



**KAYCEE INDUSTRIES LIMITED**

CIN: L70102MH1942PLC006482

**Board of Directors**

Ms.AartiGrover	-ManagingDirector
Mr. ChandraPrakashJain	-ExecutiveDirector
Mrs.RajuGrover	-Non-executiveDirector
Mrs.SonaRamchandani	-Non-executive IndependentDirector
Mrs.PramilaMerani	-Non-executive IndependentDirector
Mrs.SavitriButani	-Non-executive IndependentDirector
Mr. D Rajesh Kumar (w.e.f 29/07/2019)	-Non-executive Director
Mr.JitendraK.Vakharia(w.e.f29/07/2019)	Non-executive IndependentDirector
Mr.DileepK.Gupte(w.e.f29/07/2019)	Non-executive IndependentDirector

**Registered Office**

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

**Factory Address**

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

**Bankers**

Saraswat Bank, S M E Nariman Point, Mumbai.

**Auditors**

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

AASHIT DOSHI & ASSOCIATES  
Practicing Company Secretaries  
B/16, Krupali, Saibaba Nagar,  
Borivali (W), Mumbai - 400 092.

**Registrar and Share Transfer Agent**

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

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Dear Members,

It's a delightful moment for me to meet you through this communicate to share with you some significant messages of your Company.

Your Company is one of the pioneer small players in the electrical industry and has been delivering consistent quality performance in its products since many years with its due attention to ever changing requirements and choices of the Customers.

Now, your Company has distinctive Brand Equity and strong recognition in the market which is core strength and strong foundation for growth in the days ahead.

The growth of your Company both at Sales level and Profit level are almost range bound in the last several years owing to certain limitations in using its inherent capabilities.

Now, the Changes have come. In July 2019, Your Company has been taken over by one of the Major players in the electrical industry – Salzer Electronics Limited who could navigate your Company with its deep rooted business acumen and structural business model. So, It's a great fillip to your Company to be being a more focus oriented in its operation and would drive value to the business.

Hope this is a new beginning in the growth story of your Company and would prosper well under dynamic support of Salzer.

Thank you

Chandra Prakash Jain  
Whole Time Director  
(DIN : 07337778)

**NOTICE**

**NOTICE** is hereby given that the **SEVENTY SIXTH ANNUAL GENERAL MEETING** of the members of **KAYCEE INDUSTRIES LIMITED** will be held on **Friday, 27<sup>th</sup> September, 2019 at 11.30 A.M.** at Babubhai Chinai Committee Room, 2<sup>nd</sup> Floor, IMC Building, IMC Marg, Churchgate, Mumbai- 400020 to transact the following business :-

**ORDINARY BUSINESS:**

**1) To consider and adopt the audited Financial statements of the Company for the Financial year ended March 31, 2019, comprising of balance sheet as at March 31, 2019, statement of profit and loss for the year ending on that date, Cash Flow statement and Statement of Changes in Equity as on that date and the reports of the Board of Directors along with annexure and Auditors thereon;**

**“RESOLVED THAT** the Audited Financial Statement comprising of balance sheet as at March 31, 2019, statement of profit and loss for the year ending on that date, Cash Flow statement and Statement of Changes in Equity as on that date and the reports of the Board of Directors along with annexure and Auditors thereon, as circulated to the Shareholders, be and are hereby received, considered and adopted.”

**2) To declare Dividend on Equity Shares for the Financial Year Ended 31<sup>st</sup> March, 2019.**

**“RESOLVED THAT** a dividend at the rate of Rs. 10 per equity share of Rs.100/- each fully paid-up of the Company be and is hereby declared for the Financial year 2018– 19 and the same be paid as recommended by the Board of Directors of the Company, out of the Profit of the Company for the financial year ended March 31, 2019.”

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

**“RESOLVED THAT** in pursuance of Section 152 of the Companies Act 2013, read with Article 178 of the Articles of Association of the Company Mrs. Raju Grover (DIN No. 01584366), a retiring Director at this Annual General Meeting be and is hereby re-appointed as a Director of the Company, subjected to determination of her office by means of retirement by rotation at the Annual General Meeting.”

**SPECIAL BUSINESS:**

**4) To appoint Mr. Rajesh Kumar (DIN 00003126) as Non- Executive Director liable to retire by rotation.**

**To consider and, if thought fit, to pass, with or without modifications, the following resolution as an ORDINARY RESOLUTION:-**

**“RESOLVED THAT Mr. Rajesh Kumar (DIN 00003126)** who was appointed as an Additional Director of the Company with effect from 29<sup>th</sup> July, 2019 pursuant to the provisions of Section 161 of the Companies Act, 2013 (“the Act”) and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director under section 160 of the Act, be and is hereby appointed as Director of the Company, designated as Non Executive and Non Independent, with a term of office subject to retirement by rotation.”

**5) To appoint Mr. Jitendra K. Vakharia (DIN 0004777) as Non- Executive and Independent Director**

**To consider and, if thought fit, to pass, with or without modifications, the following resolution as an ORDINARY RESOLUTION:-**

**“RESOLVED THAT** pursuant to Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any

statutory modification(s) or enactment thereof for the time being in force), Mr. Jitendra K. Vakharia (DIN 0004777) who was appointed as an Additional Director and designated as Independent Director by the Board of Directors effective July 29, 2019 and who holds office till conclusion of 76<sup>th</sup> Annual General Meeting in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member in terms of Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Jitendra K. Vakharia (DIN 0004777) as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company for a term of Five years effective July 29, 2019 and the term shall not be subject to retirement by rotation.”

**6) Appointment of Mr. Dileep Keshavrao Gupte (DIN 08510433) as Non Executive and Independent Director:**

**To consider and, if thought fit, to pass, with or without modifications, the following resolution as a SPECIAL RESOLUTIONS:-**

“**RESOLVED THAT** that pursuant to Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or enactment thereof for the time being in force) and in compliance with Regulation 17(1A) of SEBI Listing Obligations and Disclosure Requirements (Amendment) Regulations, 2018, Mr. Dileep Keshavrao Gupte (DIN 08510433) who was appointed as an Additional Director and designated as Independent Director by the Board of Directors effective July 29, 2019 and who holds office till conclusion of 76<sup>th</sup> Annual General Meeting in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member in terms of Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Dileep Keshavrao Gupte (DIN 08510433) as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company for a term of Five years effective July 29, 2019 and the term shall not be subject to retirement by rotation.”

“**RESOLVED FURTHER THAT**, the Board or any Committee thereof, be and are hereby authorized to do all such things, deeds, matters and acts as may be required to give effect to this resolution and to do all things incidental and ancillary thereto.”)

**7) Appointment of Mr. R Doraiswamy (DIN 00003131) as a Non – Executive Director liable to retire by rotation:**

**To consider and, if thought fit, to pass, with or without modifications, the following resolution as a SPECIAL RESOLUTION:-**

“**RESOLVED THAT** pursuant to the provisions of the Companies Act, 2013 and the rules framed thereunder (including statutory modification(s), enactment(s) or re-enactment(s) thereof, for the time being in force) and in terms of Regulation 17(1A) of SEBI Listing Obligations and Disclosure Requirements (Amendment) Regulations, 2018, Mr. R. Doraiswamy (DIN 00003131), who is eligible to be appointed as Non-Executive Director of the Company, in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Non-Executive Director, be and is hereby appointed as Non-Executive Director of the Company liable to retire by rotation

“**RESOLVED FURTHER THAT**, the Board or any Committee thereof, be and are hereby authorized to do all such things, deeds, matters and acts as may be required to give effect to this resolution and to do all things incidental and ancillary thereto.”



**8) Appointment of Mr. N Rangchary (DIN 00054437) as a Non –Executive and Independent Director (Chairman):**

**To consider and, if thought fit, to pass, with or without modifications, the following resolution as a SPECIAL RESOLUTION:-**

**“RESOLVED THAT**, pursuant to the provisions of Section 149, 150 and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014 and such other rules, as may be applicable (including statutory modification(s), enactment(s) or re-enactment(s) thereof, for the time being in force) and in terms of Regulation 17(1A) of SEBI Listing Obligations and Disclosure Requirements (Amendment) Regulations, 2018, **Mr. N Rangchary** (DIN 00054437), in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director (Non-Executive and Independent Chairman), not liable to retire by rotation, for a period commencing from September 27, 2019.

**“RESOLVED FURTHER THAT**, the Board or any Committee thereof, be and are hereby authorized to do all such things, deeds, matters and acts as may be required to give effect to this resolution and to do all things incidental and ancillary thereto.”

**For Kaycee Industries Limited**

Place: Mumbai  
Dated: 8<sup>th</sup> August, 2019

**Chandraprakash Jain**  
Wholetime Director  
**(DIN: 07337778)**

**Notes:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ('THE MEETING') IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

**A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE 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 A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER. A BLANK PROXY FORM IS ENCLOSED.**

2. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the meeting.
3. Map to the venue of the AGM, as per the requirement of Secretarial Standard 2 is attached for the perusal of the members.



**STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**

**Item No. 4 :**

Mr. Rajesh Kumar (DIN 00003126) was appointed as an Additional Director of the Company with effect from 29<sup>th</sup> July, 2019. In terms of the provisions of section 152 of the Companies Act, 2013, he holds office upto the date of the 76<sup>th</sup> Annual General Meeting and is eligible for appointment as a Director liable to retire by rotation.

Mr. D Rajesh Kumar, aged 48 years, is a holder of Bachelor’s degree in Electrical and Electronics Engineering from P S G Institute of Technology and also holds Master degree in Business Administration from New Hampshire College, USA. He has approximately more than 25 years of experience of electrical and electronic industry and also possessing well versed acquaintance in Finance and administration.

**Brief information and experience of Mr. Rajesh Kumar as per provision of the Act read with Secretarial Standard issued by Institute of Company Secretary of India.**

Name	Rajesh Kumar
Date of Birth	25/09/1971
Age	48
Date of Appointment	29/07/2019
Remuneration last drawn	NA
Experience	25
Shareholding in the Company	NIL
Relation with other Director/ Manager or Key Managerial Person	Son of Mr. R Doraiswamy – a proposed Director getting appointed and confirmed in the AGM to be held on Sept 27, 2019
Number of Board meeting attended during the year	NIL
Directorship in other Companies	a) Salzer Electronics Limited b) SRVE Industries Limited c) Salzer Securities Holdings Limited d) K R Health Care Private Limited e) Salzer Magnet Wires Limited f) Salzer Exports Limited

The company has received notice pursuant to the provisions of section 160 of the Act from a member proposing his appointment as a Director at the 76<sup>th</sup> Annual General Meeting of the Company. Mr. Rajesh Kumar has conveyed his consent for appointment as a Director.

The Board recommends the passing of the said resolution by the Members.



Relevant document referred to in the accompanying Notice and the Statement are open for inspection by Members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the meeting.

None of the Directors, except Mr. Rajesh Kumar (DIN 00003126) is concerned or interested, in the aforesaid resolution.

**Item No. 5:**

**Mr. Jitendra K. Vakharia (DIN 0004777)** was appointed as an Additional Director of the Company with effect from 29<sup>th</sup> July, 2019. In terms of the provisions of section 152 of the Companies Act, 2013, he holds office upto the date of the 76<sup>th</sup> Annual General Meeting and is eligible for appointment as a Director of the company.

Mr. Jitendra Kantilal Vakharia, aged 63 years, possesses sound knowledge in finance and administration by virtue of his experience over the last several years, besides possessing good exposures in yarn and cotton business.

**Brief information and experience of Mr. Jitendra K. Vakharia as per provision of the Act read with Secretarial Standard issued by Institute of Company Secretaries of India.**

Name	<b>Jitendra K. Vakharia</b>
Date of Birth	10/05/1956
Age	63
Date of Appointment	29 <sup>th</sup> July, 2019
Remuneration last drawn	NA
Experience	30
Shareholding in the Company	NIL
Relation with other Director/ Manager or Key Managerial Person	NA
Number of Board meeting attended during the year	NA
Directorship in other Companies	a) Everlon Synthetics Ltd b) Ind Renewable Energy Limited c) Vakharia Synthetics Private Limited d) Everest Yarn Agency Pvt Ltd e) Everlon Solar Energy Private Limited f) OmkarTexolene LLP g) Ind Renewable Solar Private Limited



The company has received notice pursuant to the provisions of section 160 of the Act from a member proposing his appointment as a Director at the 76<sup>th</sup> Annual General Meeting of the Company. Mr. Jitendra K. Vakharia has conveyed his consent for appointment as a Director.

None of the Directors, except Mr. Jitendra K. Vakharia is concerned or interested, in the aforesaid resolution.

**Item No. 6:**

**Mr. Dileep Keshavrao Gupte (DIN 0008510433)** was appointed as an Additional Director of the Company with effect from 29<sup>th</sup> July, 2019. In terms of the provisions of section 152 of the Companies Act, 2013, he holds office upto the date of the 76<sup>th</sup> Annual General Meeting and is eligible for appointment as a Director of the company.

He is having multiyear of experience both in Engineering and Administrations and worked with Hindustan Lever Limited, Birla groups, Hinduja Groups at the top level of administration.

**Brief information and experience of Mr. Dileep Keshavrao Gupte as per provision of the Act read with Secretarial Standard issued by Institute of Company Secretaries of India.**

Name	<b>Dileep Keshavrao Gupte</b>
Date of Birth	11/11/1945
Age	73
Date of Appointment	29 <sup>th</sup> July, 2019
Remuneration last drawn	NA
Experience	48
Shareholding in the Company	NIL
Relation with other Director/ Manager or Key Managerial Person	NA
Number of Board meeting attended during the year	NA
Directorship in other Companies	NIL

The company has received notice pursuant to the provisions of section 160 of the Act from a member proposing his appointment as a Director at the 76<sup>th</sup> Annual General Meeting of the Company. Mr. Dileep Keshavrao Gupte has conveyed his consent for appointment as a Director.

None of the Directors, except Mr. Dileep Keshavrao Gupte is concerned or interested, in the aforesaid resolution.

**Item No. 7:**

**Mr. R Doraiswamy (DIN 00003131)** was recommended by the Board of Directors of the Company at their meeting held on 8<sup>th</sup> August, 2019 for being appointed as a Non- Executive Director, liable to retire by rotation, pursuant to the provisions of section 152 of the Companies Act, 2013, Regulation 17(1A) of SEBI LODR (Amendment) Regulations, 2018, and subject to approval of members at the ensuing General Meeting.

Mr. R Doraiswamy, aged 76 years, is a technocrat entrepreneur being the core promoter of Salzer Electronics Limited, a flagship Listed firm of Salzer Group engaged in the business of manufacturing of electrical installation products, comparable with the international quality standards, both for industrial and domestic segments. He has got wide experience in design, development and manufacture of electrical installation products, having served in leading industrial manufacturing company like Lakshmi Machine Works Limited, Reiter Machine Works, M/s. Brown Boverly Baden, And M/s. Sorecher + Schve Arrow, both in India and Switzerland respectively, for over two decades. He is having good business acumen and expertise in Industrial and Business Management with wide contacts globally.

**Brief information and experience of Mr. R Doraiswamy as per provision of the Act read with Secretarial Standard issued by Institute of Company Secretaries of India.**

Name	<b>Mr. R Doraiswamy</b>
Date of Birth	17/03/1943
Age	76
Date of Appointment	29 <sup>th</sup> July, 2019
Remuneration last drawn	NA
Experience	40
Shareholding in the Company	2 Shares
Relation with other Director/ Manager or Key Managerial Person	Father of Mr. D Rajesh Kumar, a Non-Executive Director on the Board.
Number of Board meeting attended during the year	NA
Directorship in other Companies	a) Salzer Electronics Limited b) Salzer Exports Limited c) Salzer Securities Holdings Limited d) Salzer Magnet Wires Limited e) Salzer Spinners Limited f) K R Health Care Private Limited

The company has received notice pursuant to the provisions of section 160 of the Act from a member proposing his appointment as a Director at the 76<sup>th</sup> Annual General Meeting of the Company. Mr. R Doraiswamy has conveyed his consent for appointment as a Director liable to retire by rotation.

None of the Directors, except Mr. R Doraiswamy is concerned or interested, in the aforesaid resolution.

**Item No. 8:**

**Mr. N Rangchary (DIN 00054437)** was recommended by the Board of Directors of the Company at their meeting held on 8<sup>th</sup> August, 2019 for being appointed as a Non- Executive and Independent Director, pursuant to the



provisions of section 149, 152 of the Companies Act, 2013, Regulation 17(1A) of SEBI LODR (Amendment) Regulations, 2018, and subject to approval of members at the ensuing General Meeting.

Mr. Rangachary, born in 1938, is having about 46 years of experience in the field of insurance and financial services. He joined the Indian Revenue Services in 1960 and was appointed as the Chairman of Central Board of Direct Taxes in June 1995. He retired from this position in July 1996 and was appointed as the Chairman of the Insurance Regulatory and Development Authority (“IRDA”) in August 1996. On IRDA becoming an autonomous body in April 2000, he was made as its first Chairman and subsequently retired in June 2003. He was awarded “International Insurance Man of the Year” in 1999. He has also served as the adviser to the Finance Department of the Government of Andhra Pradesh between November 2003 and November 2008. He is also an honorary member of the Indian Institute of Actuary.

**Brief information and experience of Mr. R Doraiswamyas per provision of the Act read with Secretarial Standard issued by Institute of Company Secretaries of India.**

Name	<b>N Rangchary (DIN 00054437)</b>
Date of Birth	10/06/1938
Age	81
Date of Appointment	<b>29<sup>th</sup> July, 2019</b>
Remuneration last drawn	NA
Experience	46
Shareholding in the Company	NIL
Relation with other Director/ Manager or Key Managerial Person	NA
Number of Board meeting attended during the year	NA
Directorship in other Companies	1. Salzer Electronics Limited 2. Orient Green Power Company Limited 3. Equitas Holdings Limited 4. Srinidhi Trustee Services Private Limited 5. Pegasus Assets Reconstruction Private Limited 6. Mtar Technologies Private Limited 7. CDSL Insurance Repository Limited 8. Swamy&Swamy Business Services Private Limited

The company has received notice pursuant to the provisions of section 160 of the Act from a member proposing his appointment as a Director at the 76<sup>th</sup> Annual General Meeting of the Company. Mr. **N Rangchary** has conveyed his consent for appointment as a Director.

None of the Directors, except Mr. **N Rangchary** is concerned or interested, in the aforesaid resolution.

Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the meeting.

**NOTE:**

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the Annual General Meeting (AGM) is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.  
Pursuant to Section 105 of the Companies Act, 2013, a person can act as a Proxy on behalf of not more than fifty members holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Members holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as Proxy, who shall not act as a Proxy for any other Member. If a Proxy is appointed for more than fifty Members, the Proxy shall choose any fifty Members and confirm the same to the Company not later than 48 hours before the commencement of the meeting. In case, the Proxy fails to do so, the first fifty proxies received by the Company shall be considered as valid. The instrument of Proxy, in order to be effective, should be deposited, either in person or through post, at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
3. Corporate Members intending to send their authorised representatives to attend the Annual General Meeting, pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company, a certified copy of relevant Board Resolution together with the respective specimen signatures of those representative(s) authorised under the said resolution to attend and vote on their behalf at the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 20 th September, 2019 to 27 th September, 2019 (both days inclusive).
5. The Final Dividend for the Financial Year ended 31st March, 2019, as recommended by the Board, if approved at the Annual General Meeting, will be paid to those Members whose name appears in the Register of Members of the Company as on the book closure dates.
6. Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participants, with whom they maintain their demat accounts, will be used by the Company for the payment of dividend. The Company or its Registrar cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the Depository Participants of the Members. Members holding shares in demat form are requested to intimate any change in their address and / or bank mandate immediately to their Depository Participants.
7. Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to Datamatics Financial Services Limited / Investor Service/ Secretarial Department of the Company immediately.

As per the Amendment to Regulation 40 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 it has become mandatory that transfer of shares would be carried out in dematerialized form only w.e.f. 1 st April, 2019.

As per the SEBI circular No SEBI/HO/MIRSD/DOP1/CIR/P/2019 dated 20.04.2019 Members who hold shares in physical form kindly submit the copy of PAN and original cancelled cheque leaf /attested bank passbook showing name of account holder to the Registrar and Share Transfer Agent of the Company.

8. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made there under, companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the

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

9. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s), unless the Members have registered their request for the hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail address with the Company or Depository Participant(s) shall be sent to their registered address. Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the Registration Counter at the AGM.
10. Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of Listing Regulations, the Company is pleased to provide the facility to Members to exercise their right to vote on the resolutions proposed to be passed at AGM by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Friday, 20 th September, 2019, i.e. the date prior to the commencement of book closure, being the cut-off date, are entitled/eligible to vote on the Resolutions set forth in this Notice. Members may cast their votes on electronic voting system from any place other than the venue of the meeting (remote e-voting). The remote e-voting period will commence at 9 a.m. on Monday, 23th September, 2019 and will end at 5 p.m. on Thursday, 26th September, 2019. In addition, the facility for voting through electronic voting system shall also be made available at the AGM and the Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to vote at the AGM. The Company has appointed Mr. Aashit Doshi, Practising Company Secretary, to act as the Scrutinizer, to scrutinize the entire e-voting process in a fair and transparent manner. The Members desiring to vote through remote e-voting are requested to refer to the detailed procedure given hereinafter.

#### **PROCEDURE FOR REMOTE E-VOTING**

- (i) Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Reg. 44 of SEBI (LODR), the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting (remote e-voting).
- (ii) The facility for voting, either through electronic voting system or through ballot/polling paper shall also be made available at the venue of the 76th AGM. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the AGM but shall not be entitled to cast their vote again at the AGM.

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

- (iii) The Company has engaged the services of Central Depository Services Limited ("CDSL") as the Agency to provide e-voting facility.



- (iv) Voting rights shall be reckoned on the paid-up value of shares registered in the name of member/ beneficial owner (in case of electronic shareholding) as on cut-off date i.e 20 th September, 2019.
- (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 20 th September, 2019 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 23 rd September, 2019 at 9.00 a.m and ends on 26th September, 2019 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 20 th September, 2019 , 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	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)  I 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.  I In case the sequence number is less than 8 digits enter the applicable number of 0’s before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Rakesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned.

After entering these details appropriately,



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. FCS 9321) as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.



- The Scrutinizer shall, immediately after the conclusion of voting at the General Meeting, would count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a consolidated Scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairperson or a person authorised by him in writing who shall countersign the same
  - The results declared along with the Scrutinizer’s Report shall be placed on the Company’s website [www.kayceeindustries.com](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.
11. The route map of the venue of the AGM is given herein below. The prominent landmark near the venue is Near Churchgate Station, Mumbai.





## DIRECTORS' REPORT

To,  
The Members  
Kaycee Industries Limited  
Mumbai

Your Directors have pleasure in presenting the 76th Annual Report and Financial Statements for the Financial Year ended 31st March, 2019.

In line with the requirements of the Companies Act, 2013 ('the Act') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the SEBI Regulations'), this report covers the financial results and other developments during the Financial Year April 1, 2018 to March 31, 2019.

### FINANCIAL HIGHLIGHTS:

Particulars	2018-2019 (Rs.)	2017-2018 (Rs.)
Sales & Other Income	26,55,47,127	25,16,92,732
Profit before Depreciation	2,23,86,417	1,77,39,457
Less :Depreciation & Amortization	38,06,215	26,79,148
Profit/(Loss) Before Taxation	1,85,80,202	1,50,60,309
Less : Taxation	56,31,518	37,46,392
Profit/(Loss) after Taxation	1,29,48,684	1,13,13,917

### DIVIDEND

The Directors recommend payment of Dividend of Rs. 10/- Per equity share of Rs. 100 each, amounting to Rs. 6,34,700/- and Dividend distribution tax of Rs. 1,02,964/- there on equity shares, for the year ended March 31, 2019.

### PERFORMANCE REVIEW

During the year under review, total income of the Company was Rs. 26, 55,47,127 as against Rs. 25,16,92,732 in previous year ended 31st March, 2018. Net profit incurred during the year amounting to Rs. 1,29,48,684/- as against Net Profit of Rs. 1,13,13,917 in the previous year.

### RESERVES

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

### DEPOSITS

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

### HUMAN RESOURCES

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

providing various inputs and information's and also gives the training to its employees on the products and components of the company.

#### **TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND**

The unclaimed dividend amount aggregating to Rs. 64,470/- for the Financial Year on 31st March, 2011 was transferred to the Investor Education and Protection Fund established by the Central Government, for the Financial Year ended 2018, pursuant to Section 205C of the Companies Act, 1956.

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

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

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

The Directors confirm that:

- 1) In the preparation of the annual accounts, the applicable accounting standards have been followed by the Company;
- 2) Such accounting policies have been selected and consistently applied and judgments and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2019 and of the profit/loss of the Company for the year ended on that date;
- 3) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the applicable provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- 4) Annual accounts have been prepared on a going-concern basis;
- 5) Internal financial controls to be followed by the Company have been laid down and that such internal financial controls are adequate and were operating effectively.
- 6) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

In accordance with the provisions of the Companies Act, 2013, Mrs. Raju Grover, Director is liable to retire by rotation and being eligible, offers herself for re-appointment at the ensuing Annual General Meeting. Your Board recommends her re-appointment.

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

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

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

- (1) Ms. Aarti Grover - Managing Director (KMP)
- (2) Mr. Chandra Prakash Jain - Executive Director
- (3) Mrs. Raju Grover - Non-Executive Director
- (4) Mrs. Sona Ramchandani - Non-Executive Independent Director
- (5) Mrs. Pramila Merani - Non-Executive Independent Director
- (6) Mrs. Savitri Butani - Non-Executive Independent Director
- (7) Mr. Deepak Potdar - Chief Financial Officer (KMP)
- (8) Ms. Almas Parveen - Company Secretary & Compliance Officer (KMP)
- (9) Mr. D. Rajesh Kumar - Non-Executive Director
- (10) Mr. Jitendra K. Vakharia - Non-Executive and Independent Director
- (11) Mr. Dileep K. Gupte - Non-Executive and Independent Director

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

#### **VARIOUS COMMITTEES OF THE BOARD AND THEIR COMPOSITIONS**

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

#### **NUMBER OF MEETINGS OF THE BOARD**

During the FY 2017-18, 5 meetings of the Board of Directors were held.

#### **BOARD EVALUATION**

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

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

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



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

#### **MATERIAL CHANGES AND COMMITMENTS**

During the current financial year M/s. Salzer Electronics Limited (Acquirer) has acquired 45899 Equity Shares i.e. 72.32% being controlling stake from the existing Promoters of the Company and Acquirer is in the process of making an open offer under the Regulation 3(1) and 4 of SEBI (SAST) Regulations. Your company has become a subsidiary company to the acquirer within the meaning of section 2(87) of the Companies Act, 2013.

#### **CHANGE IN NATURE OF BUSINESS**

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

#### **INTERNAL FINANCIAL CONTROLS**

The Company has in place adequate internal financial controls with reference to Financial Statements. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

The company continues to keep the internal control system intact and in tandem with the industry.

#### **AUDITORS**

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

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

M/s. A.R.Sodha & Co., Chartered Accountant, Mumbai as Statutory Auditors of the Company given their report on the Financial Statements of the Company is part of the Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

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

The Contracts or Arrangements with related parties are done on arm's length and in ordinary course of business which are detailed in Note 29 in Notes to Accounts of the Financial Statements for the year ended 31st March, 2019. (Annexure II)

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

#### **PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

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



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

#### **SECRETARIAL AUDIT REPORT**

The Board has appointed Mr. Aashit Doshi, Practicing Company Secretary, to conduct Secretarial Audit for the Financial Year 2018-19. The Secretarial Audit Report for the Financial Year ended March 31, 2019 is annexed herewith marked as (Annexure IV) to this Report.

The Board has appointed Mr. Aashit Doshi, Practicing Company Secretary, to conduct Secretarial Audit for the Financial Year 2018-19. The Secretarial Audit Report for the Financial Year ended March 31, 2019 is annexed herewith marked as (Annexure IV) to this Report. The responses of your Directors on the observations made by the Secretarial Auditor are as follows:-

The unpaid dividend/unclaimed dividend for the year 2010-11 has been transferred by the company. Through there was some delay in the same, but it is successfully transferred as per the provision of company Act, 2013. and 2011-12 is in the process of transferring the same to IEPF.

We are in the process of transferring equity shares to investor protection fund as per the provision of section 124(6) of companies Act, 2013 and the relevant rules.

The company took the note of the same. The company appointed managing Director for the period of 5 years by passing required resolution

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

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

#### **SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

The Company does not have any Subsidiaries, Joint Ventures and Associate Companies.

#### **EXTRACT OF ANNUAL RETURN**

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

#### **CORPORATE GOVERNANCE**

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

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

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

**DEPOSITORY SERVICES**

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

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

**LISTING**

The Shares of the Company are listed on the Bombay Stock Exchange (BSE) at Mumbai. The Company has paid the Listing fees for the year 2018-19 to the Bombay Stock Exchange (BSE).

**CORPORATE RESPONSIBILITY STATEMENT (CSR)**

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

**VIGIL MECHANISM**

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

**SECRETARIAL STANDARDS**

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

**GENERAL**

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

1. No material changes and commitments affecting the financial position of the Company occurred between the ends of the Financial Year to which these financial statements relate on the date of this report.
2. The Company does not have any Risk Management Policy as the element of risk threatening the Company's existence is very minimal.
3. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.



4. Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**MANAGEMENTS DISCUSSION AND ANALYSIS REPORT**

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

**ACKNOWLEDGEMENT**

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

For and on behalf of the Board

Place: Mumbai  
Dated: 8th August, 2019

Sd/-  
**AARTI GROVER**  
Managing Director  
DIN : 02625342

Sd/-  
**RAJU GROVER**  
Director  
DIN : 01584366

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

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

**CONSERVATION OF ENERGY**

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

<b>POWER AND FUEL CONSUMPTION</b>	<b>CURRENT YEAR 31.03.2019</b>	<b>PREVIOUS YEAR 31.03.2018</b>
Ambernath		
Unit (KWH)	54,086	60,547
Total Amount (Rs.)	5,30,260	5,56,060
Rate/KWH (Average) Rs.	10.20	10.89

**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. 26,42,393/-

Foreign Exchange Outgo : Rs. 33,775/-

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

Sd/-  
**AartiGrover**  
**ManagingDirector**  
DIN:07337778

Sd/-  
**RajuGrover**  
**Director**  
DIN:01584366

Place : Mumbai  
Date : 8th August2019



**Form No. AOC-2**

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

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

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

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

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

Particulars	Enterprises which are owned, or have significant influence of or are partner with Key Management Personnel and their relatives			Group Company
	CMS Traffic Systems Limited	CMS Computers Limited		RDJ Construction Private Limited
Purchase & Service Expenses		1,07,060		
Interest Paid				
Reimbursement of Expenses Received		41,760		32,53,336
Service Charges				
Sales	2,49,419.10	7,14,338.42		
Commission				
Remuneration				
Rent Received				
Computer Maintenance Charge Paid				
Unsecured Loans Repaid				
Fixed Assets Purchased		42,59,800		88,50,000
Amount Paid as Advances, if any				
Date of Approval by the Board, if any				

For and on behalf on the Board of Directors of  
**Kaycee Industries Limited**

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

Sd/-  
**Raju Grover**  
**Director**  
DIN:01584366

Place : Mumbai  
Date : 8th August 2019

**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 2018-19:

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

2. Percentage increase in remuneration of each Director in the financial year 2018-19

Sr. No.	Name of Director	Designation	Percentage increase in remuneration
1	Ms. Aarti Grover	Managing Director	Nil
2	Mr. Chandra Prakash Jain	Executive Director	18,21,974

3. Percentage increase in the median remuneration of employees in the Financial Year 2018-19 is NIL
4. The number of permanent employees on the rolls of the Company, as on 31st March, 2019 is 86.
5. There are no employees of the Company who received remuneration in excess of the highest paid Director during the Financial Year 2018-2019.
6. It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

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

Sd/-  
**AartiGrover**  
**ManagingDirector**  
DIN:07337778

Sd/-  
**RajuGrover**  
**Director**  
DIN:01584366

Place : Mumbai  
Date : 8th August2019

**SECRETARIAL AUDIT REPORT  
Form No. MR-3****FOR THE FINANCIAL YEAR ENDED 31 ST MARCH, 2019**

[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 st March, 2019 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 st March, 2019 according to the provisions of:

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

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

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

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

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

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

- (1) The unpaid/ unclaimed dividend declared in the year 2011-12 has not been transferred to Investor Education and Protection Fund as required under Section 125 of the Companies Act, 2013.
- (2) The Company has not transferred Equity shares to Investor Education Protection Fund in pursuance to provisions of Section 124(6) of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Auditing, Transfer and Refund) Rules, 2016.
- (3) The period of appointment/re-appointment of Managing Director and Whole-time Director is taken for five years instead of three years since the Company has inadequate profits pursuant to Section 197 read with Schedule V of the Companies Act, 2013.

I further report that:

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

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

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



As per the explanations given to me in the representations made by the management and relied upon by me, there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines, however the same needs to be strengthened.

As per the explanations given to me in the representations made by the management and relied upon by me, I further report that, during the audit period, there were no other specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines, etc., having a major bearing on the Company's affairs except that the Mumbai Bench of the Hon'ble National Company Law Tribunal ('Tribunal') sanctioned the Scheme of Arrangement between Kaycee Industries Limited ('Demerged Company') and RDJ Constructions Private Limited ('Resulting Company') and their respective shareholders and creditors ('Scheme') pursuant to the provisions of sections 230 to 232 read with section 66 and 52 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and rules framed thereunder. The Scheme has become effective from 02nd June, 2018.

Aashit Doshi  
Practicing Company Secretary  
FCS: 9321 CP: 10190

Date: 24.05.2019  
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.

**Aashit Doshi**  
**Practicing Company Secretary**  
**FCS: 9321 CP: 10190**

Date: 24.05.2019  
Place: Mumbai

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

As on Financial Year ended on 31.03.2017

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

**I. REGISTRATION & OTHER DETAILS :**

<b>I. REGISTRATION &amp; OTHER DETAILS</b>		
1.	CIN	L70102MH1942PLC006482
2.	Registration Date	15.12.1942
3.	Name of the Company	KAYCEE INDUSTRIES LIMITED
4.	Category/Sub-category of the Company	COMPANY LIMITED BY SHARE
5.	Address of the Registered Office & contact details	OLD KAMANI CHAMBERS, 32-RAMJIBHAI KAMANI MARG, BALLARD ESTATE, MUMBAI-4000010022- 22613521
6.	Whether listed Company	YES
7.	Name, Address & Contact details of the Registrar & Transfer Agent, if any.	Datamatics Financial Services Limited Plot No.A-16 & 17 part 'B' Cross Lane, MIDCAndheri (E), Mumbai 400 093, Contact : 022-66712188

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

Sr.No.	Name and Description of Main Products/services	NIC Code of the Product/Service	%to total turnover of the Company
1	SWITCHES	27104	78.71%

**III. SHAREHOLDING PATTERN (Equity Share Capital BreakUp as Percentage of Total Equity)  
Category-wise Holding**

Category of Shareholders	No. of Shares held at the beginning of the year (As on 31 March 2018)				No. of Shares held at the end of the year (As on 31 March 2019)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
A. Promoters									
(1) Indian	—	—	—	—	—	—	—	—	—
a) Individual/HUF	—	—	—	—	—	—	—	—	—
b) Central Govt	—	—	—	—	—	—	—	—	—
c) State Govt(s)	—	—	—	—	—	—	—	—	—
d) Bodies Corp.	45899	—	45899	72.3161	45899	—	45899	72.3161	—
e) Bank/FI	—	—	—	—	—	—	—	—	—
f) Any other	—	—	—	—	—	—	—	—	—
<b>Total shareholding of Promoter (A)</b>	<b>45899</b>		<b>45899</b>	<b>72.3161</b>	<b>45899</b>		<b>45899</b>	<b>72.3161</b>	<b>—</b>
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	—	—	—	—	—	—	—	—	—
b) Banks/FI	8	158	166	0.2615	8	158	166	0.2615	—
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):-	8	158	166	0.2615	8	158	166	0.2615	—
	—	—	—	—	—	—	—	—	—
2.Non-Instituions									
a) Bodies Corp.									
i) Indian	431	19	450	0.7090	411	19	430	0.6775	—
ii) Overseas	—	—	—	—	—	—	—	—	—
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 Lakh (P.Y. 1 Lakh)	10791	4268	15059	23.7262	11909	4176	16085	25.3427	—
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh (P.Y. 1 Lakh)	1012	—	1012	1.5945	—	—	—	—	—
c)Others (specify)									
Non Resident Indians	34	644	678	1.0682	40	644	684	1.0777	—
Non Resident Indians Non-rept	206	—	206	0.3246	206	—	206	0.3246	—
Overseas Corporate bodies	—	—	—	—	—	—	—	—	—
Foreign Nationals	—	—	—	—	—	—	—	—	—
Clearing Members	—	—	—	—	—	—	—	—	—
Trusts	—	—	—	—	—	—	—	—	—
Foreign Bodies- DR	—	—	—	—	—	—	—	—	—
Sub-Total (B)(2):-	12474	4931	17405	27.4224	12474	4931	17405	27.4224	—
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>12482</b>	<b>5089</b>	<b>17571</b>	<b>27.6839</b>	<b>12482</b>	<b>5089</b>	<b>17571</b>	<b>27.6839</b>	<b>—</b>
C. Shares held by custodian for GDRs & ADRs	—	—	—	—	—	—	—	—	—
<b>Grand Total (A+B+C)</b>	<b>58381</b>	<b>5089</b>	<b>63470</b>	<b>100</b>	<b>58381</b>	<b>5089</b>	<b>63470</b>	<b>100</b>	<b>—</b>



**B. SHAREHOLDING OF PROMOTER**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of Total shares of the Company	% of shares pledged/encumbered to total shares	No. of Shares	% of Total Shares of the Company	% of Shares Pldeged/encumbered to total shares	
1	UNIVERSAL TRUSTEES PVT LTD	45899	72.3161	—	45899	72.3161	—	—
	Total	45899	72.3161	—	45899	72.3161	—	—

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

SN.	Particulars	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	At the beginning of the year	45899	72.3161	45899	72.3161
	Date wise Increase /Decrease in Promoters Shareholding during the bonus/sweat equity etc);	—	—	—	—
	At the end of the year	45899	72.3161	45899	72.3161

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

S.N.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		shareholding at the end of the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	JYOTI C JAIN	1012	1.594	1012	1.594
2.	CUSTODIAN OF ENEMY PROP FOR (I)	629	0.991	629	0.991
3.	ARUNA P. CHOKSHI	475	0.748	401	0.632
4.	ASLAM QADAR KHAN	330	0.520	330	0.520
5.	SHUBHAM SANJAY DAMANI	0	0	211	0.332
6.	CHIRAG JAIN	208	0.328	208	0.328
7.	EKTA CHANDRAPRAKASH JAIN	191	0.301	191	0.301
8.	MR SANJIV KUMAR BATTI	0	0	171	0.269
9.	NISHIT SHREGAR	246	0.388	152	0.239
10	MINAKSHI BAJAJ	0	0	150	0.236



E) Shareholding of Directors and Key Managerial Personnel

SN.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company No. of	Shares	% of total shares of the Company
1.	Mr. Chandra Prakash Jain				
	At the beginning of the year	319	0.503	319	0.503
	Date wise Increase/Decrease in Promoters Shareholding during the bonus/sweat equity etc);				
	At the end of the year	319	0.503	319	0.503

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year				
i) Principal Amount	2,48,37,404	Nil	Nil	2,48,37,404
ii) Interest due but not paid	0	Nil	Nil	Nil
iii) Interest accrued but not due	0		Nil	Nil
<b>Total (i+ii+iii)</b>			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	10675716	Nil	Nil	10675716
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>	10675716	Nil	Nil	10675716

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		AARTI GROVER	DEEPAK POTDAR	ALMAS PARVEEN	CHANDRA PRAKASH JAIN	
1	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income- taxAct, 1961	0	8,26,793	73080	18,21,974	27,21,847
	(b) Value of perquisite u/s 17(2)Income-tax Act,1961	0	0	0		
	(c ) Profits in lieu of salary under section 17(3) Income tax Act, 1961	0	0	0		
2	Stock Option					
3	Sweat Equity					
4	Commission- as % of profit- Others Specify					
5	Others, please specify Total (A)Ceiling as per the Act					

**B. Remuneration to other Directors**

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



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

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income-tax act,1961	—	73080	8,26,793	8,99,873
	(b) Value of perquisite u/s 17(2) Income- tax at, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-Tax Act,1961				
2	Stock Option	—	—	—	—
3	Sweat Equity	—	—	—	—
4	Commission-as % of profit Others, specify	—	—	—	—
5	Others, please specify	—	—	—	—
	Total	—	73080	8,26,793	8,99,873

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

TYPE	SECTION OF THE COMPANIES ACT	BRIEF DESCRIPTION	DETAILS OF PENALTY/PUNISHMENT/COMPOUNDING FEES IMPOSED	AUTHORITY (RD/NCLT/COURT)	APPEAL MADE, IF ANY (GIVE DETAILS)
<b>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					



### **MANAGEMENT DISCUSSION AND ANALYSIS**

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

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

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

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

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

#### **OPPORTUNITIES AND THREATS**

Recent government measures aimed at structural reforms in the Indian economy are in right direction and moving towards economic development and growth. Considering the 74 years presence and experience in

the Company in electrical sector a huge business potential is anticipated. The Company has strong, well established distribution network. The Company has a wide range of products in electrical categories with new product variants with similar distribution channels being added regularly. The Company is deepening penetration into market for its

products and continuing focus on products expansion targeting a very good and substantial business in the future. Barring unforeseen circumstances, the Company expects to increase its volume of business in the current year.

## **OUTLOOK**

Electrical equipment/products manufacturing is a very important sector for a developing country like India. The demand for electrical products is expected to grow. Keeping in view the above, the long term outlook for these sectors appears to be bright. There is ample scope and opportunity for companies having businesses in these

sectors not to mention the potential of your Company and its large presence in these sectors for many years.

## **RISK AND CONCERNS**

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

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

## **INTERNAL CONTROL SYSTEMS**

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

Committee are placed before the Board of Directors for its approval from time to time.

## **FINANCIAL PERFORMANCE AND OPERATIONAL EFFICIENCY**

The Company's net sales were slightly higher at 26,55,47,127/- in the Financial Year 2018-19 compared to Rs. 25,16,92,732/- of the previous year. The Net profit for the current year is Rs. 1,29,48,684/-.

## **HUMAN RESOURCE**

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

The Management continued to pay special attention to various aspects like training, welfare and safety and thereby further strengthening the human resource. To face challenging business environment, the Company



continued to build the capability of its human resources through various initiatives in development and training of employees at all levels.

Various internal as well as external development programs were organized to develop and motivate the employees. Relations with the employees remained cordial throughout the year. The work and jobs at all levels in the Company

are designed, organized and managed effectively by interaction between the management and employees. The Company has a total manpower of 86 as on 31st March, 2019.

#### **CAUTIONARY STATEMENT**

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

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

**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS  
KAYCEE INDUSTRIES LIMITED**

**Report on the Audit of the Ind AS Financial Statements****Opinion**

We have audited the accompanying Ind AS financial statements of Kaycee Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, statement of changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "the Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the loss, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

**Responsibilities of Management for the Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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

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

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

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 except as described in Basis for Qualified Opinion paragraph.
- e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - I. The Company has disclosed the impact of pending litigations on its financial statements. Refer Note 28 to financial statements.
  - II. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - III. There has been no delay in transferring any amount to be transferred to Investor Education and Protection fund by the Company.

**Place: Mumbai**  
**Date: 24<sup>th</sup> May, 2019**

**For A.R. Sodha & Co.**  
**Chartered Accountants**  
**FRN 031878**

**A.R. Sodha**  
**Partner**  
**M No.031878**

**ANNEXURE A TO AUDITORS'S REPORT**

On the basis of such checks as we considered appropriate and according to the information and explanations given to us, we report that:

1. a) According to information and explanations given to us and records furnished before us, the company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The fixed assets have been physically verified by the Management at reasonable intervals. In our opinion, the frequency of verification is reasonable with regard to the size of the company and nature of assets. According to information and explanations given to us by the management, no material discrepancy was noticed on such verification.
- c) The company does not have any immovable property and accordingly reporting under clause 3(i)(c) not applicable.
2. According to information and explanation given to us by the management and records furnished before us, Inventory of Finished Good, Raw Material and Packing Material have been physically verified by the management at reasonable intervals. In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of inventory by the management.
3. According to the information and explanation given to us and the records of the company examined by us, the company has not granted unsecured loans to any party covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, Clause 3(iii) (a), (b) and (c) of Companies (Auditor's Report) Order, 2016 are not applicable.
4. According to the information and explanation given to us and on the basis of records furnished before us, the company has not given any loan or made any investment or given any guarantee or security during the year for which compliance under section 185 and 186 is required. Accordingly Clause 3(iv) of Companies (Auditor's Report) Order is not applicable.
5. The company has not accepted deposits from the public within the meaning of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under. Accordingly Clause 3(v) of Companies (Auditor's Report) Order, 2016 is not applicable.
6. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed accounts and cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
7. a) The company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Cess and any other statutory dues except delays in the payment of TDS, Goods and Service Tax. No undisputed statutory dues as stated above is outstanding as at 31<sup>st</sup> March for more than six months from the date they become payable.

- b. According to information and explanation given to us , there are no disputed statutory dues relating to Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Cess, Goods and Service Tax or any other statute except as stated below:

Name of statute	Nature of dues	Year(s) to which it pert'ains	Amount Not Paid (Rs. in Lacs)	Forum where dispute is pending
The Central Excise Act 1944	Excise Duty	2003-04	Nil	Superintendent of Excise

\* Refer Note 42 to the financial statements

8. The Company not defaulted in repayment of any loans or borrowings from any financial institution, banks or government during the year. The Company has not issued any debentures and therefore question of default in repayment of dues to debenture holders does not arise.
9. According to information and explanation given to us and records examined by us, the company has neither raised any money by way of public offers nor raised any term loan during the year.
10. During the course of our examination of the books and records of the company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of fraud on or by the company noticed or reported by its officers or employees during the year nor we have been informed of such instances by the management.
11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. According the clause 3(xii) of Companies (Auditor's Report) Order, 2016 is not applicable.
13. According to the information and explanation provided to us and based on our examination of the records of the Company, the transaction with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details of such transactions have been disclosed in financial statements as required by the applicable Accounting Standards.
14. According to the information and explanation provide to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly the clause 3(xiv) of the Companies (Auditor's Report) Order, 2016 is not applicable.
15. According to the information and explanation provided to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transaction with directors or persons connected with him. Accordingly clause 3(xv) of the Companies (Auditor Report) Order, 2016 is not applicable.
16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place: Mumbai  
Date: 24<sup>th</sup> May, 2019

For A.R. Sodha & Co.  
Chartered Accountants  
FRN 031878

A.R. Sodha  
Partner  
M No.031878

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

We have audited the internal financial controls over financial reporting of Kaycee Industries Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

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

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

**Auditors' Responsibility**

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

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

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

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over



financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

**Place: Mumbai**

**Date: 24<sup>th</sup> May, 2019**

**For A.R. Sodha & Co.  
Chartered Accountants  
FRN 031878**

**A.R. Sodha  
Partner  
M No.031878**

**Balance Sheet as on 31st March 2019**

Particulars	Note No	31st March 2019	31st March 2018
<b>ASSETS</b>		Rupees	Rupees
<b>1 Non- Current Assets</b>			
(a) Property, Plant and Equipment	2	3,27,30,756	2,27,53,728
(b) Capital work-in -progress		-	-
(c) Financial Assets			
(i) Investments	3	10,000	10,000
(ii) Others	4	3,18,261	3,18,261
(d) Deferred Tax Asset (Net)	5	10,37,011	14,65,105
(e) Other Non-current Assets	6	71,04,537	1,03,43,826
<b>Total (1)</b>		<b>4,12,00,565</b>	<b>3,48,90,920</b>
<b>2 Current Assets</b>			
(a) Inventories	7	2,77,74,704	4,08,68,544
(b) Financial Assets			
i) Investments		-	-
ii) Trade Receivables	8	8,27,48,855	10,74,10,202
iii) Cash and Cash Equivalents	9	96,56,443	1,00,39,090
iv) Other Bank Balances	9	2,11,45,673	91,48,897
(c) Current Tax Assets (Net)		-	-
(d) Other Current Assets	10	38,27,185	34,92,384
<b>Total (2)</b>		<b>14,51,52,860</b>	<b>17,09,59,117</b>
<b>TOTAL ASSETS (1+2)</b>		<b>18,63,53,425</b>	<b>20,58,50,037</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1. EQUITY</b>			
(a) Equity Share Capital	11	63,47,000	63,47,000
(b) Other Equity	12	12,34,49,495	11,12,38,461
<b>Total (1)</b>		<b>12,97,96,495</b>	<b>11,75,85,461</b>
<b>2 Non-Current Liabilities</b>			
(a) Financial Liabilities			
i) Borrowings	13	-	57,667
(b) Provisions	14	20,20,997	20,89,079
(c) Deferred Tax Liabilities (Net)		-	-
(d) Other Non-current Liabilities	15	24,34,489	24,64,489
<b>Total (2)</b>		<b>44,55,486</b>	<b>46,11,235</b>
<b>3 Current Liabilities</b>			
(a) Financial Liabilities			
i) Borrowings	16	1,06,18,049	2,46,52,841
ii) Trade Payable	17	3,16,71,566	4,69,65,074
iii) Other Financial Liabilities	18	5,78,793	5,32,175
(b) Other Current Liabilities	19	51,36,486	62,47,412
(c) Provisions	20	24,47,398	16,53,046
(d) Current Tax Liabilities (Net)		16,49,152	36,02,793
<b>Total (3)</b>		<b>5,21,01,444</b>	<b>8,36,53,341</b>
<b>TOTAL EQUITY AND LIABILITIES (1+2+3)</b>		<b>18,63,53,425</b>	<b>20,58,50,037</b>

Notes Forming Part of the Accounts

1 to 28

For and on behalf of the Board

**Aarti Grover**  
 Managing Director  
 (DIN:02625342)

**Raju Grover**  
 Director  
 (DIN :01584366)

**Deepak Potdar**  
 Chief Financial Officer  
**Almas Parveen**  
 Company Secretary Mumbai  
 M No. 38871

 May 24,2019  
 Mumbai

**For A.R.SODHA & CO**  
 Firm Registration No:110324W  
 Chartered Accountants  
**A.R.Sodha**  
 Partner  
 M. No. : 031878



**Statement of Profit & Loss Account for the year ended 31st March 2019**

	Particulars	Note No	31st March 2019	31st March 2018
			Rupees	Rupees
1	Revenue from operations	21	25,01,80,963	25,02,60,475
2	Other Income	22	1,53,66,164	14,32,257
3	<b>Total Revenue (1+2)</b>		<b>26,55,47,127</b>	<b>25,16,92,732</b>
4	<b>Expenses</b>			
a	Cost of materials consumed	23	13,38,55,665	12,08,44,872
b.	Cost of traded goods sold	24	76,03,966	65,58,606
c	Changes in inventories of finished goods, work-in-progress	25	28,39,137	89,32,224
d	Employee Benefit Expenses	26	4,43,41,211	4,58,33,225
e	Finance cost	27	15,60,307	31,02,265
f	Depreciation and Amortisation Expenses	2	38,06,215	26,79,148
g	Other Expenses	28	5,21,70,724	4,86,33,784
	<b>Total Expenses (a+b+c+d+e+f+g)</b>		<b>24,61,77,225</b>	<b>23,65,84,123</b>
5	<b>Profit / (Loss) before exceptional items and tax (3 - 4)</b>		<b>1,93,69,902</b>	<b>1,51,08,609</b>
6	Exceptional items		-	-
7	<b>Profit / (Loss) before tax (5 - 6)</b>		<b>1,93,69,902</b>	<b>1,51,08,609</b>
8	<b>Tax Expenses</b>			
	(a) Current tax		41,09,506	36,53,661
	(b) Prior Period		-	-
	(c) Mat Credit Entitlement		13,13,614	(35,75,301)
	(b) Deferred Tax		4,28,094	36,81,469
9	<b>Profit / (Loss) After tax (7 - 8)</b>		<b>1,35,18,689</b>	<b>1,13,48,780</b>
10	<b>Other Comprehensive Income</b>			
	<i>A Items that will not be reclassified to Statement of Profit and Loss</i>			
	(a) (i) Re-measurement benefit of defined benefit plans		(7,89,700)	(48,300)
	(ii) Income tax expense on re-measurement benefit of defined benefit Plans		2,19,695	13,437
	(b) Net fair value gain/(loss) on investments in equity instruments through OCI		-	-
	<i>B Items that will be reclassified to Statement of Profit &amp; Loss</i>			
	(i) Net fair value gain on investments in debt instruments through OCI		-	-
	(ii) Income tax benefit on net fair value gain on Investments in debt instruments through OCI		-	-
11	<b>Total Comprehensive Income (9 + 10)</b>		<b>1,29,48,684</b>	<b>1,13,13,917</b>
12	<b>Earning per equity share</b> ( Basic & Diluted)		212.99	178.26

Notes Forming Part of the Accounts

1 to 28

For and on behalf of the Board

**Aarti Grover**  
 Managing Director  
 (DIN:02625342)

**Raju Grover**  
 Director  
 (DIN :01584366)

**Deepak Potdar**  
 Chief Financial Officer  
**Almas Parveen**  
 Company Secretary Mumbai  
 M No. 38871

 May 24,2019  
 Mumbai

**For A.R.SODHA & CO**  
 Firm Registration No:110324W  
 Chartered Accountants  
**A.R.Sodha**  
 Partner  
 M. No. : 031878



**Cash Flow for the year ended 31st March 2019**

	Particulars	2018 - 2019		2017 - 2018	
		Rs.	Rs.	Rs.	Rs.
<b>A.</b>	Cash Flow From Operating Activities				
	Net Profit/(Loss ) Before Tax and extra Ordinary Items		1,93,69,902		1,51,08,609
	Adjusted for				
	Provision for Doubtful Debts	(1,73,762)		19,61,829	
	Depreciation	38,06,215		26,79,148	
	Interest received	(11,27,185)		(4,95,987)	
	Dividend received	(1,750)		(3,000)	
	Adjustment as per Demerger Scheme	-		(1,63,48,310)	
	Adjustment in Exchange Gain / Loss	-		-	
	Insurance Claim Received	(1,41,33,440)		-	
	(Profit)/Loss on Sale of Assets	(8,474)		-	
	Interest Charged	15,60,307	(1,00,78,089)	31,02,265	(91,04,055)
	<b>Operating profit before working capital changes</b>		<b>92,91,814</b>		<b>60,04,554</b>
	Adjustments for:				
	Trade and other receivables	2,48,35,109		(1,14,79,189)	
	Inventories 1,30,93,840		1,42,74,367		
	Other current assets	30,02,810		(29,18,418)	
	Trade payable / Other Liabilities	(2,17,13,322)	1,92,18,437	(63,69,922)	(64,93,162)
	<b>Cash generated from operations</b>		<b>2,85,10,251</b>		<b>(4,88,608)</b>
	Direct taxes Paid		(19,53,642)		(50,867)
	Net cash flow before extra- ordinary items		2,65,56,609		(5,39,475)
	Prior Period items		58,652.00		-
	<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>		<b>2,66,15,261</b>		<b>(5,39,475)</b>
<b>B.</b>	Cash flow from investing activities				
	Inflow				
	Interest received		11,27,185		4,95,987
	Dividend received		1,750		3,000
	(Profit)/Loss on Sale of Assets		8,474		-
	Insurance Claim Received		1,41,33,440		-
	Outflow				
	Purchase of fixed assets		(1,37,83,244)		(5,15,970)
	Fixed Asset Transferred as per Demerger Scheme		-		1,65,84,085
	<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>		<b>14,87,605</b>		<b>1,65,67,102</b>
<b>C.</b>	Cash flow from financing activities				
	Inflow -Increase in bank borrowing –NET		(1,40,92,459)		(79,09,381)
	Outflow -Dividend and dividend tax paid		(7,37,649)		(3,68,833)
	Interest paid		(15,60,307)		(31,02,265)
	<b>Net Cash Used In Financing Activities (C)</b>		<b>(1,63,90,415)</b>		<b>(1,13,80,479)</b>
	<b>Net Changes In Cash &amp; Cash Equivalents (A+B+C)</b>		<b>1,17,12,452</b>		<b>46,47,149</b>
	Cash & Cash Equivalents-Opening Balance		1,96,70,576		1,50,23,427
	Cash & Cash Equivalents-Closing Balance		3,13,83,027		1,96,70,576

Notes Forming Part of the Accounts

1 to 28 AS PER OUR REPORT OF EVEN DATE ATTACHED

For and on behalf of the Board

**Aarti Grover**  
 Managing Director  
 (DIN:02625342)

**Raju Grover**  
 Director  
 (DIN :01584366)

**Deepak Potdar**  
 Chief Financial Officer  
**Almas Parveen**  
 Company Secretary Mumbai  
 M No. 38871

 May 24,2019  
 Mumbai

**For A.R.SODHA & CO**  
 Firm Registration No:110324W  
 Chartered Accountants  
**A.R.Sodha**  
 Partner  
 M. No. : 031878

**Statement of Changes in Equity for the year ended 31st March, 2019**
**A. EQUITY SHARE CAPITAL**

Particulars	Amount(Rs.)
As at 1 April, 2018	63,47,000
Changes in equity share capital	-
As at 31 March, 2019	63,47,000

**B. OTHER EQUITY**

Particulars	Other Equity				Total other Equity
	Reserve and Surplus			Other Comprehensive Income	
	Share Premium	General Reserve	Retained Earnings		
<b>As at 1 April, 2018</b>	<b>4,10,26,242</b>	<b>2,14,69,208</b>	<b>4,88,21,785</b>	<b>(78,775)</b>	<b>11,12,38,460</b>
Total Comprehensive Income for the year	-	-	1,35,18,689	(5,70,005)	1,29,48,684
Dividend on Equity Shares	-	-	(6,34,700)	-	(6,34,700)
Tax on Dividend on Equity Shares	-	-	(1,02,949)	-	(1,02,949)
<b>As at 31st March, 2019</b>	<b>4,10,26,242</b>	<b>2,14,69,208</b>	<b>6,16,02,825</b>	<b>(6,48,780)</b>	<b>12,34,49,495</b>

AS PER OUR REPORT OF EVEN DATE ATTACHED

For and on behalf of the Board

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

**Mumbai**  
**May 24,2019**  
**Mumbai**

**Deepak Potdar**  
**Chief Financial Officer**  
**Almas Parveen**  
**Company Secretary**

**M No. 38871**

**For A.R.SODHA & CO**  
**Firm Registration No:110324W**  
**Chartered Accountants**  
**A.R.Sodha**  
**Partner**  
**M. No. : 031878**

**Note No.1****Notes to Financial Statements for the year ended 31 March 2019.****1.1. Corporate information**

The financial statements comprise financial statements of Kaycee Industries Limited for the year ended 31 March 2019. The company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on Bombay stock exchanges in India. The registered office of the company is located at 32, Old Kamani Chambers, RamjibhaiKamani Marg, Ballard Estate, Mumbai 400001.

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

**1.2. Basis of Preparation**

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

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

The financial statements are presented in INR

**1.3. SIGNIFICANT ACCOUNTING POLICIES****1.3.1 Property, Plant and equipment:**

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

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

Property, plant and equipment which are added/disposed off during the year, depreciation is provided on pro-rata basis with reference to the date of addition/deletion. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

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

### 1.3.2 Intangible Assets

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

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

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

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

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

#### **Research and development costs**

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

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset

- The ability to measure reliably the expenditure during development

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

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

### **1.3.3 Borrowing Costs**

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

### **1.3.4 Inventories**

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

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

- a) Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.
- b) Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on first in, first out basis.
- c) Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

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

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

### **1.3.5 Cash and cash equivalents**

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

### **1.3.6 Foreign currency transactions**

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

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

### 1.3.7 Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

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

### 1.3.8 Fair value measurement

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

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

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



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

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

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

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

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

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

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

### **1.3.9 Revenue recognition**

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

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

#### **Sale of goods:**

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

**Rendering of services:**

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

**Interest Income**

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

**Dividends**

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

**Rental income**

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

**1.3.10 Government Grants**

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

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

**1.3.11 Earning per share (EPS)**

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

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



### **1.3.12 Taxes**

#### **Current income tax**

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

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

#### **Deferred tax**

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

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

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

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

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

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

### **1.3.13 Segment Accounting**

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



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

#### ***Inter-Segment transfer pricing***

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

#### **1.3.14 Leases**

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

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

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

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

### 1.3.15 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

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

##### b) Defined Benefit Plan

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

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

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

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

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

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

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

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income



### 1.3.16 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.

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.

### 1.3.17 Exceptional Items

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

### 1.3.18 Non-current assets held for sale/ distribution to owners and discontinued operations

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

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

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

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

- Represents a separate major line of business or geographical area of operations,
  - Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations
- Or
- Is a subsidiary acquired exclusively with a view to resale

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

### 1.3.19 Financial Instrument

#### Financial assets

##### *Initial recognition and measurement*

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

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

##### *Subsequent measurement*

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

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

##### *Debt instruments at amortised cost*

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

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

##### *Debt instrument at FVTOCI*

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

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the

P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

#### ***Debt instrument at FVTPL***

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

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

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

#### ***Equity investments***

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

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

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

#### ***De-recognition***

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

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
  - (a) The Company has transferred substantially all the risks and rewards of the asset, or
  - (b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When



it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case,

the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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

### ***Impairment of financial assets***

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

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

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

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

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

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

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

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



- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

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

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

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

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.
- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as ‘accumulated impairment amount’ in the OCI.

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

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

**Financial liabilities**

***Initial recognition and measurement***

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

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



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

### **Subsequent measurement**

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

#### ***Financial liabilities at fair value through profit or loss***

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

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

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

#### ***Loans and borrowings***

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

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

#### ***Financial guarantee contracts***

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

#### ***De-recognition***

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

**Offsetting of financial instruments**

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

**Derivative financial instruments and hedge accounting Initial recognition and subsequent measurement**

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

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

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

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

**1.3.20. Business Combination under common control**

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

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

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

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

**1.4. Significant accounting judgements, estimates and assumptions**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and

estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods

### **Judgements**

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

### **Estimates and assumptions**

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

### **Impairment of non-financial assets**

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

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

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

### **Defined benefit plans**

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

### **Fair value measurement of financial instruments**

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



such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

### **Impairment of non-Financial Assets**

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

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

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

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

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

### **Employee benefit plans**

#### Defined contribution plans

The Company makes Provident Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised 6,38,971 (Year ended 31 March, 2018 7,93,218) for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

#### Defined benefit plans

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

- i. Gratuity
- ii. Leave encashment
- i. Gratuity

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

<b>PARTICULARS</b>	Gratuity	Gratuity
<b>A. Changes in Present Value of Obligation</b>	Funded 31.03.2019	Funded 31.03.2018
Present Value of Obligation at Beginning	81,59,402	89,65,289
Interest Cost	6,52,752	7,17,223
Current Service Cost	4,50,269	4,62,357
Benefit Paid	-26,50,016	-25,69,629
Actuarial (Gain)/Loss on Obligations	2,57,485	5,84,162
Present Value of Obligation as at end of the year	68,69,892	81,59,402
<b>B. Fair Value of Plan Assets</b>	Gratuity Funded	Gratuity Funded
Fair Value of the Plan Assets	81,11,103	99,80,953
Expected return on Plan Assets	6,06,585	6,76,080
Contributions	881489	23,699
Benefits Paid	-26,50,016	-25,69,629
Actuarial Gain/Loss on Plan Assets	NIL	NIL
Fair Value of the Plan Assets	69,49,161	81,11,103
<b>C. Amount Recognized in the Balance Sheet.</b>	Gratuity Funded	Gratuity Funded
Present Value of Obligation	68,69,892	81,59,402
Fair Value of the Plan Assets	69,49,161	81,11,103
Net Liability/(Asset) Recognized	-79,269	48,300
<b>D. Amount Recognized in Profit and Loss</b>	Gratuity Funded	Gratuity Funded
Current Service Cost	4,50,269	4,62,357
Interest Cost	6,52,752	7,17,223
Expected Return on Plan assets	-6,06,585	-6,76,080
Actuarial (Gain)/Loss	2,57,485	5,84,162
<b>Total Expenses recognized in Profit &amp; Loss A/c</b>	<b>7,53,920</b>	<b>10,87,662</b>
<b>E. Assumptions</b>	Gratuity Funded	Gratuity Funded
Actual Return on Plan Asset	6,06,585	6,76,080
Mortality Table	LIC (2006-08) Ultimate	LIC (2006-08) Ultimate
Discount Rate	7.50%	8%
Expected Rate of Return on Plan Assets	7.50%	7.50%
Salary Escalation	4%	4%

**ii Leave Encashment:**

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

**Note No : 2**  
**Notes On Financial Statements for the Year ended 31st March 2019**  
**Property, Plant and Equipment**

Description of Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	Cost as on 01.04.2018	Additions During Year	Deletion During Year	As At 31.03.2019	As At 01.04.2018	Provided During Year	Deletion During Year	As At 31.03.2019	As At 31.03.2018
<b>Tangible Assets :</b>									
Building	1,31,74,848	88,50,000	-	2,20,24,848	27,71,289	6,76,390	-	1,85,77,169	1,04,03,560
Plant & Machinery	3,44,08,485	7,75,425	-	3,51,83,910	2,50,50,355	12,72,591	-	88,60,964	93,58,130
Computers	49,78,210	2,73,843	-	52,52,053	42,39,687	4,23,484	-	5,88,881	7,38,522
Furniture, Fitting &									
Office Equipment	53,53,425	2,19,976	-	55,73,401	37,73,893	3,60,630	-	14,38,878	15,79,533
Vehicles	7,82,006	-	2,10,813	5,71,193	4,64,674	95,199	2,10,813	2,22,133	3,17,332
Electrical Fitting	6,01,904	-	-	6,01,904	2,45,252	57,421	-	2,99,231	3,56,651
<b>SUB TOTAL (A)</b>	<b>5,92,98,878</b>	<b>1,01,19,244</b>	<b>2,10,813</b>	<b>6,92,07,309</b>	<b>3,65,45,150</b>	<b>28,85,715</b>	<b>2,10,813</b>	<b>2,99,87,256</b>	<b>2,27,53,728</b>
<b>Intangible Assets :</b>									
Software	-	36,64,000	-	36,64,000	-	9,20,500	-	27,43,500	-
<b>SUB TOTAL (B)</b>	<b>-</b>	<b>36,64,000</b>	<b>-</b>	<b>36,64,000</b>	<b>-</b>	<b>9,20,500</b>	<b>-</b>	<b>27,43,500</b>	<b>-</b>
<b>SUB TOTAL A + B</b>	<b>5,92,98,878</b>	<b>1,37,83,244</b>	<b>2,10,813</b>	<b>7,28,71,309</b>	<b>3,65,45,150</b>	<b>38,06,215</b>	<b>2,10,813</b>	<b>3,27,30,756</b>	<b>2,27,53,728</b>
Previous Year	8,56,01,732	5,15,970	2,68,18,824	5,92,98,878	4,41,00,741	26,79,148	1,02,34,739	2,27,53,728	4,14,41,088

Note No.3

	AS AT 31st Mar 2019	AS AT 31st Mar 2018
<b>FINANCIAL ASSETS - INVESTMENTS</b>	<i>In Rs.</i>	<i>In Rs.</i>
Saraswat Bank (1000 Equity shares)	10,000	10,000
<b>TOTAL</b>	<b>10,000</b>	10,000

Note No.4

	AS AT 31st Mar 2019	AS AT 31st Mar 2018
<b>FINANCIAL ASSETS - OTHERS</b>	<i>In Rs.</i>	<i>In Rs.</i>
Balance with bank held as Fixed Deposit	3,18,261	3,18,261
<b>TOTAL</b>	<b>3,18,261</b>	3,18,261

Note No.5

	AS AT 31st Mar 2019	AS AT 31st Mar 2018
<b>DEFERRED TAX ASSET/LIABILITY (NET)</b>	<i>In Rs.</i>	<i>In Rs.</i>
<b>(a) Deferred Tax Liabilities</b>		
i) Diff. in Book value of Fixed Assets	16,62,027	13,74,696
	<b>16,62,027</b>	13,74,696
<b>(b) Deferred Tax Assets</b>		
i) on Provision for Gratuity & Leave Encashment	6,34,577	7,26,998
ii) on Provision for Doubtful Debts	20,64,462	21,12,803
	<b>26,99,039</b>	28,39,801
<b>TOTAL</b>	<b>10,37,011</b>	14,65,105

Note No.6

	AS AT 31st Mar 2019	AS AT 31st Mar 2018
<b>OTHER NON CURRENT ASSETS</b>	<i>In Rs.</i>	<i>In Rs.</i>
Capital Advances	3,59,188	
Net Assets In Pakistan Unit (Considered Doubtful)	8,76,320	8,76,320
Less : Provision for above	<b>(8,76,320)</b>	(8,76,320)
	-	-
Sundry Deposits	30,24,119	30,24,119
Sales Tax Receivable	3,18,183	19,18,839
Income Tax refund receivable	15,00,548	14,66,379
MAT Credit Entitlement	22,61,687	35,75,301
<b>TOTAL</b>	<b>71,04,537</b>	1,03,43,826

**Note No.7**

	AS AT 31st Mar 2019	AS AT 31st Mar 2018
<b>INVENTORIES :</b> <b>(At cost or Net realisable value whichever is less)</b>	<i>In Rs.</i>	<i>In Rs.</i>
Raw Materials & Stores	1,02,26,653	1,47,88,568
Materials in process	46,57,570	54,23,531
Finished Goods	1,17,75,763	1,38,48,939
Trading Goods	11,14,718	68,07,506
<b>TOTAL</b>	<b>2,77,74,704</b>	<b>4,08,68,544</b>

**Note No.8**

	AS AT 31st Mar 2019	AS AT 31st Mar 2018
<b>FINANCIAL ASSETS</b>	<i>In Rs.</i>	<i>In Rs.</i>
<b>TRADE RECEIVABLES</b> (Unsecured)		
Debts outstanding for a period exceeding six months from the date they were due for payment.		
Considered Good	69,16,586	1,26,18,597
Considered Doubtful	74,20,784	75,94,546
	<b>1,43,37,369</b>	<b>2,02,13,143</b>
Less: Provision for Doubtful Debts	74,20,784	75,94,546
	69,16,586	1,26,18,597
Others: Considered Good	7,58,32,269	9,47,91,605
<b>TOTAL</b>	<b>8,27,48,855</b>	<b>10,74,10,202</b>

**Note No.9**

	AS AT 31st Mar 2019	AS AT 31st Mar 2018
<b>FINANCIAL ASSETS</b>	<i>In Rs.</i>	<i>In Rs.</i>
<b>CASH AND CASH EQUIVALENTS :</b>		
Cash in Hand	4,09,767	2,60,583
Bank Balances :		
In Current Account	92,46,676	97,78,507
	<b>96,56,443</b>	<b>1,00,39,090</b>
<b>Other Bank Balances :</b>		
In Fixed Deposits	2,06,25,211	67,21,992
In Fixed Deposits against LC Margin	-	19,51,390
Bank Guarantee Margin	-	70,900
Unclaimed Dividend Account	5,20,462	4,04,615
	<b>2,11,45,673</b>	<b>91,48,897</b>
<b>TOTAL</b>	<b>3,08,02,116</b>	<b>1,91,87,987</b>



**Note No.10**

	AS AT 31st Mar 2019	AS AT 31st Mar 2018
	<i>In Rs.</i>	<i>In Rs.</i>
<b>OTHER CURRENT ASSETS</b>		
<b>Unsecured, Considered Good</b>		
Advances to employees	27,000	1,00,000
Prepaid Expenses	4,05,766	9,74,974
Excise Receivable	5,25,628	5,25,628
Accrued Interest on Fixed Deposit	2,62,650	1,64,328
Advances to suppliers for Raw Material	26,06,141	17,27,454
	<b>38,27,185</b>	<b>34,92,384</b>

**Note No.11**

	AS AT 31st Mar 2019	AS AT 31st Mar 2018
	<i>In Rs.</i>	<i>In Rs.</i>
<b>EQUITY SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
97,500 Equity Shares of Rs. 100/- each	97,50,000	97,50,000
<b>ISSUED, SUBSCRIBED AND PAID UP:</b>		
63,470 (P.Y 63,470) Equity Shares of Rs.100/- each Includes 3125 Shares issued to erstwhile Deferred Shareholders pursuant to scheme of conversion sanctioned by Hon'ble Bombay High Court on 10th July, 1985.	63,47,000	63,47,000

**a) Reconciliation of the number of equity shares and share capital:**

Issued, subscribed and fully paid up equity shares outstanding at beginning of the year	63470	63470
Add : Shares Issued during the year	-	-
Issued, subscribed and fully paid up equity shares outstanding at end of the year	63470	63470

**b) Details of Shareholder Holding more than 5% Shares**

Name of the Shareholder	Universal Trustee Pvt Ltd	CMS Computers Limited
No. of Shares Held	45,899	45,899
% of Holding	72.32%	72.32%

Note No.12

	AS AT 31st Mar 2019	AS AT 31st Mar 2018
	<i>In Rs.</i>	<i>In Rs.</i>
<b>OTHER EQUITY</b>		
<b>a.Share Premium Account</b>		
Opening Balance	4,10,26,242	5,73,74,552
Less : Adjustment as per Demerger Scheme	-	1,63,48,310
Closing Balance	<b>4,10,26,242</b>	<b>4,10,26,242</b>
<b>b. General Reserve</b>		
Opening Balance	2,14,69,208	2,14,69,208
Less : Adjustment	-	-
Closing Balance	<b>2,14,69,208</b>	<b>2,14,69,208</b>
<b>c.Profit and Loss Account</b>		
Opening Balance	4,87,43,010	3,77,97,925
Add Profit/(Loss) for The year	1,29,48,684	1,13,13,917
	<b>6,16,91,693</b>	<b>4,91,11,842</b>
Less: Appropriations		
Transfer to General Reserve	-	-
Proposed Dividend on equity shares	6,34,700	3,17,350
Tax On dividend	1,02,949	51,482
Closing Balance	<b>6,09,54,044</b>	4,87,43,010
<b>TOTAL (a+b+c)</b>	<b>12,34,49,495</b>	<b>11,12,38,461</b>

NoteNo. 13

	AS AT 31st Mar 2019	AS AT 31st Mar 2018
	<i>In Rs.</i>	<i>In Rs.</i>
<b>NON CURRENT LIABILITIES</b>		
<b>(A) FINANCIAL LIABILITIES - BORROWINGS</b>		
Secured		
Vehicle Loan Mahindra & Mahindra Financial Services Ltd	57,667	1,84,563
<b>Less : Current Maturity of Long term Borrowings</b> (Secured Against Mahindra Bolero Vehicle)	<b>(57,667)</b>	<b>(1,26,896)</b>
	-	57,667
<b>TOTAL</b>	<b>-</b>	<b>57,667</b>

NoteNo.14

	AS AT 31st Mar 2019	AS AT 31st Mar 2018
	<i>In Rs.</i>	<i>In Rs.</i>
<b>NON CURRENT LIABILITIES</b>		
<b>PROVISIONS</b>		
Leave Encashment	20,20,997	20,89,079
<b>TOTAL</b>	<b>20,20,997</b>	<b>20,89,079</b>

**NoteNo. 15**

	<b>AS AT 31st Mar 2019</b>	<b>AS AT 31st Mar 2018</b>
	<i>In Rs.</i>	<i>In Rs.</i>
<b>OTHER NON CURRENT LIABILITIES</b>		
DEPOSITS		
Dealer,Distributor & Stockist	<b>24,34,489</b>	24,64,489
<b>TOTAL</b>	<b>24,34,489</b>	24,64,489

**NoteNo.16**

	<b>AS AT 31st Mar 2019</b>	<b>AS AT 31st March 2018</b>
	<i>In Rs.</i>	<i>In Rs.</i>
<b>FINANCIAL LIABILITIES - BORROWINGS</b>		
<b>SECURED LOANS :</b>		
Working Capital loans from		
<b>The Saraswat Co- Op Bank Ltd</b>		
ODCC	<b>1,06,18,049</b>	2,46,52,841
(Secured against hypothecation of raw Materials, Finished Goods, Semi-Finished Goods and Book Debts, block of assets of the Company including Factory Land, and building at Ambernath)		
<b>TOTAL</b>	<b>1,06,18,049</b>	2,46,52,841

**NoteNo. 17**

	<b>AS AT 31st Mar 2019</b>	<b>AS AT 31st Mar 2018</b>
	<i>In Rs.</i>	<i>In Rs.</i>
<b>Trade Payables</b>	<b>3,16,71,566</b>	4,69,65,074
<b>TOTAL</b>	<b>3,16,71,566</b>	4,69,65,074

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.

**NoteNo.18**

	<b>AS AT 31st Mar 2019</b>	<b>AS AT 31st Mar 2018</b>
	<i>In Rs.</i>	<i>In Rs.</i>
<b>OTHER FINANCIAL LIABILITIES</b>		
Current Maturity of Long term Borrowings	<b>57,667</b>	1,26,896
Unclaimed Dividends	<b>5,20,462</b>	4,04,615
Unclaimed amount for fractional Share	<b>664</b>	664
<b>TOTAL</b>	<b>5,78,793</b>	5,32,175

NoteNo. 19

	AS AT 31st Mar 2019	AS AT 31st Mar 2018
<b>OTHER CURRENT LIABILITIES</b>	<i>In Rs.</i>	<i>In Rs.</i>
Outstanding Liabilities	17,99,744	20,34,653
Statutory Dues	28,21,950	25,36,527
Advance From Customers	5,14,792	16,76,231
<b>TOTAL</b>	<b>51,36,486</b>	<b>62,47,412</b>

NoteNo.20

	AS AT 31st Mar 2019	AS AT 31st Mar 2018
<b>CURRENT LIABILITIES</b>	<i>In Rs.</i>	<i>In Rs.</i>
<b>PROVISIONS</b>		
Provision for Employee Benefit	5,96,354	11,28,904
Provision for Sales Tax Dues	15,91,032	-
Leave Encashment	2,60,012	4,75,842
Gratuity	-	48,300
<b>TOTAL</b>	<b>24,47,398</b>	<b>16,53,046</b>

NoteNo.21

	AS AT 31st Mar 2019	AS AT 31st Mar 2018
<b>SALES :</b>	<i>In Rs.</i>	<i>In Rs.</i>
Sale of Manufactured Goods	24,12,86,556	23,62,79,189
Export Sale	27,50,579	69,55,436
Sale of Trading Goods	35,83,807	47,95,637
Repair Charges	77,344	1,65,380
Sale of Scrap	24,82,678	20,64,833
<b>TOTAL</b>	<b>25,01,80,963</b>	<b>25,02,60,475</b>

NoteNo.22

	AS AT 31st Mar 2019	AS AT 31st Mar 2018
<b>OTHER INCOME :</b>	<i>In Rs.</i>	<i>In Rs.</i>
Interest from Bank on Fixed Deposit	11,27,185	4,95,987
Dividend Income From Shares	1,750	3,000
Other Non -operating income Comprises :		
Interest From Customers	35,152	-
Insurance Claim Received	1,41,33,440	-
Profit on Sale of Assets	8,474	-
Prior Period Income	58,652	
Liabilities No Longer Exists Written Back	1,511	9,33,270
<b>TOTAL</b>	<b>1,53,66,164</b>	<b>14,32,257</b>

NoteNo.23

	AS AT 31st Mar 2019	AS AT 31st Mar 2018
<b>Cost of Material Consumed:</b>	<i>In Rs.</i>	<i>In Rs.</i>
Opening Stocks Raw Materials & Stores:	1,47,88,568	1,57,08,906
Add: Raw Material & Stores Purchases	12,92,93,750	11,99,24,534
	14,40,82,318	13,56,33,440
Closing Stocks Raw Material & Stores	1,02,26,653	1,47,88,568
<b>TOTAL</b>	<b>13,38,55,665</b>	<b>12,08,44,872</b>

NoteNo.24

	AS AT 31st Mar 2019	AS AT 31st Mar 2018
<b>Cost of Traded Goods sold</b>	<i>In Rs.</i>	<i>In Rs.</i>
Opening Stocks of Trading Goods	68,07,506	1,12,29,311
Add : Purchases	19,11,178	21,36,801
	87,18,684	1,33,66,112
Closing Stock	11,14,718	68,07,506
<b>TOTAL</b>	<b>76,03,966</b>	<b>65,58,606</b>

NoteNo.25

	AS AT 31st Mar 2019	AS AT 31st Mar 2018
<b>Changes in Inventory of Finished goods, work-in-progress</b>	<i>In Rs.</i>	<i>In Rs.</i>
Opening Stocks :		
Materials in Process	54,23,531	88,57,798
Finished Goods	1,38,48,939	1,93,46,896
	1,92,72,470	2,82,04,694
Less : Closing Stocks :		
Materials in Process	46,57,570	54,23,531
Finished Goods	1,17,75,763	1,38,48,939
	1,64,33,333	1,92,72,470
<b>TOTAL</b>	<b>28,39,137</b>	<b>89,32,224</b>

**NoteNo.26**

	AS AT 31st Mar 2019	AS AT 31st Mar 2018
<b>EMPLOYEE BENEFIT EXPENSES :</b>		
Salaries, Wages, Bonus, Exgratia & Gratuity	3,98,50,646	3,96,02,468
Contribution to Provident & other funds & Schemes	19,94,639	25,14,271
Welfare Expenses	24,95,926	37,16,486
<b>TOTAL</b>	<b>4,43,41,211</b>	<b>4,58,33,225</b>

**NoteNo.27**

	AS AT 31st Mar 2019	AS AT 31st Mar 2018
<b>FINANCE COST :</b>		
Interest - Banks	7,18,856	27,11,596
Interest - Others	4,73,291	30,534
Bank Charges	3,68,159	3,60,135
<b>TOTAL</b>	<b>15,60,307</b>	<b>31,02,265</b>

**NoteNo.28**

	AS AT 31st Mar 2019	AS AT 31st Mar 2018
<b>OTHER EXPENSES :</b>		
Component Processing and other charges	2,34,02,409	2,00,56,400
Power, Fuel & Water Charges	7,29,235	7,13,546
Octroi, Transportation & Forwarding, etc.	20,24,799	18,92,275
Conveyance & Traveling	47,93,048	49,44,786
Printing & Stationery	5,79,025	7,07,963
Postage & Telephone	8,40,925	9,85,445
Cash Discount	9,637	6,16,290
Maintenance & Repairs : Machinery	70,694	24,072
Maintenance & Repairs : Building	5,40,000	22,500
Maintenance & Repairs : Others	8,30,666	12,67,053
Insurance & Keyman Insurance	11,46,210	7,65,968
Rent, Rates & Taxes	3,03,153	6,71,732
Indirect Taxes Paid	41,12,827	11,06,499
Discounts	-	10,10,173
Bad debts & Misc Written off / Liquidated Damages	17,66,686	9,67,531
Provision for Doubtful Debts and Assets	(1,73,762)	19,61,829
Legal & Professional Charges	62,75,448	63,54,648
Advertisement & Publicity	1,61,673	2,46,676
Member Subscription Fees	5,61,810	9,30,260
Sales Commission	7,320	1,15,004
Sales Promotion	2,54,573	96,244
Miscellaneous Expenses	39,34,348	31,76,891
<b>TOTAL</b>	<b>5,21,70,724</b>	<b>4,86,33,784</b>

**Note No.29**

Disclosure of Related Parties / Transactions With Related Parties:-

<b>Relationship</b>	<b>Name of Related Party</b>
Holding Company	: 2015 Grover Family Trust (Universal Trustee Pvt Ltd) (From 1 <sup>st</sup> June, 2018)
Group Company	: a) CMS Computers Limited b) CMS Traffic Systems Limited c) RDJ Constructions Private Limited
Key Management Personnel (KMP)	: a) Ms. Aarti R. Grover (Managing Director) b) Mr. Chandraprakash Jain (Whole Time Director) c) Mr. Deepak Potdar (CFO) d) Miss. Almas Praveen (CS)
Relative of KMP	: a) Mrs. Jyoti C. Jain (Spouse of Executive Director)

**Transactions during F.Y 2018-19**

Sr. No	Name of the Related Party	Nature	Amount Rs.	O/S as on 31.03.2019
<b>I</b>				
1	CMS Traffic Systems Ltd.	Sales	2,49,419.10 -21,51,625.08	2,89,145.63 Dr. -36,65,142.38 Dr.
2	CMS Traffic Systems Ltd.	Reimbursement Of Salary	Nil -14,15,254	
3	CMS Computers Limited	Sales	7,14,338.42 -1,34,74,978.72	2,35,906.76 Cr. (Nil)
4	CMS Computers Limited	Purchases	1,07,060 (Nil)	
5	CMS Computers Limited	Construction for Fixed Asset	42,59,800 (Nil)	
6	CMS Computers Limited	Reim. Of Expenses	41,760 (Nil)	Nil (74,24,360.36)Dr.
7	RDJ Construction Pvt. Ltd	Reimbursement Of Salary Received	13,38,262 -6,00,000	
8	RDJ Construction Pvt. Ltd	Fixed Asset Purchased	88,50,000 (Nil)	
9	RDJ Construction Pvt. Ltd	Insurance Claim Reimbursed	19,15,074 (Nil)	

II	Key management Personnel			
10	Mr. Deepak Potdar	Salary & Perquisites	8,26,793 -7,63,003	Nil (Nil)
11	Almas Parveen (C.S) (Wef 01.01.2019)	Salary & Perquisites	73,080 (Nil)	Nil (Nil)
12	Mr. Chandraprakash Jain	Professional Fees	18,21,974 -12,34,963	Nil (1,00,000) Dr
III	Relative of KMP			
13	Mrs. JyotiC.Jain	Professional Fees	4,80,000 -571875	12,000 Cr. (90,000) Cr.

**Note No.30**
**Payment To The Auditors :**

		2018-2019 <i>In Rs.</i>	2017-2018 <i>In Rs</i>
A	As Audit Fee – Statutory	3,00,000	3,00,000
B	In Other Capacities :		
I	Certification	1,00,000	88,500

**Note No.31**
**Value Of Imports (C.I.F.):**

		2018-2019 <i>In Rs.</i>	2017-2018 <i>In Rs</i>
A	Raw Materials	79,807	9,08,715
B	Finished Goods (Trading)	8,70,352	8,10,103

**Note No.32**
**Consumption Of Raw Materials & Stores**

		2018-2019		2017-2018	
		Percentage of Total Consumption	Amount (Rs.)	Percentage of Total Consumption	Amount(Rs.)
A	Imported	0.06%	79,807	0.66%	9,08,715
B	Indigenous	99.94%	14,42,18,961	99.34%	13,54,26,987



**Note No.33**

**Earnings In Foreign Currency:**

		<b>2018-2019</b>	<b>2017-2018</b>
a)	F.O.B. Value of Exports	<i>In Rs.</i>	<i>In Rs</i>
		26,42,393	69,10,403

**Note No.34**

**Expenditure In Foreign Currency:**

		<b>2018-2019</b>	<b>2017-2018</b>
		<i>In Rs.</i>	<i>In Rs</i>
a)	Foreign bank charges	33,775	74,943

**Note No.35**

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

**Note No.36**

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 2018-2019.

**Note No.37**

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

Particulars	Carrying Values		Fair Values	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
<b>Financial Assets</b>				
Investments	10,000	10,000	10,000	10,000
Loans	-	-	-	-
<b>Total</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>
<b>Financial Liabilities</b>				
Borrowings	1,06,75,716	2,48,37,404	1,06,75,716	2,48,37,404
<b>Total</b>	<b>1,06,75,716</b>	<b>2,48,37,404</b>	<b>1,06,75,716</b>	<b>2,48,37,404</b>



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

**Note No.38**

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

**A. Liquidity risk**

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

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

**B. Market Risk**

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

**i) Interest Rate Risk**

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

**ii) Foreign Currency Risk**

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

**iii) Price Risk**

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

**C. Credit Risk**

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

**i) Trade Receivables**

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

**ii) Other Financial Assets**

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

**D. Excessive risk concentration**

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

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

**Note No.39**

During the year the Company has reviewed Accounts Receivable and made provision for doubtful debts Rs. - 1,73,762. (P.Y.Rs 10,85,509).

**Note No.40**

In the opinion of the management of the company Current Assets, Loans & Advances have a value on realization in the ordinary Course of Business at least equal to the amount at which they are stated in accounts and all current liabilities have been provided for.

**Note No.41**

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

**Note No.42**
**Contingent Liability and Commitment**

(to the extent not provided for)

Particulars	2018-19	2017-18
<b>I) Contingent Liabilities</b>		
(A) Disputed indirect tax liabilities not acknowledged as debts	-	27,92,944
(B) Guarantees	-	-
(C) Other Company money for which the Company is contingently liable	-	-
<b>II) Commitments</b>	-	-

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

**Note No.43**
**Segment Reporting**

- Segments have been identified in line with the accounting standard on segment reporting (AS-17) taking into account the organization's product revenue.
- The company recognizes switches as primary segment.
- 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.

1. Segment Revenue ( Net Sale/ Income from)	2018-2019	2017-2018
	In Rs.	In Rs.
a. Segment - Switches	20,52,98,094	19,69,85,660
b. Segment - Counters	2,60,05,014	2,29,82,434
c. Segment - Others	1,88,77,855	3,02,92,381
<b>TOTAL</b>	<b>25,01,80,963</b>	25,02,60,475
Less : Intersegment Revenue	-	-
	<b>25,01,80,963</b>	25,02,60,475



2. Segment Results (Profit)(+)/Loss(-) before tax and interest from segment		
a. Segment - Switches	6,25,69,644	6,03,71,087
b. Segment - Counters	50,60,388	39,55,520
c. Segment - Others	(35,93,122)	74,81,427
<b>TOTAL</b>	<b>6,40,36,910</b>	<b>7,18,08,034</b>
Add : Other Income	1,53,66,164	14,32,257
Less : (I) Interest	15,60,307	31,02,265
(ii) Other unallocable expenditure net off unallocable income	5,84,72,865	5,50,29,417
<b>Total Profit/(Loss) before Tax</b>	<b>1,93,69,902</b>	<b>1,51,08,609</b>

AS PER OUR REPORT OF EVEN DATE ATTACHED

For and on behalf of the Board

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

**May 24,2019**  
**Mumbai**

**Deepak Potdar**  
**Chief Financial Officer**

**Almas Parveen**  
**Company Secretary Mumbai**  
**M No.**

**For A.R.SODHA & CO**  
**Firm Registration No:110324W**  
**Chartered Accountants**  
**A.R.Sodha**  
**Partner**  
**M. No. : 031878**

**FORM FOR UPDATION OF EMAIL ADDRESS**

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

Dear Sir,

**Sub: Updation of e-mail address**

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

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

\_\_\_\_\_  
Signature of the First named Shareholder

Name:

Address:

# KAYCEE INDUSTRIES LIMITED

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

CIN : L70102MH1942PLC006482 Contact : 22 2261 3521, www.kayceeindustries.com;

Email: complianceofficer@cms-kaycee.co.in, cs\_legal@cms.co.in

## ATTENDANCE SLIP FOR ATTENDING ANNUAL GENERAL MEETING

Folio No.

DP ID No.

No. of Shares held

Client ID No.

I certify that I am a Member/proxy for the Member(s) of the Company. I hereby record my presence at the 76<sup>th</sup> Annual General Meeting of the Company held on Friday, 27<sup>th</sup> Day of September, 2019 at 11.30a.m at Babubhai Chinai Committee Room, 2nd Floor at IMC Bldg., IMC Marg, Churchgate,, Mumbai - 400 020.

\_\_\_\_\_  
Member's/Proxy's name in Block Letters

\_\_\_\_\_  
Signature of Member/Proxy

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

### ELECTRONIC VOTING PARTICULARS

REVEN (Remote E-voting Event Number)	USER ID*	Password / PIN**

\*User ID: Please use DP ID/Client ID

\*\*Password: Use existing password

Note: Please read instructions given at Note No. X of the Notice of the 76th Annual General Meeting carefully before voting electronically.

# KAYCEE INDUSTRIES LIMITED

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

## PROXY FORM

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

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

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 76<sup>th</sup> Annual General Meeting of the Company to be held on Friday, the 27<sup>th</sup> September, 2019 at Babubhai Chinai Committee Room (2nd Floor) at IMC Bldg., IMC Marg, Churchgate, Mumbai - 400 020 at 11.30 a.m and at any adjournment thereof in respect of such resolutions as are indicated below:

S. No.	Resolutions	For	Against
1.	Approve and Adopt Balance Sheet as at 31st March, 2019 and the Profit and Loss Account for the year ended on that date together with reports of Director's and Auditor's thereon.		
2.	Declaration of Dividend		
3.	Reappointment of Mr. Raju Grover DIN 01584366, Who retires by rotation.		
4.	To approve the appointment of Mr. Rajesh Kumar DIN 00003126 as non executive director		
5.	To approve the appointment of Mr. Jitendra K. Vakharia DIN 0004777 as non executive & Independent director		
6.	To approve the appointment of Mr. Dileep K. Gupte DIN 08510433 as non executive & Independent director		
7.	To appoint Mr. R. Doraiswamy DIN 00003131 as non executive director		
8.	To appoint Mr. N. Rangacharya DIN 00054437 as non executive & Independent director chairman.		

Signed this .....day of .....2019

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

Please affix Re.1/- revenue stamp and

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