loans and advances are subject to confirmation and reconciliation if any.
- 33** Previous Years figures have been regrouped / rearranged wherever necessary.

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

Particulars	Net Assets (i.e. Total assets minus total liabilities)		Share in profit/(loss)	
	As a % of consolidated net assets	Amount	As a % of consolidated profit/loss	Amount
1. Parent: Kaycee Industries Limited	97.1324 %	123,116,416	100.5053 %	(11,397,514.00)
2. Subsidiary–				
RDJ Construction Private Limited	2.8648 %	3,527,106	(0.5047) %	57,239.70
Add/(Less):Minority interest in subsidiary	0.0028 %	3,431	(0.0005) %	57.30
<b>Total</b>	<b>100.0000 %</b>	<b>123,119,847</b>	<b>100.0000 %</b>	<b>(11,340,217.00)</b>



## Form AOC - I

(Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiary company

1.	Sl. No.	1
2.	Name of the subsidiary	RDJ Construction Private Limited
3.	Reporting period for the subsidiary concerned	April 2014 to March 2015
4.	Reporting currency	Indian Rupees
5.	Share capital	100,000/-
6.	Reserves & surplus	3,430,537/-
7.	Total assets	39,215,069/-
8.	Total Liabilities	35,684,532/-
9.	Investments	NIL
10.	Turnover	121,848/-
11.	Profit before taxation	95,028/-
12.	Provision for taxation	37,731/-
13.	Profit after taxation	57,297/-
14.	Proposed Dividend	NIL
15.	% of shareholding	99.90 %

As per our report of even date attached

**For N.D KAPUR & CO.**

Firm Registration No:001196N

**Chartered Accountants**

Sd/-

**S.K.AGRAWAL**

Partner

MUMBAI

Date: 30th May 2015

**For and on behalf of the Board**

Sd/-

**AARTI GROVER**

Managing Director

Sd/-

**Deepak Potdar**

Chief Financial Officer

Sd/-

**RAJU GROVER**

Director

Sd/-

**Kamleshwari Bind**

Company Secretary



**NOTE NO. 34**

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

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

**SEGMENTWISE REPORTING**

	<b>2014-2015</b>	<b>2013-2014</b>
1. Segment Reserve		
( Net Sale/ Income from)		
a. Segment - Switches	165,909,472	199,940,785
b. Segment - Counters	24,445,754	23,047,254
c. Segment - Others	33,954,299	29,164,478
TOTAL	<b>224,309,525</b>	<b>252,152,517</b>
Less : Intersegment Revenue	-	-
	<b>224,309,525</b>	<b>252,152,517</b>
2. Segment Results (Profit)(+)/Loss(-)		
before tax and interest from segment		
a. Segment - Switches	36,625,261	49,668,184
b. Segment - Counters	4,987,462	6,793,544
c. Segment - Others	7,509,553	6,535,672
TOTAL	<b>49,122,276</b>	<b>62,997,400</b>
Add : Other Income	3,341,748	3,671,910
Less : (I) Interest	4,704,887	3,288,339
(ii) Other unallocable expenditure	59,641,616	57,307,932
net off unallocable income		
Total Profit/(Loss) before Tax	<b>(11,882,479)</b>	<b>6,073,039</b>

For and on behalf of the Board

For **N.D KAPUR & CO.**

Firm Registration No:001196N

**Chartered Accountants**

Sd/-

**S.K.AGRAWAL**

Partner

MUMBAI

Date: 30th May 2015

Sd/-

**AARTI GROVER**

Managing Director

Sd/-

**Deepak Potdar**

Chief Financial Officer

Sd/-

**RAJU GROVER**

Director

Sd/-

**Kamleshwari Bind**

Company Secretary



## KAYCEE INDUSTRIES LIMITED

Address: OLD KAMANI CHAMBERS, 32-RAMJIBHAI KAMANI MARG, BALLARD ESTATE, MUMBAI-400001

CIN : L70102MH1942PLC006482 Contact : 22 2261 3521, [www.kayceeindustries.com](http://www.kayceeindustries.com);

Email: [complianceofficer@cms-kaycee.co.in](mailto:complianceofficer@cms-kaycee.co.in); [cs\\_legal@cms.co.in](mailto:cs_legal@cms.co.in)

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

Joint Shareholders may obtain additional slip on request

**NAME AND ADDRESS OF SHAREHOLDERS**


Folio No	
DP ID	
Client ID	
No. of Shares	

I hereby record my presence at the 72<sup>nd</sup> Annual General Meeting of the Company held on Wednesday, 30<sup>th</sup> day of September, 2015 at 01.30 p.m at Jainam Banquet Hall, Jainam Arcade, B.M.T. Compound, 100, L.B.S. Marg, Bhandup (W), Mumbai 400 078.

\_\_\_\_\_  
Signature of Shareholder or proxy \*

\*Strike out whichever is not applicable

# KAYCEE INDUSTRIES LIMITED

Address: OLD KAMANI CHAMBERS, 32-RAMJIBHAI KAMANI MARG, BALLARD ESTATE, MUMBAI-400001

CIN : L70102MH1942PLC006482 Contact : 22 2261 3521, [www.kayceeindustries.com](http://www.kayceeindustries.com);

Email: [complianceofficer@cms-kaycee.co.in](mailto:complianceofficer@cms-kaycee.co.in); [cs\\_legal@cms.co.in](mailto:cs_legal@cms.co.in)

## PROXY FORM

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

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

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

1. Name: \_\_\_\_\_ Email Id: \_\_\_\_\_

Address : \_\_\_\_\_

Signature: \_\_\_\_\_ or failing him / her

2. Name: \_\_\_\_\_ Email Id: \_\_\_\_\_

Address : \_\_\_\_\_

Signature: \_\_\_\_\_ or failing him / her

3. Name: \_\_\_\_\_ Email Id: \_\_\_\_\_

Address : \_\_\_\_\_

Signature: \_\_\_\_\_ or failing him / her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 72<sup>nd</sup> Annual General Meeting of the Company to be held on Wednesday, the 30th September, 2015 at Jainam Banquet Hall, Jainam Arcade, B.M.T. Compound, 100, L.B.S. Marg, Bhandup (W), Mumbai 400 078 at 1.30 p.m. and at any adjournment thereof in respect of such resolutions as are indicated below:

S.No.	Resolutions
1.	Approve and Adopt Balance Sheet as at 31st March, 2015 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 Ms. Aarti Grover, who retires by rotation
4.	Appointment of M/s. N.D. Kapur & Co., as Statutory Auditor of the Company
5.	Appointment of Mrs. Pramila Merani as an Independent Director
6.	Appointment of Mrs. Savitri Lal Butani as an Independent Director

Signed this .....day of .....2015

Signature of shareholder

Signature of proxy holder(s)

Affix  
Revenue  
Stamp

**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.



: NOTES :