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KAYCEE INDUSTRIES LTD.

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

Tel.: 0251 6940938, CIN No. : L70102MH1942PLC006482

Email : kayceeindltd@vsnl.com Web : www.kayceeindustries.com

**NOTICE OF MEETING OF THE EQUITY SHAREHOLDERS
(INCLUDING PUBLIC SHAREHOLDERS) OF KAYCEE INDUSTRIES LIMITED**
(Convened pursuant to order dated 24th November 2017 passed by the
National Company Law Tribunal, Mumbai Bench)

Meeting of the Equity Shareholders of Kaycee Industries Limited	
Day	Thursday
Date	04 th January, 2018
Time	11.00 a.m (1100 hours)
Venue	Jainam Banquet Hall, Jainam Arcade, B.M.T Compound, 100, L.B.S Marg, Bhandup (W), Mumbai 400 078

POSTAL BALLOT AND E-VOTING	
Commencing on	4 th December, 2017 at 9.00 am (900 hours)
Ending on	3 rd January, 2018 at 5.00 pm (1700 hours)

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FACTORY : PLOT NO. F-25, ADDITIONAL AMBERNATH INDL.AREA, ANAND NAGAR,
MIDC, AMBERNATH (E), DIST. THANE - 421 502 • TEL.: (0251) 2621138

FACTORY : 70, LAKE ROAD, BHANDUP, MUMBAI - 400 078.



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FILE NO : 20001525QM08

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Email : kayceeindltd@vsnl.com Web : www.kayceeindustries.com

FORM CAA.2

[Pursuant to Section 230(3) and rule 6 and 7 of the Companies (Compromises, Arrangements and Amalgamation Rules, 2016)]

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH

COMPANY SCHEME APPLICATION NO. 948 OF 2017

In the matter of the Companies Act, 2013

AND

In the matter of Sections 230 to 232 read with section 66 and section 52 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and rules framed thereunder;

AND

In the matter of Scheme of Arrangement between Kaycee Industries Limited ('Demerged Company') and RDJ Constructions Private Limited ('Resulting Company') and their respective shareholders and creditors

Kaycee Industries Limited, a company)
incorporated under the provisions of the)
Indian Companies Act, 1913 and having)
its registered office at Old Kamani Chambers,))
32- Ramjibhai Kamani Marg, Ballard Estate,)
Mumbai - 400 001).....Applicant Company

NOTICE CONVENING THE MEETING OF EQUITY SHAREHOLDERS (INCLUDING PUBLIC SHAREHOLDERS) OF THE APPLICANT COMPANY PURSUANT TO THE ORDER DATED 24th NOVEMBER 2017 BY THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH

To,
All the equity shareholders of Kaycee Industries Limited ('the Applicant Company' or 'KIL' or 'the Demerged Company')

NOTICE is hereby given that by an Order dated 24th November 2017 ('Order'), the Mumbai Bench of the National Company Law Tribunal ('NCLT') has directed that a meeting of equity shareholders of the Applicant Company be held for the purpose of considering, and if thought fit, approving with or without modification(s), the arrangement embodied in the Scheme of Arrangement between Kaycee Industries Limited and RDJ Constructions Private Limited and their respective shareholders and creditors ('Scheme')

In pursuance of the said Order and as directed therein further notice is hereby given that a meeting of equity shareholders of the Applicant Company will be held at Jainam Banquet Hall, Jainam Arcade, B.M.T Compound, 100, L.B.S Marg, Bhandup (W), Mumbai 400 078 on Thursday the 04th day of January 2018 at 11.00 a.m. at which time and place members are requested to attend. At the meeting, the following resolution will be considered and if thought fit, be passed, with or without modification(s):

“RESOLVED THAT pursuant to the provision of Sections 230 to 232 read with Section 66 and Section 52 of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), and enabling provisions in the Memorandum and Articles of Association of the Company and subject to compliance with various Securities and Exchange Board of India (SEBI) Regulations including the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the observation letter issued by BSE Limited dated 6th October 2017 and other applicable laws/regulations/rules and the sanction of the National Company Law Tribunal, Mumbai bench (“NCLT” or “Tribunal”) and/or such other competent authority, as may be applicable, and subject to such conditions and modifications as may be prescribed or imposed by NCLT or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any person(s) which the Board may nominate to exercise its powers including the powers conferred by this resolution), the arrangement embodied in the Scheme of Arrangement between Kaycee Industries Limited and RDJ Constructions Private Limited and their respective shareholders and creditors (“Scheme”), which inter-alia envisages the demerger of the Demerged Undertaking (as defined in the Scheme), of Kaycee Industries Limited (“KIL”), and vesting of the same into RDJ Constructions Private Limited (RCPL), a wholly owned subsidiary of KIL in compliance with the provisions of Section 2(19AA) of the Income tax Act, 1961 and as per the terms and conditions mentioned in the Scheme be and is hereby approved.

RESOLVED FURTHER THAT the board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Mumbai Bench of the National Company Law Tribunal while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme, as the Board may deem fit and proper.”

Copy of the Scheme, the statement under Section 230(3) read with Section 102 of the Companies Act, 2013, read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 along with other annexures, as mentioned in the Index, are annexed to this Notice. Copy of the Scheme and the statement under Section 230(3) can also be obtained free of charge from the Registered Office of the Applicant Company or at the office of its Advocates, M/s Hemant Sethi & Co., Advocates, High Court, Bombay having their office at 402-B, Vikas Building, 4th Floor, NGN Vaidya Road (Bank Street), Horniman Circle, Fort, Mumbai – 400001.

Persons entitled to attend and vote at the meeting, may vote in person or by proxy, provided that all proxies in the prescribed form, duly signed or authorized by the said person, are deposited at the Registered Office of the Applicant Company at Old Kamani Chambers, 32- Ramjibhai Kamani Marg, Ballard Estate, Mumbai- 400 001 not later than 48 hours before the time fixed for the aforesaid meeting. The form of proxy can be obtained free of charge from the registered office of the Applicant Company.

In compliance with the provisions of (i) Section 230(4) read with Sections 108 and 110 of the Companies Act, 2013; (ii) Rule 6(3)(xi) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016; (iii) Rule 22 read with Rule 20 and other applicable provisions of the Companies (Management and Administration) Rules, 2014; (iv) Regulation 44 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and (v) Circular No. (v) Circular No. CFD/DIL3/CIR/2017/21 dated 10 day of March 2017 issued by the Securities and Exchange Board of India, the Applicant Company has provided the

facility of voting by postal ballot and e-voting so as to enable the equity shareholders, which includes the Public Shareholders (as defined in the Notes below), to consider and approve the Scheme by way of the aforesaid resolution. The Applicant Company has provided the facility of ballot/polling paper at the venue of the meeting. Accordingly, you may cast your vote either through postal ballot or through e-voting or through ballot/polling paper at the venue of the meeting.

The Shareholders may refer to the notes to this Notice for further details on postal ballot and e-voting.

Voting rights of equity shareholders shall be in proportion to their equity shareholding in the Applicant Company as on closure of business hours on

NCLT has appointed Mr Chandra Prakash Jain, Director, to be the Chairman of the said meeting including for any adjournment or adjournments thereof.

The Scheme, if approved in the aforesaid meeting, will be subject to the subsequent approval of NCLT.

Dated this 29th day of November, 2017

Sd/-

Mr. Chandra Prakash Jain
Chairman appointed for the meeting

Place: Mumbai
Registered Office:
Old Kamani Chambers,
32- RamjibhaiKamani Marg, Ballard Estate,
Mumbai-400001.

Notes for the meeting of the Equity Shareholders of the Applicant Company:

1. Only registered equity shareholders of the Applicant Company are entitled to attend and vote either in person or in proxy (a proxy need not be an equity shareholder of the Applicant Company) or in the case of a body corporate or Registered Foreign Portfolio Investors ("RFPI") or Foreign Institutional Investors ("FII"), by a representative authorised under Section 113 of the Companies Act, 2013 at the meeting of the equity shareholders of the Applicant Company. The authorised representative of a body corporate/RFPI/FII which is a registered equity shareholder of the Applicant Company may attend and vote at the meeting of the equity shareholders of the Applicant Company provided a copy of the resolution of the board of directors or other governing body of the body corporate/RFPI/FII authorising such representative to attend and vote at the meeting of the equity shareholders of the Applicant Company is deposited at the registered office of the Applicant Company not later than 48 (forty eight) hours before the scheduled time of the commencement of the meeting of the equity shareholders of the Applicant Company.
2. As per Section 105 of the Companies Act, 2013 and rules made thereunder, a person can act as a proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than 10% of the total share capital of the Applicant Company carrying voting rights. Further, a member holding more than 10% of the total share capital of the Applicant 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 member.
3. In case of joint holders attending the Meeting, only such joint holder whose name stands first in the register of members of the Applicant Company/ list of beneficial owners as received from Central Depository Securities Limited ("CDSL") in respect of such joint holding, will be entitled to vote.
4. All alterations made in the form of proxy should be initialed.
5. During the period beginning 24 (twenty-four) hours before the time fixed for the commencement of the meeting and ending the conclusion of the meeting, a shareholder would be entitled to inspect the proxies lodged at any time during the business hours of the Applicant Company, provided that not less than 3(three) days of notice in writing is given to the Applicant Company.
6. The equity shareholders of the Applicant Company whose names appear in the records of the Company as on 24th November, 2017 [Cut-off-date'] shall be eligible to attend and vote at the meeting of the equity shareholders of the Applicant Company either in person or by proxies or cast their votes either through postal ballot or by using e-voting facility.
7. The Notice convening the meeting will be published through advertisement in Free Press Journal in the English language and translation thereof in Navshakti in the Marathi language (both Mumbai Editions).
8. A Member or his/her Proxy is requested to bring the copy of the notice to the Meeting and produce the attendance slip, duly completed and signed, at the entrance of the meeting venue.
9. Registered equity shareholders who hold shares in dematerialized form are requested to bring their ClientID and DPID details for easy identification of the attendance at the Meeting.
10. The notice is being sent to all equity shareholders (including Public Shareholders), whose name appeared in the register of members/beneficial owners as on 24th November, 2017. This notice of the meeting of the equity shareholders of the Applicant Company is also displayed / posted on the website of the Applicant Company www.kayceeindustries.com and on website of CDSL at www.cdslindia.com.
11. Voting rights shall be reckoned on the paid-up value of the shares registered in the names of the equity shareholders (which include Public Shareholders) as on Friday the 24th day of November 2017. Persons who are not equity shareholders of the Applicant Company as on the cut-off date i.e. 24th November, 2017 should treat this notice for information purposes only.
12. The documents referred to in the accompanying Explanatory Statement shall be open for inspection by the equity shareholders at the registered office of the Applicant Company between 11.00 a.m. and 4.00 p.m. on all days (except Saturdays, Sundays and public holidays) up to the date of the meeting.

13. The quorum of the meeting of the equity shareholders of the Applicant Company shall be 15 (fifteen) equity shareholders of the Applicant Company, present in person.
14. Circular No. CFD/DIL3/CIR/2017/21 dated 10th day of March 2017 ("SEBI Circular") issued by the Securities and Exchange Board of India ("SEBI"), inter alia, provides that approval of Public Shareholders of the Applicant Company to the Scheme shall be obtained by way of voting through postal ballot and e-voting. Further, the observation letter received from BSE dated 6th October, 2017 also provides for obtaining approval of public shareholders through postal ballot and e-voting. Since, the Applicant Company is seeking the approval of its equity shareholders (which includes Public Shareholders) to the Scheme by way of voting through postal ballot and e-voting, no separate procedure for voting through postal ballot and e-voting would be required to be carried out by the Applicant Company for seeking approval to the Scheme by its Public Shareholders in terms of the SEBI Circular and observation letter dated 6th October, 2017 received from BSE Limited. The aforesaid notice sent to the equity shareholders (which includes Public Shareholders) of the Applicant Company would be deemed to be the notice sent to the Public Shareholders of the Applicant Company. For this purpose, the term "Public" shall have the meaning assigned to it in Rule 2(d) of the Securities Contracts (Regulations) Rules, 1957 and the term "Public Shareholders" shall be construed accordingly. In terms of SEBI Circular, the Applicant Company has provided the facility of voting by postal ballot and e-voting to its Public Shareholders.
15. Kindly note that the equity shareholders (which includes Public Shareholders) can opt only for one mode for voting i.e. either by postal ballot or e-voting or voting at the venue of the meeting. If an equity shareholder has opted for e-voting, then he/she should not vote by postal ballot form also and vice versa. However, in case equity shareholder(s) (which includes Public Shareholder(s)) cast their vote both via postal ballot and e-voting, then voting validly done through e-voting shall prevail and voting done by postal ballot shall be treated as invalid.
16. The equity shareholders of the Applicant Company attending the meeting who have not cast their vote either through postal ballot or e-voting shall be entitled to exercise their vote at the venue of the meeting. Equity shareholders who have cast their votes through postal ballot or e-voting may also attend the meeting but shall not be entitled to cast their vote again.
17. In accordance with the provisions of Sections 230 – 232 of the Companies Act, 2013, the Scheme shall be acted upon only if a majority of persons representing three fourth in value of the equity shareholders of the Applicant Company, voting in person or by proxy or by postal ballot or e-voting, agree to the Scheme.
18. Further, in accordance with the SEBI Circular and observation letter dated 6th October, 2017, the Scheme shall be acted upon only if the votes cast by the Public Shareholders (through postal ballot and e-voting) in favor of the aforesaid resolution for approval of the Scheme are more than the number of votes cast by the Public Shareholders against it.
19. The Applicant Company has engaged the services of CDSL for facilitating e-voting for the aforesaid Meeting. Please note that e-voting is optional. Equity shareholders desiring to exercise their vote by using e-voting facility are requested to follow the instructions mentioned in Note 30 below.
20. The voting period for postal ballot and e-voting shall commence on and from Monday the 04th day of December, 2017 at 9.00 a.m. and will end on Wednesday the 03rd day of January 2018 at 5.00 p.m. During this period equity shareholders (which includes public shareholders) of the Applicant Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 24th November 2017 may cast their vote electronically or by postal ballot. The e-voting module shall be disabled by CDSL for voting on 03rd day of January 2018 at 5.00 p.m. Once the vote on the resolution is cast by an equity shareholder, he or she will not be allowed to change it subsequently.
21. A postal ballot form along with self-addressed postage pre-paid envelope is also enclosed. Equity shareholders, voting in physical form are requested to carefully read the instructions printed in the attached postal ballot form. Equity shareholders who have received the postal ballot form by e-mail and who wish to vote through postal ballot form, can download the postal ballot form from the Applicant Company's website www.kayceeindustries.com or seek duplicate postal ballot form from the Applicant Company. No other form or photocopy of the postal ballot form is permitted.

22. Equity shareholders shall fill in the requisite details and send the duly completed and signed postal ballot form in the enclosed self-addressed postage pre-paid envelope to the scrutinizer so as to reach the scrutinizer before 5.00 p.m. on or before 3rd day of January 2018 . Postal ballot form, if sent by courier or by registered post/speed post at the expense of an equity shareholder will also be accepted. Any postal ballot form received after the said date and time shall be treated as if the reply from the equity shareholders has not been received.
23. Incomplete, unsigned, improperly or incorrectly tick marked postal ballot forms will be rejected by the scrutinizer.
24. The vote on postal ballot cannot be exercised through proxy.
25. There will be only 1 (one) postal ballot form for every registered folio/client ID irrespective of the number of joint equity shareholders.
26. The postal ballot form should be completed and signed by the equity shareholders (as per specimen signature registered with the Applicant Company and/or furnished by the Depositories). In case, shares are jointly held, this form should be completed and signed by the first named equity shareholder and, in his/her absence, by the next named equity shareholder. Holder(s) of Power of Attorney ("PoA") on behalf of an equity shareholder may vote on the postal ballot mentioning the registration number of the PoA with the Applicant Company or enclosing a copy of the PoA authenticated by a notary. In case of shares held by companies, societies etc., the duly completed postal ballot form should be accompanied by a certified copy of the board resolution/ authorisation giving the requisite authority to the person voting on the postal ballot form.
27. Mr. Aashit Doshi, Practicing Company Secretary (Membership No. 9321; CP 10190) has been appointed as the scrutinizer to conduct the postal ballot and e-voting process and voting at the venue of the meeting in a fair and transparent manner.
28. The scrutinizer will submit his combined report to the Chairman of the meeting after completion of the scrutiny of the votes cast by the equity shareholders, which includes Public Shareholders, of the Applicant Company through (i) e-voting process, (ii) postal ballot and (iii) ballot/polling paper at the venue of the meeting. The scrutinizer will also submit a separate report with regard to the result of the postal ballot and e-voting in respect of Public shareholders. The scrutinizer's decision on the validity of the vote (including e-votes) shall be final. The results of votes cast through (i) e-voting process, (ii) postal ballot and (iii) ballot/polling paper at the venue of the meeting including the separate results of the postal ballot and e-voting exercised by the Public Shareholders will be announced on or before 06th day of January 2018 at the registered office of the Applicant Company. The results, together with the scrutinizer's reports, will be displayed, on the website of the Applicant Company, www.kayceeindustries.com and on the website of CDSL www.cdslindia.com, besides being communicated to BSE Limited.
29. Any queries/grievances in relation to the voting by postal ballot or e-voting may be addressed to Ms. Kamleshwari Bind, Company Secretary of the Applicant Company at Old Kamani Chambers, 32- Ramjibhai Kamani Marg , Mumbai 400001, or through email to chandraprakash_jain@cms.co.in. Mr Chandra Prakash Jain, Director of the Applicant Company can also be contacted at 022-4125 9007.

30. Voting through e-voting

The instructions for equity shareholders voting electronically are as under:

- (i) The voting period shall commence on and from Monday the 04th day of December 2017 at 9.00 a.m. on and will end on Wednesday the 03rd January, 2018 at 5.00 p.m. During this period equity shareholders of the Applicant Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 24th November 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting on 03rd day of January 2018 at 5.00 p.m
- (ii) The equity shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID

- (a) For CDSL: 16 digits beneficiary ID,
- (b) Equity Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding equity shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below :

PAN	For Members holding shares in Demat Form and Physical Form
	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)- ● Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field. ● In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh 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 in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.

Equity shareholders holding equity shares in physical form will then directly reach the Applicant Company selection screen. However, equity shareholders holding equity 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

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

- (i) Click on the EVSN of Kaycee Industries Limited.
- (ii) 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.
- (iii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (iv) 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.
- (v) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (vi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

- (vii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.

Note for Non-Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH
COMPANY SCHEME APPLICATION NO. 948 OF 2017**

In the matter of the Companies Act, 2013

AND

In the matter of Sections 230 to 232 read with section 66 and section 52 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and rules framed thereunder;

AND

In the matter of Scheme of Arrangement between Kaycee Industries Limited ('Demerged Company') and RDJ Constructions Private Limited('Resulting Company') and their respective shareholders and creditors

Kaycee Industries Limited, a company)
incorporated under the provisions of the)
Indian Companies Act, 1913 and having)
its registered office at Old Kamani Chambers,))
32- Ramjibhai Kamani Marg, Ballard Estate,)
Mumbai- 400 001).....Applicant Company/ Demerged Company

EXPLANATORY STATEMENT UNDER SECTION 230(3) OF THE COMPANIES ACT, 2013 READ WITH SECTION 102 OF THE COMPANIES ACT 2013 AND RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATION) RULES, 2016 FOR THE MEETING OF EQUITY SHAREHOLDERS OF KAYCEE INDUSTRIES LIMITED CONVENED AS PER THE DIRECTIONS OF THE NATIONAL COMPANY LAW TRIBUNAL

1. In this statement, Kaycee Industries Limited is hereinafter referred to as 'KIL' or 'the Demerged Company' or 'the Applicant Company' and RDJ Constructions Private Limited is hereinafter referred to as 'RCPL' or 'the Resulting Company'. The other definitions contained in the Scheme will also apply to this Explanatory Statement under Section 230(3) of the Companies Act, 2013 read with Section 102 of the Companies Act, 2013 ('Act') read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ('Explanatory Statement').
2. Pursuant to the Order dated 24th November, 2017 passed by the National Company Law Tribunal, Bench at Mumbai in the Company Application No. 948 of 2017 referred to hereinabove, a meeting of the Equity Shareholders of Demerged Company is being convened and held at Jainam Banquet Hall, Jainam Arcade, B.M.T Compound, 100, L.B.S Marg, Bhandup (W), Mumbai 400078 on Thursday the 04th day of January 2018 at 11.00 a.m for the purpose of considering and if thought fit, approving with or without modification(s), the proposed Scheme of Arrangement between Kaycee Industries Limited and RDJ Constructions Private Limited and their respective shareholders and creditors ('Scheme').
3. The draft Scheme was placed before the Audit Committee and the Board of Directors of the Applicant Company at their respective meetings held on 5th May, 2017. Based on the recommendations of the audit committee and on the basis of the evaluations, the Board of Directors of the Applicant Company have come to the conclusion that the Scheme is in the best interest of the Applicant Company and its shareholders.
4. Copy of the Scheme as approved by the Board of Directors of the respective companies is enclosed herewith.

5. In addition to the meeting of the Equity Shareholders of the Applicant Company, to seek their approval pursuant to Sections 230 to 232 of the Companies Act, 2013 (including any statutory modification or re-enactment or amendment thereof) and rules issued thereunder, approval of the Public Shareholders of the Applicant Company is also sought by way of Postal Ballot and e-voting as required pursuant to SEBI regulations and the BSE observation letter dated 6th October 2017 issued to the Applicant Company in relation to the Scheme.

6. **Background of the Companies:**

A. **Kaycee Industries Limited**

- i. Kaycee Industries Limited ('KIL' or 'Demerged Company') was incorporated as a listed public limited company under the provisions of the Indian Companies Act, 1913 on 15th December, 1942 in the state of Maharashtra under the name of 'Kaycee Industries Limited' vide Corporate Identity Number L70102MH1942PLC006482.
- ii. The Registered Office of KIL is situated at Old Kamani Chambers, 32 Ramjibhai Kamani Marg, Ballard Estate, Mumbai-400001, Maharashtra.
- iii. The e-mail id of KIL is cs_legal@cms.co.in.
- iv. The Permanent Account Number of KIL is AAACK0104C.
- v. The main objects of KIL as set out in the Memorandum of Association are as under:

"To manufacture, repair, purchase, supply, import, export or otherwise deal in electronic motors and generators, transformers, switchgear, meters, instruments, wires and cables, lamps, fans, fittings, electromedical and X ray apparatus, heaters, radiators, ovens, refrigerators, Air conditioning equipment and all other kinds of appliances, telephonic, telegraphic and wireless and other Signalling and Communicating apparatus and various other kinds of electrical machinery, instruments, apparatus and goods and component part of all these and to conduct all operations connected there-with and incidental thereto."

"To manufacture, repair, purchase, supply, import, export or otherwise deal in machine tools, pumps, and other hydraulic equipment, boilers, turbines, Steam and Diesel engines, and other kinds of Prime Movers, Locomotives, Wagons, Boats, and other kinds of Vehicles, Textile, Paper, Printing, Cement, Sugar, Metal and Wood Working and all other kinds of Industrial Machinery, Bicycles, Typewriters, Duplicators, Sewing Machines, and all other kinds of office, domestic and other Machines, tanks, containers, and all other kinds of machinery and apparatus and component parts of all these and to conduct all operations connected therewith and incidental thereto."

- vi. KIL is currently engaged in manufacturing and trading of industrial switches, counters, water meters, electrical components, etc. Further, it is also engaged in the property leasing business.
- vii. The authorised, issued, subscribed and paid-up share capital of KIL as on March 31, 2017 is as under:

Particulars	Amount (in INR)
Authorised Share Capital	
97,500 Equity Shares of Rs. 100/- each	97,50,000
Issued, Subscribed and Paid-up Share Capital	
63,470 Equity Shares of Rs. 100/- each fully paid up	63,47,000

Subsequent to the above date, there has been no change in the authorized, issued, subscribed and paid-up share capital of KIL.

- viii. There has been no change in the name, registered office and objects of KIL during the last 5 years.
- ix. The shares of KIL are listed on the Bombay Stock Exchange Limited.

- x. The Board of Directors of KIL have at their meeting held on 5th May 2017 unanimously approved the Scheme. The Directors who voted in favor of the Scheme are as follows:

Sr. No.	Name of Director	Voted in favor/against/ did not participate or vote
	Ms. Aarti Grover	Voted in favor
	Ms. Raju Grover	Voted in favor
	Mr. Chandra Prakash Jain	Voted in favor
	Ms. SonaRamchandani	Voted in favor
	Ms. PramilaMerani	Voted in favor
	Ms. Savitri Butani	Voted in favor

- xi. The names of the Promoters and the present directors of KIL along with their addresses are as follows:

Sr. No.	Name	Address
Promoter		
1	CMS Computers Limited	CMS Lake Road Center, 70 Lake Road, Kaycee Industries Compound, Bhandup(W), Mumbai 400078
Directors		
1	Ms. Aarti Grover	Revills, 45, Cuffe Parade, Colaba, Mumbai 400 005
2	Mr. Chandra Prakash Jain	204/B, Vrindavan, B.P.Road, Bhayandar East, Thane West 400601
3	Ms. Raju Grover	Revills, 45, Cuffe Parade, Colaba, Mumbai 400 005
4	Ms. SonaRamchandani	A-3, Flat No.12, Plot No.156, Ideal House, Main Road, Sion (East), Mumbai 400 022.
5	Ms. PramilaMerani	433, Shahani Colony, Navghar Road, Mulund East, Mumbai 400 081
6	Ms. Savitri Butani	504, Satguru Elegance R.W.Sawant Road, Near Sheetal Dairy Majiwada, Thane West 400601.

B. RDJ Constructions Private Limited

- RDJ Constructions Private Limited ('RCPL' or 'Resulting Company') was incorporated as a private limited company under the Companies Act, 1956, in the State of Maharashtra in the name of 'RDJ Constructions Private Limited' on 21st March 2000 vide Corporate Identification Number U45200MH2000PTC125073.
- The Registered Office of RCPL is situated at CMS Lake Road Center, 70 Lake Road Kaycee Industrial Compound, Bhandup (West) Mumbai, Maharashtra, India.
- The e-mail Id of RCPL is cs_legal@cms.co.in.
- The Permanent Account Number of RCPL is AADCR5317F.
- The main objects of RCPL as set out in the Memorandum of Association are as under:

"To carry on the business of preparing of building sites, constructing, reconstructing, erecting, altering, improving and maintaining of structures, flats, houses, factories, shops, office, garages, warehouses, buildings, works workshops, hospitals, nursing homes, clinics, godowns and other commercial educational purposes and conveniences to purchase for development for resale lands, houses, buildings, structures and other properties of any tenure and any interest therein and purchase, sell and deal in freehold and leasehold and to make advances upon the security of lands, houses, structures and other property or any interest therein and to purchase, sell, lease hire or otherwise deal in land and house property and other property whether real or personal turn the same into account as may seem expedient by entering into contracts and arrangements of all kinds with builders, tenants and others."

vi. RCPL is currently not engaged in any business activities, but was incorporated with an objective to engage in real estate development activities.

vii. The authorised, issued, subscribed and paid-up share capital of RCPL as on March 31, 2017 is as under:

Particulars	Amount (in INR)
Authorised Share Capital	
10,000 Equity Shares of Rs 10/- each	1,00,000
Total	1,00,000
Issued, Subscribed and Paid-up Share Capital	
10,000 Equity Shares of Rs.10/- each, fully paid up	1,00,000
Total	1,00,000

Subsequent to the above date, there has been no change in the authorised, issued, subscribed and paid-up share capital of RCPL. The entire issued, subscribed and paid up share capital of RCPL is held by the Demerged Company i.e. KIL and its nominees.

viii. There has been no change in the name, registered office and objects of RCPL during the last five years.

ix. The shares of RCPL are not listed on any stock exchange.

x. The Board of Directors of RCPL have at their meeting held on 5th May 2017 unanimously approved the Scheme. The Directors who voted in favor of the Scheme are as follows:

Sr. No.	Name of Director	Voted in favor/against/ did not participate or vote
1	Ms. Aarti Grover	Voted in favor
2	Ms. Raju Grover	Voted in favor

xi. The names of the Promoters and the present directors of RCPL along with their addresses are as follows:

Sr. No.	Name	Address
Promoter		
1	Kaycee Industries Limited	Old Kamani Chambers, 32- Ramjibhai Kamani Marg, Ballard Estate, Mumbai- 400 001
Directors		
1.	Ms. Aarti Grover	Revils, 45, Cuffe Parade, Colaba, Mumbai-400 005.
2.	Ms. Raju Grover	Revils, 45, Cuffe Parade, Colaba, Mumbai-400 005.
3	Mr. Chandra Prakash Jain	204/B, Vrindavan, B.P.Road, Bhayandar East, Thane West 400601
4	Mr. Mahesh Idnani	1509 D wing, Krushal TowerG M Rd, Chembur, Mumbai 400 089

7. Relationship between the Companies involved in the Scheme:

The Resulting Company is the wholly owned subsidiary of the Demerged Company as on the date of the approval of the Scheme by the Board of Directors.

8. Rationale/Benefits of the Scheme:

- Currently, the core business activities of the Demerged Company is manufacturing and trading of industrial switches, counters, water meters, electrical components, etc. The Demerged Company along with its

wholly owned subsidiary i.e. the Resulting Company jointly owns an immovable property which comprises land and building at Bhandup, Mumbai. The Demerged Company is also engaged into leasing activities of the said property owned by it. The said leasing activities forms part of non-core business activities of the Demerged Company.

- Accordingly, in order to ensure better management focus on the core business activities, the management of KIL has proposed to demerge its non-core activities i.e. property leasing activities along with related assets into the Resulting Company such that the shareholders of KIL have direct participation in property owning and leasing company.
- The demerger will inter alia have the following benefits to the companies and the shareholders:
 - Business-wise segregation to ensure better management focus on core business activities.
 - The proposed segregation of the non-core activities and assets of the Demerged Company is expected to enhance the value for the shareholders.
 - Each business would be treated as the independent business opportunity, pursue efficient capital allocation and attract different sets of investors, strategic partners, lenders and other stakeholders.

9. Salient features of the Scheme:

- i. This Scheme is between Kaycee Industries Limited (“Demerged Company”) and RDJ Constructions Private Limited (“Resulting Company”) and their respective shareholders and creditors under Sections 230 to 232 read with section 66 and section 52 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and rules framed thereunder.
- ii. The Demerged Company and the Resulting Company shall, as may be required, make petitions under Sections 230 to 232 read with Section 66 and Section 52 and other applicable provisions of the Act read with applicable rules made thereunder, to the Mumbai Bench of the National Company Law Tribunal for sanction of the Scheme and all matters ancillary or incidental thereto.
- iii. “Appointed Date” means the 1st day of April 2017.
- iv. “Effective Date” means the last of the dates on which the certified copies of the orders sanctioning this Scheme, passed by the National Company Law Tribunal at Mumbai or such other competent authority, are filed by the Demerged Company and the Resulting Company with the Registrar of Companies, Mumbai.
- v. Upon this Scheme becoming effective and in consideration of the demerger and vesting of the Demerged Undertaking of KIL into RCPL in accordance with this Scheme, RCPL shall at the option of the equity shareholders of KIL issue and allot to every member of KIL, holding fully paid up equity shares in KIL and whose names appear in the register of members of KIL on the Record Date, at their option viz:
 - 1 (One) fully paid up equity shares of Rs.10 each of RCPL for every 1 (One) fully paid up equity share of Rs.100 each held in KIL; or
 - 70 (Seventy) 7.50% non-convertible redeemable preference shares of Rs.100 each of RCPL for every 1 (One) fully paid up equity shares of Rs.100 each held in KIL.

The redeemable preference shares of RCPL shall not be listed and/ or admitted on any stock exchange.
- vi. Pursuant to Clause 8 of the Scheme, upon the Scheme becoming effective and upon allotment of equity shares by RCPL as per clause 5 of the Scheme, the existing 10,000 equity shares having face value of Rs.10 each of RCPL shall, without any application or deed, stand cancelled without any payments to the holders of such equity shares of RCPL.

- vii. The utilization of the share premium account of the Demerged Company as mentioned in Clause 7.3 of the Scheme shall be affected as an integral part of this Scheme without having to follow the process under section 52 of the Companies Act, 2013 read with sections 66 of the Companies Act, 2013 separately and the order of the NCLT sanctioning the Scheme shall be deemed to be also the order under section 66 of the Act for the purpose of the confirming the reduction.
- viii. The Scheme is conditional upon and subject to the following:
 - o Approval of the Scheme by the requisite consent of the members and/or creditors of the Demerged Company and the Resulting Company respectively, as required under the Companies Act, 2013 and the requisite orders of the NCLT being obtained.
 - o The sanction of the Scheme by the NCLT under Sections 230 to 232 of the Act in favor of the Demerged Company and the Resulting Company, as the case may be, under the said provisions and to the necessary order under Section 232 of the Act being obtained.
 - o The requisite consent, approval or permission of any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme.
 - o Certified copy of the order of the NCLT sanctioning the Scheme being filed with the Registrar of Companies, Mumbai by the Demerged Company and the Resulting Company respectively.
- ix. The Scheme, inter-alia, provides for the following matters:
 - o The transfer of all assets and liabilities of Demerged Company relating to the Demerged Undertaking, to the Resulting Company.
 - o The transfer of all contracts, deeds, bonds, agreements, schemes, insurance policies, indemnities, guarantees, arrangements and other instruments of whatsoever nature of the Demerged Company relating to the Demerged Undertaking, to the Resulting Company;
 - o The transfer of all employees of Demerged Company relating to the Demerged Undertaking, to the Resulting Company;
 - o The transfer of all legal proceedings by or against the Demerged Company to the Resulting Company;
 - o The transfer of all benefits and liabilities, including under the income tax, excise duty, service tax, applicable State Value Added Tax Laws, Goods & Service tax, etc., to which the Demerged Company are entitled to vest with the Resulting Company;
 - o All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed), incurred in carrying out and implementing this Scheme and matters incidental thereto, shall be borne by the Demerged Company.

THE FEATURES SET OUT ABOVE BEING ONLY THE SALIENT FEATURES OF THE SCHEME, THE EQUITY SHAREHOLDERS OF THE APPLICANT COMPANY ARE REQUESTED TO READ THE ENTIRE TEXT OF THE SCHEME TO GET THEMSELVES FULLY ACQUAINTED WITH THE PROVISIONS THEREOF.

10. Summary of Valuation Report including basis of valuation and Fairness opinion

- i. Summary of Valuation Reports obtained from M/s SSPA & Co, Chartered Accountants, an independent valuer.
 The valuer has considered Underlying Asset Approach method for the purpose of the valuation exercise. Appropriate adjustments have been made for appreciation in the value of investments and land & building after considering tax impact wherever applicable. The underlying net assets value as arrived above is divided by the outstanding number of equity shares to arrive at value per share.
- ii. Fairness Opinion obtained from Fedex Securities Limited, Merchant Banker.
 The Merchant Banker is of the opinion that the Share Exchange Ratio considered for the purpose of the Scheme is fair to the equity shareholders of KIL.

- iii. The valuation report and Fairness Opinion are available for inspection at the Registered office of the Applicant Company.
 - iv. A copy of the Valuation Report and Fairness Opinion are enclosed to this notice as Annexure 2 and Annexure 3 respectively.
11. The proposed Scheme was placed before the Audit Committee of the Applicant Company at its meeting held on 5th May 2017. The Audit Committee recommended the Scheme to the Board of Directors of the Applicant Company for its favorable consideration after inter alia taking into account the following:
- i. The Valuation report on recommendation of Share Exchange Ratio dated 5th May 2017 issued by M/s SSPA & Co, an Independent Chartered Accountant, for issue of shares pursuant to the Scheme;
 - ii. The Fairness Opinion dated 5th May 2017 issued by Fedex Securities Limited, a Merchant Banker, on the fairness of the report on recommendation of Share Exchange Ratio.
12. **Details of approvals, sanctions or no-objection(s), if any, from regulatory or any other governmental authorities required, received or pending for the proposed Scheme:**
- i. The Applicant Company has received, in terms of Regulation 37 of SEBI LODR Regulations, Observation Letter dated 6th October, 2017 from the BSE Limited giving its no-objection to the Scheme. Copy of the said letter is enclosed as **Annexure-4**.
 - ii. As required by the SEBI Circular, the Applicant Company has filed the Complaints Reports dated 14th July 2017 with the BSE Limited. After filing of the Complaint Reports, the Applicant Company has not received any complaint. Copy of the said report is enclosed as **Annexure - 5**.
 - iii. Further, it is confirmed that the copy of the draft Scheme has been filed with the Registrar of Companies, Mumbai by the Demerged Company and the Resulting Company.
 - iv. In compliance with the requirement of Section 230(5) of the Companies Act, 2013 and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, a notice in the prescribed form and seeking approvals, sanctions or no-objections shall be served to the concerned regulatory and government authorities for the purpose of the proposed Scheme.
13. **Amounts due to Unsecured Creditors as on 31st October, 2017 (provisional)**

Particulars of amounts due to Unsecured Creditors from respective Companies involved in the Scheme as at 31st October, 2017 are detailed herein:

Name of Company	Amount (in Rs.)
Kaycee Industries Limited	Rs. 48,270,576
RDJ Constructions Private Limited	Rs. 27,590,824

14. **Capital Structure Pre and Post Scheme:**

Pre Scheme shareholding pattern of the Demerged Company and the Resulting Company as on 30th September 2017 and the post Scheme (expected) shareholding pattern of the Resulting Company is as under:

Pre and post shareholding pattern of the Demerged Company is as under

Sr.No.	Description	Pre and post Scheme shareholding pattern	
		No. of equity shares	% (A+B)
(A)	Promoter and promoter group		
(1)	Indian		
	Others	45,899	72.32
	Sub-Total A(1):	45,899	72.32

Sr.No.	Description	Pre and post Scheme shareholding pattern	
		No. of equity shares	% (A+B)
(2)	Foreign		
	Sub-Total A(2) :	-	-
	Total A=A(1)+A(2)	45,899	72.32
(B)	Public Shareholding		
(1)	Institutions		
	Financial Institutions / Banks	158	0.25
	Sub-Total B(1) :	158	0.25
(2)	Central Government/ State Government(s)/President of India		
	Sub-Total B(2) :	-	-
(3)	Non-Institutions		
(a)	Individuals		
	Individuals holding nominal share capital upto Rs. 2 lakhs	16,202	25.53
(b)	Others		
	NRI- Repat	692	1.09
	NRI-Non-Repatriate	115	0.18
	Clearing members	10	0.02
	Bodies Corporate	394	0.62
	Sub-Total B(3) :	17,413	27.44
	Total B=B(1)+B(2)+B(3)	17,571	27.69
	Total (A+B) :	63,470	100

Pre Scheme shareholding pattern of the Resulting Company is as under:

Sr.No.	Name of Shareholders	Pre - Scheme shareholding pattern	
		No. of equity shares	%
1.	Kaycee Industries Limited	9,990	99.90
2.	Aarti Grover as nominee of Kaycee Industries Limited	10	0.10
	TOTAL	10,000	100

The post-Scheme (expected) capital structure of the Resulting Company will be as follows (assuming the continuing capital structure as on 30 day of September 2017):

I. Assuming that all shareholders opt for "Equity Shares"

Share Capital	Amount (in Rs.)
Authorized Share Capital	700,000 (70,000 equity shares of Rs 10 each)
Issued Capital	6,34,700 (63,470 equity shares of Rs 10 each)

II. Assuming that all the Public shareholders (except for non-resident shareholders holding shares on repatriation basis) of Demerged Company opt for Redeemable Preference shares of Resulting Company.

Share Capital	Amount (in Rs.)
Authorized Share Capital	700,000 (70,000 equity shares of Rs 10 each)
	120,000,000 (1,200,000 , 7.5% redeemable preference shares of Rs 100 each)
Issued Capital	465,910 (46,591 equity shares of Rs 10 each)
	118,153,000 (1,181,530 7.50% redeemable preference shares of Rs 100 each)

Post demerger (expected) shareholding pattern of the Resulting Company is as under:

I. Assuming that all shareholders opt for “Equity Shares”

Sr.No.	Description	Pre-Demerger shareholding		Post-Demerger shareholding	
		No. of equity shares	% (A+B)	No. of equity shares	% (A+B)
(A)	Promoter and promoter group				
(1)	Indian				
	Others	10,000	100	45,899	72.32
	Sub-Total A(1):	10,000	100	45,899	72.32
(2)	Foreign				
	Sub-Total A(2) :			-	-
	Total A=A(1)+A(2)	10,000	100	45,899	72.32
(B)	Public Shareholding				
(1)	Institutions				
	Financial Institutions / Banks			158	0.25
	Sub-Total B(1) :				
(2)	Central Government/State Government(s)/President of India	-	-		
	Sub-Total B(2) :			158	0.25
(3)	Non-Institutions				
(a)	Individuals				
	Individuals holding nominal share capital upto Rs.2 lakhs			16,202	25.53
(b)	Others				
	NRI- Repat			692	1.09
	NRI-Non-Repat			115	0.18
	Clearing members			10	0.02
	Bodies Corporate			394	0.62
	Sub-Total B(3) :			17,413	27.44
	Total B=B(1)+B(2) + B(3)			17,571	27.69
	Total (A+B) :	10,000	100	63,470	100

II. Assuming that all the Public shareholders (except for non-resident shareholders holding shares on repatriation basis) of Demerged Company opt for Redeemable Preference shares of Resulting Company.

A. Equity Shareholding pattern of Resulting Company

Sr.No.	Description	Pre-Demerger shareholding		Post-Demerger shareholding	
		No. of equity shares	% (A+B)	No. of equity shares	%
(A)	Promoter and promoter group				
(1)	Indian				
	Others	10,000	100	45,899	98.5
	Sub-Total A(1):	10,000	100	45,899	98.5
(2)	Foreign				
	Sub-Total A(2) :	-	-	-	-
	Total A=A(1)+A(2)	10,000	100	45,899	98.5
(B)	Public Shareholding				
(1)	Institutions				
	Financial Institutions / Banks				
	Sub-Total B(1) :				
(2)	Central Government/State Government(s)/President of India				
	Sub-Total B(2) :	-	-		
(3)	Non-Institutions				
(a)	Individuals				
	Individualsholdingnominalshare capitalupto Rs. 2 lakhs				
(b)	Others				
	NRI- Repat			692	1.5
	NRI-Non-Repatriation				
	Clearing members				
	Bodies Corporate				
	Sub-Total B(3) :	-	-	692	1.5
	Total B=B(1)+B(2)+ B(3)	-	-		
	Total (A+B) :	10,000	100.00	46,591	100

B. Redeemable Preference Shareholding pattern

Sr.No.	Description	Pre-Demerger shareholding		Post-Demerger shareholding	
		No. of equity shares	%	No. of equity shares	%
(A)	Promoter and promoter group				
(1)	Indian				
	Others				
	Sub-Total A(1):				
(2)	Foreign				
	Sub-Total A(2) :	-	-		
	Total A=A(1)+A(2)				
(B)	Public Shareholding				
(1)	Institutions				
	Financial Institutions / Banks			11,060	0.94
	Sub-Total B(1) :			11,060	0.94

Sr.No.	Description	Pre-Demerger shareholding		Post-Demerger shareholding	
		No. of equity shares	%	No. of equity shares	%
(2)	Central Government/State Government(s)/President of India				
	Sub-Total B(2) :	-	-		
(3)	Non-Institutions				
(a)	Individuals				
	Individuals holding nominal share capital upto Rs.2 lakhs			1,134,140	95.99
(b)	Others				
	NRI- Repat				
	NRI-Non-Repatriate			8,050	0.68
	Clearing members			700	0.06
	Bodies Corporate			27,580	2.33
	Sub-Total B(3) :	-	-	1,170,470	99.06
	Total B=B(1)+B(2)+ B(3)	-	-	1,181,530	100
	Total (A+B) :	-	-	1,181,530	100

15. Effect of the Scheme on various parties:

i. Directors and Key Managerial Personnel (KMP)

The Directors and KMP and their respective relatives of the Demerged Company and the Resulting Company may be affected only to the extent of their shareholding in the Demerged Company and / or Resulting Company, or to the extent that the said Directors / KMP are the partners, directors, members of the companies, firms, association of persons, bodies corporate and/or beneficiary of trust that hold shares in Demerged Company and / or Resulting Company, if any. Save as aforesaid, none of the Directors / KMP of the Demerged Company and / or Resulting Company have any material interest in the Scheme.

The details of the shareholding of the Directors and KMP of the Applicant Company

Name of Director	Position	Equity shares held in	
		Applicant Company	Resulting Company
Aarti Grover	Managing Director	-	10(as nominee shareholder)
Chandra Prakash Jain	Executive Director	319	-
Raju Grover	Non-executive Director	-	-
Sona Ramchandani	Non-executive Independent Director	-	-
Pramila Merani	Non-executive Independent Director	-	-
Savitri Butani	Non-executive Independent Director	-	-

The details of the shareholding of the Directors and KMP of the Resulting Company

Name of Director	Position	Equity shares held in	
		Applicant Company	Resulting Company
Aarti Grover	Director	-	10(as nominee shareholder)
Raju Grover	Director	-	-
Chandra Prakash Jain	Director	319	-
Mahesh Idnani	Director	9	-

ii. Promoter and Non-Promoter Members

- Demerged Company – Promoter and Non-promoter members will get direct shareholding in the Resulting Company based on the valuation report obtained from SSPA & Co, Chartered Accountants
- Resulting Company–The Demerged Company is currently holding the entire share capital of the Resulting Company. Pursuant to the Scheme, shares held by the Demerged Company in the Resulting Company will stand cancelled.

Save as aforesaid, the rights and interest of the Promoters and Non-Promoter Shareholders of Companies involved in the Scheme will not be prejudicially affected by the Scheme.

iii. Depositors

As of date, the Demerged Company and/or the Resulting Company does not have any depositors, therefore, the effect of the Scheme on any depositors does not arise.

iv. Creditors

The creditors of the Demerged Company will not be affected by the Scheme, since post demerger, all the liabilities of the Demerged Company relating to the Demerged Undertaking will get transferred to the Resulting Company and the Resulting Company will discharge all such liabilities in the normal course of business without jeopardizing the rights of the creditors. The creditors of the Resulting Company will not be affected by the Scheme, since post demerger, the assets of the Resulting Company will be sufficient to discharge all its liabilities.

v. Debenture holders

As of date, the Demerged Company and/or the Resulting Company does not have any debenture holders, therefore, the effect of the Scheme on debenture holders does not arise.

vi. Deposit trustee and debenture trustee

As of date, the Demerged Company and/or the Resulting Company does not have any deposit or debenture trustee, therefore, the effect of the Scheme on deposit and debenture trustee does not arise.

vii. Employees

All Employees of the Demerged Company relatable to the Demerged Undertaking shall become the employees of the Resulting Company, on terms and conditions not less favorable than those on which they are engaged by the Demerged Company and without any interruption of or break in service. Hence, the rights and interests of the employees of the Companies involved in the Scheme will not be prejudicially affected by the Scheme.

16. Effect of the Scheme on material interest of Directors, KMP and Debenture Trustee

None of the Directors, Key Managerial Personnel and Debenture Trustee, if any, of the Demerged Company and the Resulting Company respectively have any material personal interest in the Scheme, save to the extent of shares held by the Directors / KMP in the Demerged Company and the Resulting Company, if any.

17. No investigation or proceedings under the Companies Act, 1956 and /or Companies Act, 2013 have been instituted or are pending in relation to the Demerged Company and the Resulting Company.

18. There are no winding up proceedings pending against the Demerged Company and the Resulting Company as of date.

19. The Demerged Company and Resulting Company have made separate applications before the Mumbai Bench of the National Company Law Tribunal for the sanction of the Scheme of Arrangement under Sections 230 to 232 of the Companies Act, 2013 read with section 66 and section 52 of the Companies Act, 2013.
20. Following documents will be available for obtaining extract from or for making or obtaining copies of or inspection by the members and creditors of the Applicant Company at its registered office between 11:00 a.m. to 4:00 p.m. on all working days, except Saturdays, Sundays and Public Holidays, up to 1 (one) day prior to the date of the meeting namely:
- a. Latest Audited Financial Statements of the Demerged Company and the Resulting Company, including Consolidated Financial Statements;
 - b. Copy of Memorandum of Association and Articles of Association of Demerged Company and Resulting Company;
 - c. Copy of the order(s) of Tribunal dated 24th November 2017 in pursuance of which the meeting is to be convened or has been dispensed with;
 - d. Copy of the Scheme;
 - e. Contracts or Agreements material to the Scheme– *There are no contracts or agreements material to the Scheme;*
 - f. Certificate issued by the Auditor of the Demerged Company and the Resulting Company to the effect that the accounting treatment proposed in the Scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013;
 - g. Copies of the resolutions passed by the respective Board of Directors of the Demerged Company and the Resulting Company;
 - h. Audit Committee Report dated 5th May 2017 of the Demerged Company
 - i. Report adopted by the Board of Directors of Demerged Company at its meeting held on 5th May 2017 pursuant to the provisions of Section 232(2)(c) of the Companies Act, 2013;
 - j. Valuation Report on recommendation of share exchange ratio dated 5th May 2017 issued by M/s SSPA & Co
 - k. Fairness Opinion dated 5th May 2017 issued by Fedex Securities Limited
 - l. Observation letter received from BSE Limited dated 6th October 2017
 - m. Such other information or documents as the Board or the management believes necessary and relevant for making decision for or against the Scheme;

This statement may be treated as an Explanatory Statement under Sections 230 to 232 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and Section 102 and other applicable provisions of the Companies Act, 2013. A copy of the Scheme, Explanatory Statement and Proxy Form may be obtained from the Registered Office of the Applicant Company.

Dated this 29th day of November 2017

Place: Mumbai

Registered Office:

Old Kamani Chambers,

32-Ramjibhai Kamani Marg,

Ballard Estate, Mumbai-400001 .

ANNEXURE - I

SCHEME OF ARRANGEMENT

BETWEEN

KAYCEE INDUSTRIES LIMITED
("KIL" or "Demerged Company")

AND

RDJ CONSTRUCTIONS PRIVATE LIMITED
("RCPL" or "Resulting Company")

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

(Under section 230 to 232 read with section 66 and section 52 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and rules framed thereunder)

1. PREAMBLE

The Scheme of Arrangement ("Scheme") is presented under section 230 to 232 read with section 66 and section 52 of the Companies Act 2013 and other applicable provisions of the Companies Act, 2013, and the rules and regulations made there under, for the demerger of Demerged Undertaking (defined herein below) of Kaycee Industries Limited into RDJ Constructions Private Limited on a going concern basis and cancellation of the entire existing paid-up equity share capital of RDJ Constructions Private Limited.

2. DESCRIPTION OF COMPANIES

- Kaycee Industries Limited ('the Demerged Company') is a public limited company incorporated under the provisions of the Indian Companies Act,



1913 on 15 December 1942 vide Corporate Identity Number (L70102MH1942PLC006482). The Demerged Company is engaged in manufacturing and trading of industrial switches, counters, water meters, electrical components, etc. The Demerged Company is also engaged in the property leasing business. The equity shares of KIL are listed on Stock Exchange.

- RDJ Constructions Private Limited ('the Resulting Company') is a private limited company incorporated under the provisions of the Companies Act, 1956 on 21st March 2000 vide Corporate Identity Number (U45200MH2000PTC125073). RCPL is a wholly owned subsidiary of KIL. RCPL is currently not engaged into any business activities but was incorporated with an objective to engage in real estate development activities. The Resulting Company currently owns land jointly with the Demerged Company.

3. RATIONALE OF THE SCHEME

The rationale of the proposed Scheme is as under:

- Currently, the core business activities of the Demerged Company is manufacturing and trading of industrial switches, counters, water meters, electrical components, etc. The Demerged Company along with its wholly owned subsidiary i.e. the Resulting Company jointly owns an immovable property which comprises land and building at Bhandup, Mumbai. The Demerged Company is also engaged into leasing activities of the said



property owned by it. The said leasing activities forms part of non-core business activities of the Demerged Company.

- Accordingly, in order to ensure better management focus on the core business activities, the management of KIL has proposed to demerge its non-core activities i.e. property leasing activities along with related assets into the Resulting Company such that the shareholders of KIL have direct participation in property owning and leasing company.
- The demerger will inter alia have the following benefits to the companies and the shareholders:
 - Business-wise segregation to ensure better management focus on core business activities.
 - The proposed segregation of the non-core activities and assets of the Demerged Company is expected to enhance the value for the shareholders.
 - Each business would be treated as the independent business opportunity, pursue efficient capital allocation and attract different sets of investors, strategic partners, lenders and other stakeholders.

4. PARTS OF THE SCHEME

This Scheme is divided into the following parts:

- (i) **PART I** deals with the Definitions, Interpretations and the Share capital;
- (ii) **PART II** deals with demerger of the Demerged Undertaking of Demerged Company into the Resulting Company; and



- (iii) **PART III** deals with general terms and conditions applicable to the Scheme

PART I

DEFINITIONS, INTERPRETATIONS AND SHARE CAPITAL

1. DEFINITIONS

In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the following meaning:

- 1.1 **“Act”** means the Companies Act, 2013 and the rules, regulations, circulars and notifications issued thereunder, each as amended from time to time and to the extent in force and any statutory modification or re-enactment thereof. References in this Scheme to particular provisions of the Act are references to particular provisions of the Companies Act, 2013 unless stated otherwise.
- 1.2 **“Accounting Standards”** means the generally accepted accounting principles in India complying with (i) the mandatory accounting standards notified under the Companies (Accounting Standards) Rules, 2006 or the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and to the extent in force; and (ii) the relevant provisions of the Act.
- 1.3 **“Appointed Date”** means the 1st day of April 2017.
- 1.4 **“Board”** means the respective Board of Directors of the Demerged Company and the Resulting Company and shall include any Committee of



Directors constituted or appointed and authorized for the purposes of matters pertaining to this Scheme and or any other matter relating thereto.

- 1.5 **“Demerged Company” or “KIL”** means Kaycee Industries Limited, a public limited company incorporated under the Indian Companies Act, 1913 and having its registered office at Old Kamani Chambers, 32-Ramjibhai Kamani Marg, Ballard Estate, Mumbai – 400 001.
- 1.6 **“Demerged Undertaking”** means the business undertaking of the Demerged Company on a going concern basis, comprising of the property leasing activity along with all the related assets (including the investment in the Resulting Company), building, capital work in progress, liabilities, employees, rights, powers and shall include (without limitation) and in particular the following of KIL:
- (a) All assets and properties, whether movable or immovable including property owned by the Demerged Company as set out in Schedule 1, tangible or intangible, real or personal, whether corporeal or incorporeal, leasehold or otherwise, including all rights (whether freehold, leasehold or license), title, interest and not limited to the plant and machinery, capital work in progress, advances, deposits, sundry debtors, inventories, cash and bank balances, bills of exchange, other fixed assets, trademarks, all intellectual property rights, development rights, loans, inventory and work in progress wherever situated, covenant and pertaining to the Demerged Undertaking of KIL;



- (b) Assets other than those referred to in sub-clause (a) above being general in nature, if any, be allocated to the Demerged Undertaking of KIL in the manner as may be decided by the Board of Directors of KIL;
- (c) All present and future liabilities arising out of the activities or operations of Demerged Undertaking of KIL including loans, debts, borrowings, current liabilities and provisions, duties and obligations relatable to the Demerged Undertaking of KIL;
- (d) Without prejudice to the generality of the above, the Demerged Undertaking of KIL shall include in particular:
 - (i) all properties constituting, relating to or required for the Demerged Undertaking of KIL wherever situated, including all fixed assets, work in progress, current assets, plant and machinery, equipment, funds, offices, office equipment, accessories, computer, fixtures, fittings, furniture, vehicles and other goods, in respect of the Demerged Undertaking of KIL; including leasehold improvements, all other tangible and intangible assets of whatsoever nature, lease and hire purchase contracts, contracts, engagements, arrangements, rights with or without the consent of the landlord, as may be required by law, leave and license agreements, titles, interests, benefits and advantages of any nature whatsoever;



- (ii) all quotas, rights and licenses, assignments and grants thereof, all permits, registrations, rights under any agreement, contracts, government contracts, applications, memorandum of understanding, letters of intent, tender (including open tender), or any other contracts, approvals, regulatory approvals, consents, entitlements, industrial and other licenses, municipal permissions, goodwill, cash balances, bank balances, bank accounts, privileges, benefit of any deposits, financial assets, corporate guarantees issued by the Demerged Company in relation to the Demerged Undertaking and the benefits of any bank guarantees issued in relation to the Demerged Undertaking for the benefit of the Demerged Company, deferred tax benefits, privileges, liberties, easements, advantages and all other claims, rights, benefits and licenses, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity, water and other services, provisions, funds, tenancies in relation to the office and/or residential properties for the employees, offices, patents, copyrights, investments and/or interest (whether vested, contingent or otherwise) in activities undertaken by the Demerged Undertaking of KIL, either solely or jointly with other parties, benefits of all agreements, contracts



and arrangements and all other interests in connection with or relating to the Demerged Undertaking of KIL;

- (iii) all books, records, files, papers, computer programs, manuals, data, catalogues, quotations, backup and other data and records whether physical or electronic form, directly or indirectly in connection with or relating to the Demerged Undertaking of KIL;
- (iv) all contracts, agreements, understanding in connection with or pertaining to or relatable to the Demerged Undertaking of KIL;
- (v) all employees of KIL employed in and / or relatable to the Demerged Undertaking of KIL as on the Effective Date; and
- (vi) all legal, tax, regulatory, quasi-judicial, administrative or other proceedings, suits, appeals, applications or proceedings of whatsoever nature initiated by or against the Demerged Company in connection with the Demerged Undertaking.
- (vii) all deposits and balances with government, semi-government, local and other authorities and bodies, customers and other persons, earnest moneys and/ or security deposits paid or received by the Demerged Company, directly or indirectly in connection with or in relation to the Demerged Undertaking of KIL.



(e) For the purpose of this Scheme, the liabilities pertaining to the Demerged Undertaking of KIL means and includes:

- (i) all liabilities including contingent liabilities arising out of the activities of the Demerged Undertaking of KIL including in relation or connection with taxes or under or in relation to its contracts, other obligations, duties and sums owing;
- (ii) specific loans and borrowings raised, if any, incurred and utilized solely for the activities of the Demerged Undertaking of KIL;
- (iii) liabilities other than those referred to in sub-clauses (i) and (ii) above and not directly relatable to the Demerged Undertaking, being the amounts of any general or multipurpose borrowings, if any, of KIL be allocated to the Demerged Undertaking of KIL in the same proportion in which the value of the assets transferred under this Clause bears to the total value of the assets of KIL immediately before the Appointed Date of the Scheme.

Whether any particular asset or liability should be included as asset or liability of Demerged Undertaking or otherwise shall be decided mutually by the Board of Directors or any committee thereof of KIL and RCPL.



- 1.7 **"Effective Date"** means last of the date on which the certified copies of the orders sanctioning this Scheme, passed by the National Company Law Tribunal at Mumbai or such other competent authority, are filed by the Demerged Company and the Resulting Company with the Registrar of Companies, Mumbai. References in this Scheme to the date of "coming into effect of this Scheme" or "upon the Scheme being effective" or "effectiveness of the Scheme" or "Scheme taking effect" shall mean the Effective Date.
- 1.8 **"NCLT" or "Tribunal"** means the Hon'ble National Company Law Tribunal, Mumbai Bench having jurisdiction in relation to the Demerged Company and Resulting Company and shall be deemed to include, if applicable, a reference to such other forum or authority which may be vested with any of the powers of a Tribunal to sanction the Scheme under the Act.
- 1.9 **"Promoter of KIL"** means CMS Computers Limited.
- 1.10 **"Record Date"** means the date to be mutually fixed by the Boards of Directors of the Demerged Company and the Resulting Company for the purposes of determining the shareholders of the Demerged Company to whom consideration shall be paid as mentioned in Clause 5 of this Scheme of Arrangement between Demerged Company and the Resulting Company.
- 1.11 **"Resulting Company" or "RCPL"** means RDJ Constructions Private Limited, a private limited company incorporated under the Companies Act, 1956 and



having its registered office at CMS Lake Road Center, 70 Lake Road, Kaycee Industrial Compound, Bhandup (West), Mumbai – 400 078.

1.12 **“Remaining Business”** with respect to the Demerged Company means all business activities of the Demerged Company other than the Demerged Undertaking.

1.13 **“Scheme” or “the Scheme” or “this Scheme”** means this Scheme of Arrangement in its present form or with any modification(s) made under Clause 18 of this Scheme as approved or directed by the National Company Law Tribunal.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

1.14 **“Stock Exchange”** means the Bombay Stock Exchange Limited where the equity shares of KIL are listed.

2. **DATE OF TAKING EFFECT AND OPERATIVE DATE**

The Scheme as set out herein in its present form or with any modification(s) or amendment(s) approved, imposed or directed by the NCLT or any other appropriate authority shall be effective from the Appointed Date, but shall be operative from the Effective Date.



3. SHARE CAPITAL

3.1 The share capital of KILas on March 31, 2016 was as under:

Particulars	Amount in (Rs)
Authorised Capital	
97,500 Equity Shares of Rs.100 each	97,50,000
TOTAL	97,50,000
Issued, Subscribed and Paid up Capital	
63,470 Equity Shares of Rs.100each, fully paid up	63,47,000
TOTAL	63,47,000

Subsequent to March 31, 2016, there has been no change in its authorised, issued, subscribed and paid-up share capital.

3.2 The share capital of RCPLas on March 31, 2016 was as under:

Particulars	Amount in (Rs)
Authorised Capital	
10,000 Equity Shares of Rs.10 each	1,00,000
TOTAL	1,00,000
Issued, Subscribed and Paid up Capital	
10,000 Equity Shares of Rs.10 each, fully paid up	1,00,000
TOTAL	1,00,000

Subsequent to March 31, 2016, there has been no change in its authorised, issued, subscribed and paid-up share capital.



KIL along with its nominee shareholder holds the entire equity share capital of RCPL.

PART II

DEMERGER OF THE DEMERGED UNDERTAKING INTO THE RESULTING COMPANY

4. **TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING**
- 4.1 Upon coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme, the Demerged Undertaking of the Demerged Company as defined in Clause 1.5 thereof, shall pursuant Section 230 to 232 of the Act and other relevant provision of the Act and the order of the NCLT sanctioning the Scheme, without any further act, instrument or deed, be transferred to and vested in or deemed to be transferred to and vested in the Resulting Company, on a going concern basis, in accordance with Section 2(19AA) of the Income-tax Act, 1961, so as to vest in the Resulting Company all the rights, title and interest of Demerged Undertaking therein, subject to the subsisting charges and pledges, if any.
- 4.2 Without prejudice to the provisions of Clause 4.1, assets and properties of the Demerged Company relating to the Demerged Undertaking, upon the coming into effect of this Scheme and with effect from the Appointed Date, under the provisions of section 230 to 232 of the Act, without any further act or deed or instrument or conveyance for the same shall deemed to be transferred to the Resulting Company and shall become the assets and properties of the



Resulting Company. The order of the NCLT shall for all purposes be treated as the instrument conveying such properties and assets to the Resulting Company.

- 4.3 In respect of assets such as intangible assets, actionable claims, sundry debtors, outstanding loans, advances recoverable in cash or kind or for value to be received and deposits with the Government, semi-Government, local and other authorities, bodies and customers, the Demerged Company shall if so required by the Resulting Company, issue notices in such form as the Resulting Company may deem fit and proper stating that pursuant to the NCLT or such other competent authority having sanctioned this Scheme under section 232 of the Act, the relevant debt, loan, advance or other asset, be paid or made good or held on account of the Demerged Company, as the person entitled thereto, to the end and intent that the right of the Demerged Company to recover or realize the same stands transferred to the Resulting Company.
- 4.4 All immovable properties (including land, building and any other immovable property) of the Demerged Undertaking of the Demerged Company whether freehold or leasehold, and any documents of title, rights and easements in relation thereto, shall stand vested in the Resulting Company without the requirement of execution of any further documents for registering the name of the Resulting Company as the owner thereof and the appropriate authorities, including the relevant sub-registrar in Maharashtra may rely on the Scheme along with the order passed by NCLT, to make necessary mutation entries and



changes in the land or revenue records to reflect the name of Resulting Company as the owner of the immovable properties. With effect from the Appointed Date, the Resulting Company shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges, and fulfil all obligations, in relation to or applicable to such immovable properties. The Demerged Company shall take all steps as may be necessary to ensure that lawful, peaceful and unencumbered possession, right, title, interest of its immovable property is given to the Resulting Company.

- 4.5 If any asset relating to Demerged Undertaking (including but not limited to any estate, rights, title, interest in or authorities relating to such asset) which the Demerged Company owns, cannot be transferred to the Resulting Company for any reason whatsoever, the Demerged Company shall, (i) hold such asset in trust for the sole benefit of the Resulting Company till the same is transferred and shall hold and deal with the same in accordance with the reasonable instructions as may be given by the Resulting Company in that regard; and (ii) make reasonable efforts to transfer such asset to the Resulting Company (along with any benefits attached thereto) within the earliest possible period pursuant to the Scheme becoming effective.
- 4.6 All patents, patent rights applications, trademarks, trade names, knowhow, content, software, manuals, copyrights and other industrial properties and rights of any nature whatsoever and licenses assignments, grants in respect thereof, privileges, liberties, easements, contract advantages, benefits,



goodwill, quota rights, permits, approvals, authorisations, right to use and avail of telephones, telexes, facsimile and other communication facilities, connections, equipment and installations, utilities, electricity and electronic devices and all other services of every kind, nature and descriptions whatsoever, reserves, provisions, funds, benefit of all agreements, arrangements including but not limited to indemnities/ guarantees given by the Demerged Company in relation to the Demerged Undertaking, deposits, advances, recoverable and receivables whether from government, semi-government, local authorities or any other customs etc., benefits of any agreement to sell off immovable properties sold or purchased by the Demerged Company in relation to the Demerged Undertaking, and all other rights, interests, claims and powers of every kind, nature and description of and arising to them, cash and bank balances, all earnest moneys and/ or deposits including security deposits paid by them, the entire business and benefits and advantages of whatsoever nature and where-so-ever situated belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Demerged Company and relatable to the Demerged Undertaking, stand transferred to and vested in and/ or be deemed to be and stand transferred to and vested in the Resulting Company pursuant to the provisions of section 232 of the Act so as to become as and from the Appointed Date, the estate, assets, right, title and interests of the Resulting Company.



- 4.7 With effect from the Appointed Date, any statutory licenses, permissions or approvals or consents held by the Demerger Company required to carry on operations of the Demerged Undertaking shall stand transferred to and vested in Resulting Company by virtue of order of NCLT sanctioning the Scheme, and without any further act or deed shall be appropriately mutated by the statutory authorities concerned therewith in favour of Resulting Company. The benefit of all statutory and regulatory permissions, approvals and consents, registration or other licenses, and consents shall vest in and become available to Resulting Company pursuant to the Scheme.
- 4.8 Upon the coming into effect of this Scheme and with effect from the Appointed Date, the debts, advances, liabilities and obligations pertaining to the Demerged Undertaking of the Demerged Company shall, under the provisions of Sections 230 to 232 of the Act, without any further act or deed shall stand transferred to or be deemed to be transferred to the Resulting Company and shall become the debts, liabilities and obligations of the Resulting Company which it undertakes to meet, discharge and satisfy and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, advances, liabilities and obligations have arisen in order to give effect to the provisions of this sub-clause.
- 4.9 In so far as the assets comprised in the Demerged Undertaking of the Demerged Company are concerned, the security, existing charges, mortgages



and encumbrances, if any, over or in respect of any of the assets or any part thereof or charge over such assets relating to any loans or borrowings not relating to Demerged Undertaking shall, without any further act or deed, be released and discharged from the same and shall no longer be available as security in relation to the liabilities, which are not related to Demerged Undertaking of the Demerged Company. The Demerged Company to apply to the authorities for release of such assets and apply to Registrar of Companies for modification of charges, encumbrances created on such assets, if required.

- 4.10 All accrued or unaccrued advance income tax, service tax, any tax deduction / collection at source of any other taxes of any nature, duties, cesses or any other like payments or deductions made by the Demerged Company to any statutory authorities which pertains to the Demerged Undertaking including all or any refunds/credit/claims relating thereto shall be deemed to have been on account of or paid by the Resulting Company.

5. **CONSIDERATION**

- 5.1 Upon this Scheme becoming effective and in consideration of the de-merger and vesting of the Demerged Undertaking of KIL into RCPL in accordance with this Scheme, RCPL shall at the option of the equity shareholders of the KIL and subject to Clause 5.3 below, by way of delivering an Election Notice in accordance with Clause 6, issue and allot to every member of KIL, holding fully paid up equity shares in KIL and whose names appear in the register of members of KIL on the Record Date or to such of their heirs, executors,



administrators or the successors-in-title, in the following modes, at their option viz:

- 1(One) fully paid up equity shares of Rs.10 each of RCPL for every 1 (One) fully paid up equity share of Rs.100 each held in KIL; or
- 70 (Seventy)7.50% non-convertible redeemable preference shares of Rs.100 each of RCPL for every 1 (One) fully paid up equity shares of Rs.100 each held in KIL.

5.2 The redeemable preference shares and the equity shares of the Resulting Company shall not be listed and/ or admitted on any stock exchange. The Scheme therefore envisages an exit mechanism to desired shareholders of KIL by way of issue of redeemable preference shares of the Resulting Company which will be redeemable by the Resulting Company after a period of 12 months from the date of their issuance.

5.3 Further, the non-residents holding equity shares of KIL on repatriation basis shall be mandatorily issued 1 (One) fully paid unlisted equity shares of Rs.10 each of RCPL for every 1 (One) fully paid up equity shares of Rs.100 each held by such shareholder in KIL on the Record Date. However, such shareholders shall have the option to tender these unlisted equity shares of RCPL to the Promoter of KIL within a period of 3 months from the date of allotment of such equity shares at a price of Rs.6,925 per share, determined in accordance with the valuation for the purpose of issuance of equity shares of RCPL.



5.4 Terms of issue of Redeemable Preference Shares:

(a) Face value

The Redeemable Preference Shares issued shall have a face value of Rs. 100 per Redeemable Preference Share.

(b) Coupon

The Redeemable Preference Share shall subject to the provisions of the Articles of Association of the Resulting Company and the Act confer the holders thereof a right to fixed preferential dividend of 7.50% per annum in priority to the equity shares. Dividend shall be payable annually.

(c) Voting Rights

The holder of the Redeemable Preference Share shall have the right to vote in general meeting of the Resulting Company in accordance with Section 47 (2) of the Companies Act 2013.

(d) Redemption

The Redeemable Preference Shares are redeemable on the expiry of 12 months from the date of allotment. Each Redeemable Preference Shares shall be redeemable at par.

(e) Taxation

The coupon payments received by the preference shareholders shall not be taxable under the Income-tax Act, 1961.

(f) Winding-up



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In the event of winding up of the Resulting Company, the holders of the Redeemable Preference Shares shall have a right to receive of the paid up capital and arrears of dividend, whether declared or not, upto the commencement of winding up, in priority to any paid up capital on the equity shares out of the surplus but shall not have any further rights to participate in the profits of the assets of the Resulting Company.

- 5.5 Any fraction arising out of allotment of shares as per Clause 5.1 shall be rounded off to the nearest integer.
- 5.6 The shares shall be issued in dematerialised form unless communication is received from any particular shareholder in writing that shares are to be issued in physical form, on or before such date as may be determined by the Resulting Company or committee constituted thereof.
- 5.7 The issue and allotment of equity shares or redeemable preference shares to the shareholders of KIL, as provided in this Scheme, shall be deemed to be made in compliance with the procedure laid down under the Act.
- 5.8 The Resulting Company shall and to the extent required, increase its Authorized Share Capital to facilitate the issue of equity or the redeemable preference shares as the case may be under this Scheme.

6. ELECTION NOTICE

- 6.1 The Resulting Company shall dispatch the format of notice ('Election Notice') to each of the equity shareholders (except for non-resident equity shareholders holding shares on repatriation basis as per Clause 5.3 above) of the Demerged



Company whose name appear in register of members as on the Record Date, which shall allow equity shareholders of the Demerged Company, the following options, and contain or require furnishing of such other information as may be necessary to give effect to such options:

- a) Issuance and allotment of equity shares of Resulting Company; or
- b) Issuance and Allotment of 7.50% non-convertible redeemable preference shares

- 6.2 Such Election Notice shall be dispatched within 15 (Fifteen) days of the Record Date.
- 6.3 Such equity shareholders of the Demerged Company shall be required to submit the duly filled-up Election Notice to the Resulting Company on or before the expiry of 25 (Twenty-Five) days from the date of dispatch of such Election Notice. The equity shareholders of the Demerged Company are mandatorily required to exercise either of the option which shall be provided to them in the election notice in entirety and not in parts.
- 6.4 If any of such equity shareholders of the Demerged Company has not submitted the duly filled-up Election Notice to the Resulting Company within the stipulated time as mentioned above or has not provided requisite details as may be required in relation to the option or where such Election Notice has not been received by the Resulting Company or the Election Notice has returned undelivered or the ownership of the equity shares of the Demerged Company is in dispute, then in that event, such equity shareholder shall be allotted



7.50% redeemable preference shares of the Resulting Company (as consideration pursuant to Clause 5) in the ratio as stated in Clause 5.1 above

7. ACCOUNTING TREATMENT

Pursuant to the Scheme coming into effect on the Effective Date with effect from the Appointed Date, the Demerged Company and the Resulting Company shall account for the demerger in their respective books of accounts in accordance with Accounting Standards in the following manner:

TREATMENT IN THE BOOKS OF DEMERGED COMPANY

- 7.1 The book values of the assets and liabilities pertaining to the Demerged Undertaking transferred by the Demerged Company to the Resulting Company shall be reduced from the book values of the assets and liabilities appearing in the books of the Demerged Company.
- 7.2 Inter-corporate deposit / loans and advances between the Demerged Company and the Resulting Company relating to the Demerged Undertaking, if any, shall stand cancelled and there shall be no further obligation outstanding in this behalf.
- 7.3 The difference between the Net Assets (Assets minus liabilities) for the Demerged Company as per Clause 7.1 after adjustments for 7.2 shall be adjusted as follows:
 - i. To the extent of share premium account as appearing in the books of the Demerged Company;



- ii. Balance shall be adjusted against General Reserves and Statement of Profit and Loss account of the Demerged Company.

7.4 The utilisation of the share premium account of the Demerged Company as mentioned in Clause 7.3 above shall be effected as an integral part of this Scheme without having to follow the process under section 52 of the Companies Act 2013 read with sections 66 of the Companies Act, 2013 separately and the order of the NCLT sanctioning the Scheme shall be deemed to be also the order under section 66 of the Act for the purpose of the confirming the reduction. The reduction would not involve either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital and hence the provisions of section 66 of the Act will not be applicable. The Demerged Company shall not be required to add words "and reduced" as a suffix to its name consequent upon such reduction.

TREATMENT IN THE BOOKS OF RESULTING COMPANY

- 7.5 The Resulting Company shall credit its share capital account with the aggregate face value of the equity shares and redeemable preference shares issued by it to the shareholders of the Demerged Company pursuant to Clause 5.1 of this Scheme.
- 7.6 The face value of equity shares of the Resulting Company which are cancelled pursuant to Clause 8 shall be reduced from its share capital account.
- 7.7 Resulting Company shall record the assets and liabilities pertaining to the Demerged Undertaking at their respective book value.



- 7.8 Inter-corporate deposit / loans and advances between the Demerged Company and Resulting Company relating to Demerged Undertaking shall stand cancelled and there shall be no further obligation outstanding in this behalf.
- 7.9 The excess/ deficit if any, remaining after recording the aforesaid entries shall be adjusted in the reserves of the Resulting Company.
- 7.10 In case of any differences in the accounting policies between the Demerged Company and the Resulting Company, the impact of the same till the Appointed Date of arrangement will be quantified and adjusted in the free/general reserves of the Resulting Company to ensure that the financial statements of the Resulting Company reflect the financial position on the basis of consistent accounting policies.

8. CANCELLATION OF THE EXISTING EQUITY SHARE CAPITAL OF RCPL

- 8.1 Upon the Scheme becoming effective and allotment of equity shares by RCPL as per clause 5, the existing 10,000 equity shares having face value of Rs. 10 each of RCPL shall, without any application or deed, stand cancelled without any payments to the holders of such equity shares of RCPL.
- 8.2 The cancellation of the such equity shares of RCPL, as mentioned above, shall be effected as an integral part of this Scheme without having to follow the process under Section 66 of the Act separately and the order of the NCLT sanctioning the Scheme shall be deemed to be also the order under Section 66 of the Act for the purpose of confirming the reduction. The reduction would



not involve either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital to the shareholders and the provisions of Section 66 of the Act will not be applicable. Notwithstanding the reduction in the equity share capital of the Resulting Company, the Resulting Company shall not be required to add "And Reduced" as suffix to its name and the Resulting Company shall carry on its old name.

9. LEGAL PROCEEDINGS

- 9.1 All legal proceedings of whatsoever nature, whether pending or threatened, by or against the Demerged Company at the Appointed Date and or arising after the Appointed Date till the Effective Date, relating to the Demerged Undertaking of the Demerged Company, as and from the Effective Date, shall be continued and enforced by or against the Resulting Company in the manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company.
- 9.2 After the Appointed Date till the Effective Date, if any proceedings are taken against the Demerged Company in respect of the matters referred to in Clause 9.1 above, it shall defend the same at the cost of the Resulting Company and the Resulting Company shall reimburse and indemnify the Demerged Company against all liabilities and obligations incurred by the Demerged Company in respect thereof.
- 9.3 After the Effective Date, if any proceedings are taken or continued against the Demerged Company in respect of Demerged Undertaking carried on by the



Resulting Company, the Resulting Company shall defend the same at its own cost; and, in respect of Demerged Undertaking carried on by the Resulting Company after the Effective Date, Resulting Company shall reimburse and indemnify the Demerged Company against all liabilities, costs and obligations incurred by the Demerged Company, if any, in respect thereof.

- 9.4 The Resulting Company undertakes to have all legal or other proceedings initiated by or against the Demerged Company referred to in Clause 9.1 above, transferred into its name and to have the same continued, prosecuted and enforced by or against the Resulting Company as the case may be, to the exclusion of the Demerged Company, after the Effective Date. In the event that the Demerged Company is required to be joined as a necessary party in any such proceedings, the Demerged Company shall be added as a necessary party to enable the Resulting Company to prosecute / defend such proceedings and the Resulting Company shall reimburse and indemnify the Demerged Company against all costs, liabilities and obligations incurred by the Demerged Company, if any, in respect thereof.

10. **DIVIDENDS**

- 10.1 The Demerged Company shall be entitled to declare and pay dividend, whether interim or final to their shareholders in respect of the accounting period prior to the Effective Date.
- 10.2 Upon the Scheme becoming effective, on and from the Appointed Date, the profits of the Demerged Undertaking shall belong to and be the profits of the



Resulting Company and will be available to Resulting Company for being disposed of in any manner as it thinks fits.

- 10.3 It is clarified that the aforesaid provisions in respect of declaration of dividend are enabling provisions only and shall not be deemed to confer any on Demerged Company and /or the Resulting Company to demand or claim any dividend which, subject to the provisions of the Act, shall be entirely at the discretion of the Board of Demerged Company, subject to the approval of the shareholders, as may be required.

11. **CONTRACTS, DEEDS AND OTHER INSTRUMENTS**

- 11.1 Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, insurance policies, indemnities, guarantees, arrangements and other instruments, whether pertaining to immovable properties or otherwise of whatsoever nature relating to the Demerged Undertaking and to which the Demerged Company are a party or to the benefit of which the Demerged Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect on or against or in favor of, as the case may be, the Resulting Company and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obligee thereto or there under.
- 11.2 Without prejudice to the transfer and vesting of the Demerged Undertaking to and in the Resulting Company, the Resulting Company may, at any time after



this Scheme becomes effective, if so required or becomes necessary, enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations with or in favour of any party to any agreements, contracts, arrangements, understandings, bonds, engagements, deeds and instruments relating to the Demerged Undertaking. The Resulting Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Demerged Company and to implement or carry out all formalities required on the part of the Demerged Company to give effect to the provisions of this Scheme.

11.3 For the avoidance of doubt, it is clarified that upon the coming into effect of this Scheme, all permits, authorizations, licences, consents, registrations, approvals, municipal permissions, insurance policies, registrations, connections for water, electricity and drainage, sanctions, obligations/benefits arising out of bank guarantees given with respect to any appeals with the relevant authorities, privileges, easements and advantages, facilities, rights, powers and interests (whether vested or contingent), shall stand transferred to and vested in or shall be deemed to be transferred to and vested in the Resulting Company as if the same were originally given or issued to or executed in favour of the Resulting Company, and the rights and benefits under the same shall be available to the Resulting Company.

11.4 It is clarified that if any assets (estate, claims, rights, title, interest in or authorities relating to such assets) or any contracts, deeds, bonds, agreements,



schemes, arrangements or other instruments of whatsoever nature in relation to the Demerged Undertaking, which the Demerged Company owns or to which the Demerged Company is a party and which cannot be transferred to the Resulting Company for any reason whatsoever, the Demerged Company shall hold such asset or any contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the Resulting Company, in so far as it is permissible so to do till such time as the transfer is effected.

- 11.5 In pursuance of the Scheme, the Demerged Company and the Resulting Company shall agree to execute suitable agreements, deeds, affidavits, consent letters, power of attorney, applications and other documents and enter into such arrangements as may be required for giving effect to this Scheme.

12. TREATMENT OF STAFF, WORKMEN AND EMPLOYEES

- 12.1 On the Scheme becoming effective, all staff, workmen and employees of the Demerged Company relatable to Demerged Undertaking, who are in service on the date immediately preceding the Effective Date shall become staff, workmen and employees of the Resulting Company, without any break or interruption in their services, on same terms and conditions on which they are engaged as on the Effective Date. The Resulting Company further agrees that for the purpose of payment of any retirement benefit / compensation, such immediate uninterrupted past services with the Demerged Company shall also be taken into account.



12.2 The accounts / funds of staff, workmen and employees, past or present, relating to pension and/or superannuation, provident fund, gratuity fund or any other special fund or trusts created or existing for the benefit of staff, workmen and employees of the Demerged Company engaged in or in relation to the Demerged Undertaking shall be identified, determined and transferred to the respective Trusts / Funds of the Resulting Company.

13. **CONDUCT OF BUSINESS UNTIL EFFECTIVE DATE**

With effect from the Appointed Date to the Effective Date:

13.1 The Demerged Company undertakes to preserve and carry on the business and activities related to Demerged Undertaking, with reasonable diligence and business prudence and shall not undertake financial commitments or sell, transfer, alienate, charge, mortgage, or encumber or otherwise deal with or dispose of any undertaking or any part thereof save and except in each case:

- a) if the same is in its ordinary course of business as carried on by it as on the date of filing this Scheme with the NCLT(s); or
- b) if the same is expressly permitted by this Scheme; or
- c) if the prior approval of the Board of Directors of the Resulting Company has been obtained.

13.2 The Demerged Company shall carry on and be deemed to have carried on all business and activities relating to Demerged Undertaking and shall stand possessed of all the assets, rights, title and interest for and on account of, and in trust for the Resulting Company.



13.3 All income, profits and cash accruing to or expenditure or losses arising or incurred (including the effect of taxes if any thereon), by the Demerged Company in relation to Demerged Undertaking, shall for all purposes, be treated as the income, profits, cash, taxes, expenditure or losses of the Resulting Company.

14. **REMAINING BUSINESS**

14.1 The Remaining Business and all the assets, liabilities and obligations other than Demerged Undertakings shall continue to belong to and be vested in and be managed by the Demerged Company.

14.2 All legal, taxation or other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, and in each case relating to the Remaining Business (including those relating to any property, right, power, liability, obligation or duties of the Demerged Company in respect of the Remaining Business) shall be continued and enforced by or against the Demerged Company after the Effective Date.

14.3 If proceedings are taken against the Resulting Company in respect of the matters referred to in Clause 14.2 above, the Resulting Company shall defend the same in accordance with the advice of the Demerged Company and at the cost and risk of the Demerged Company, and the Demerged Company shall reimburse and indemnify the Resulting Company against all liabilities and



obligations incurred by the Resulting Company in respect thereof. In respect of such defence, the Demerged Company shall extend full and timely cooperation, including providing requisite information, personnel and the like, so as to enable the Resulting Company to defend the same.

14.4 With effect from the Appointed Date and upto and including the Effective Date:

- (a) The Demerged Company shall carry on and shall be deemed to have been carrying on all business and activities relating to the Remaining Business for and on its own behalf;
- (b) all income and profits accruing to the Demerged Company thereon or expenditure or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Remaining Business shall, for all purposes, be treated as the profits or losses, as the case may be, of the Demerged Company; and
- (c) All assets and properties acquired by the Demerged Company in relation to the Remaining Undertaking on and after the Appointed Date shall belong to and continue to remain vested in the Demerged Company.

15. TREATMENT OF TAXES

- 15.1 On and from the Appointed Date, Cenvat credits, credit for tax deducted at source or any other tax credit certificate relating to the Demerged Undertaking received in the name of the Demerged Company, shall be deemed to have



been received by the Resulting Company and which alone shall be entitled to claim credit for such tax deducted or paid.

15.2 Upon this Scheme being effective, the Demerged Company and Resulting Company is expressly permitted to revise and file its income tax returns and other statutory returns, including tax deducted / collected at source returns, service tax returns, as may be applicable and has expressly reserved the right to make such provision in its returns and to claim refunds or credits etc. if any. Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may have expired.

15.3 The Resulting Company shall be entitled to carry forward, avail or set-off any unutilized CENVAT credit, VAT credit, Entry tax etc. lying unutilized in the Demerged Company in relation to the Demerged Undertaking on and from the Effective Date.

15.4 Without prejudice to the generality of the above, all benefits including under the income tax, excise duty, service tax, applicable State Value Added Tax Laws, Goods & Service tax, etc., pertaining to the Demerged Undertaking to which the Demerged Company is entitled to in terms of the applicable Tax Laws of the Union and State Governments, shall be available to and vest in the Resulting Company.

16. **SAVING OF CONCLUDED TRANSACTIONS**

The transfer and vesting of the Demerged Undertaking as above and the continuance of proceedings as referred in Clause 9 above, by or against the



Demerged Company in relation to the Demerged Undertaking shall not affect any transaction or proceedings already concluded on or after the Appointed Date till the Effective Date, to the end and intent that the Resulting Company accepts and adopts all acts, deeds and things done and executed by the Demerged Company in respect thereto as done and executed on behalf of the Resulting Company.

PART III

GENERAL TERMS AND CONDITIONS

17. APPLICATION TO THE NCLT

The Demerged Company and the Resulting Company shall with all reasonable dispatch, make necessary applications / petitions, wherever required, under sections 230 to 232 and other applicable provisions of the Act to the NCLT for sanctioning this Scheme.

18. MODIFICATION / AMENDMENT TO THE SCHEME

- 18.1 Subject to approval of the NCLT, the Demerged Company and the Resulting Company by their respective Board of Directors, may consent, on behalf of all persons concerned, to any modifications or amendments of the Scheme or to any conditions or limitations that the NCLT and/or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e. the Board of Directors) and solve all



difficulties that may arise for carrying out the Scheme and do all acts, deeds and things necessary for putting the Scheme into effect.

- 18.2 For the purpose of giving effect to this Scheme or to any modification thereof, the Board of Directors of the Demerged Company and the Resulting Company may give and are authorised to give such directions including directions for settling any question of doubt or difficulty that may arise.
- 18.3 The Demerger under this Scheme is proposed to be in carried out in compliance with the provisions of section 2(19AA) of the Income Tax, 1961 as interpreted and explained by the various judicial decisions, circulars and notifications issued under the Income Tax Act, 1961 and the Rules thereunder ('Applicable Tax Laws'). If any terms or provisions of this Scheme found or interpreted to be inconsistent with the provision of the Applicable Tax Laws, then the provisions of the Applicable Tax Laws shall prevail over the Scheme and the Scheme shall be modified and amended to bring them in compliance with the Applicable Tax Laws. Such modification will however, not affect other parts of the Scheme. The Board of Directors of the Demerged Company and the Resulting Company shall on behalf of all persons concerned carry out and consent to the carrying out of any modifications or amendments of the Scheme or to any conditions or limitations that may be deemed appropriate in this regard or which may otherwise be considered necessary, desirable or appropriate by them (i.e. the Board of Directors) and solve all difficulties that



A handwritten signature in black ink, consisting of a stylized 'K' followed by a series of loops and a final cross-like stroke.

may arise for carrying out the Scheme in compliance with the Applicable Tax Laws and do all acts, deeds and things necessary for the same.

- 18.4 In the event of any of the conditions that may be imposed by the NCLT or other authorities which the Demerged Company and/or the Resulting Company may find unacceptable for any reason, in whole or in part, then the Demerged Company and/or the Resulting Company are at liberty to withdraw the Scheme.

19. **CONDITIONALITY OF THE SCHEME**

The Scheme is conditional upon and subject to the following:

- 19.1 The Scheme being approved by the requisite consent of the members and/or creditors of the Demerged Company and the Resulting Company respectively, as required under the Act and the requisite orders of the NCLT being obtained.
- 19.2 The sanction of the Scheme by the NCLT under Sections 230 to 232 of the Act in favour of the Demerged company and the Resulting Company, as the case may be, under the said provisions and to the necessary order under Section 232 of the Act being obtained;
- 19.3 The requisite consent, approval or permission of any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme.
- 19.4 Certified copy of the order of the NCLT sanctioning the Scheme being filed with the Registrar of Companies, Mumbai by the Demerged Company and the Resulting Company respectively.



A handwritten signature in black ink, appearing to be "G. R." or similar.

20. **EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS**

In the event of any of the said sanctions and approvals referred to in the preceding Clause not being obtained and/ or the Scheme not being sanctioned by the NCLT, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law. Each party shall bear and pay its respective costs, charges and expenses for and or in connection with the Scheme.

21. **COSTS, CHARGES & EXPENSES**

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed), incurred in carrying out and implementing this Scheme and matters incidentals thereto, shall be borne by the Demerged Company.



SCHEDULE 1
IMMOVABLE PROPERTY

Land and building situated at Bhandup (West), Bhandup Taluka Kurla
Mumbai Suburban CTS No 109 (Property card no. 7436/1(9))

Name of Company	Description (Area of Land)
Kaycee Industries Limited	Land (3382 sq. meter) and building appurtenant thereto



ANNEXURE - II

SSPA & CO.

Chartered Accountants

1st Floor, "Arjun", Plot No. 6 A,
V. P. Road, Andheri (W),
Mumbai - 400 058. INDIA.
Tel. : 91 (22) 2670 4376 / 77
91 (22) 2670 3682
Fax : 91 (22) 2670 3916
Website : www.ssps.in

STRICTLY PRIVATE & CONFIDENTIAL

May 5, 2017

The Board of Directors,
Kaycee Industries Limited
Corporate Office 32,
Ramjibhai Kamani Road,
Ballard Estate,
Mumbai - 400 001

The Board of Directors,
RDJ Constructions Private Limited
CMS Lake Road Center,
70 Lake Road, Kaycee Industrial Compound,
Bhandup (West),
Mumbai - 400 078

Re: Recommendation of fair share entitlement ratio for the purpose of proposed demerger of Demerged Undertaking of Kaycee Industries Limited into RDJ Constructions Private Limited.

Dear Sirs,

As requested by the management of Kaycee Industries Limited (hereinafter referred to as "KIL") and RDJ Constructions Private Limited (hereinafter referred to as "RCPL") (hereinafter collectively referred to as "Companies"), we have undertaken the valuation exercise of Demerged Undertaking of KIL for recommending the fair share entitlement ratio for the purpose of proposed demerger of 'Demerged Undertaking' of KIL into RCPL.

1. PURPOSE OF VALUATION

- 1.1 We have been informed that the Board of Directors of the Companies are considering a proposal for the demerger of Demerged Undertaking of KIL into RCPL pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act 2013, including rules and regulations made thereunder (hereinafter referred to as "Scheme"). Subject to necessary approvals, Demerged Undertaking of KIL would be demerged into RCPL with effect from the Appointed Date of April 1, 2017. In consideration of demerger of the Demerged Undertaking into RCPL, equity shares or redeemable preference shares of RCPL would be issued to the equity shareholders of KIL at their option. The existing share capital of RCPL will be cancelled on demerger.



- 1.2 For this purpose, we have carried out valuation of the Demerged Undertaking of KIL (including its investment in RCPL) with a view to recommend fair share entitlement ratio of equity shares or 7.5% non-convertible redeemable preference shares of RCPL to be issued to the equity shareholders of KIL for consideration of the Board of Directors of the Companies.

2. BRIEF BACKGROUND

2.1. KAYCEE INDUSTRIES LIMITED

- 2.1.1. KIL is the leading provider of electrical and electronic components in India for the last 70 years. KIL provides service to a wide gamut of industries. The core business activities of the company are manufacturing and trading of industrial switches, counters, water meters, electrical components, etc.

- 2.1.2. KIL holds 100% equity share capital of RCPL. KIL owns immovable property consisting of land and building at Bhandup, Mumbai directly and indirectly through RCPL which is leased out to tenants. The said property leasing activity is non-core business activity of KIL. The shares of KIL are listed on BSE Limited.

2.2. RDJ CONSTRUCTIONS PRIVATE LIMITED

- 2.2.1. RCPL was incorporated on March 21, 2000. The main objective of the company is to build or acquire commercial or residential infrastructure and letting out or selling the same for generation of income.

3. SOURCES OF INFORMATION

For the purposes of our valuation exercise, we have relied upon the following sources of information as provided to us by the management of the Companies:

- (a) Audited Financial Statements of RCPL and KIL for the financial year (FY) 2015-2016.
- (b) Management certified financial statement of RCPL for FY 2016-17.
- (c) Management certified position of assets and liabilities of the Demerged Undertaking proposed to be demerged into RCPL as at March 31, 2017.
- (d) Draft Scheme of Arrangement.
- (e) Fair Valuation report of immovable properties of the Demerged Undertaking and RCPL from Kanti Karamsey & Co. Advisors LLP dated April 24, 2017.
- (f) Such other information and explanations as we have required and which have been provided by the Management.



- (g) Other relevant details regarding the Companies such as their history, past and present activities, existing shareholding pattern and other relevant information and data, including information in the public domain.

4. EXCLUSIONS AND LIMITATIONS

- 4.1. Our report is subject to the scope limitations detailed hereinafter. As such, the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein.
- 4.2. No investigation of the Companies' claim to title of assets has been made for the purpose of this valuation and their claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.
- 4.3. Our work does not constitute an audit or certification of the historical financial statements results including the working results of the Companies / Demerged Undertaking referred to in this report. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report. Valuation analysis and results are specific to the purpose of valuation and the valuation date mentioned in the report is as per agreed terms of our engagement. It may not be valid for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity.
- 4.4. A valuation of this nature involves consideration of various factors including those impacted by prevailing market trends in general and industry trends in particular. This report is issued on the understanding that the management of the Companies have drawn our attention to all the matters, which they are aware of concerning the financial position of the Companies / Demerged Undertaking and any other matter, which may have an impact on our opinion, on the fair value of the shares of the Companies / Demerged Undertaking including any significant changes that have taken place or are likely to take place in the financial position of the Companies / Demerged Undertaking, subsequent to the Appointed Date for the proposed demerger. We have no responsibility to update this report for events and circumstances occurring after the date of this report.



- 4.5. In the course of the valuation, we were provided with both written and verbal information. We have however, evaluated the information provided to us by the Companies through broad inquiry, analysis and review but have not carried out a due diligence or audit of the information provided for the purpose of this engagement. Public information, estimates, industry and statistical information relied in this report have been obtained from the sources considered to be reliable. However, we have not independently verified such information and make no representation as to the accuracy or completeness of such information from or provided by such sources. Our conclusions are based on the assumptions, forecasts and other information given by/on behalf of the Companies. We assume no responsibility for any errors in the above information furnished by the Companies and consequential impact on the present exercise.
- 4.6. Our report is not, nor should it be construed as our opining or certifying the compliance of the proposed demerger with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising from such proposed demerger.
- 4.7. This Report is prepared only in connection with the proposed demerger exclusively for the use of the Companies and for submission to any regulatory/statutory authority as may be required under any law.
- 4.8. Any person/ party intending to provide finance / invest in the shares / business of the Companies shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.
- 4.9. It is to be noted that any reproduction, copying or otherwise quoting of this report or any part thereof, other than in connection with the proposed demerger as aforesaid, can be done only with our prior permission in writing.
- 4.10. SSPA & Co., nor its partners, managers, employees makes any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information, based on which the valuation is carried out. All such parties expressly disclaim any and all liability for, or based on or relating to any such information contained in the valuation.



5. VALUATION APPROACH

5.1. For the purpose of valuation for demerger, generally the following approaches are adopted:

- (a) the "Underlying Asset" approach
- (b) the "Income" approach; and
- (c) the "Market" approach

The intrinsic value of the Demerged Undertaking of KIL is derived from the underlying fair value of fixed assets (i.e. land & building) and investment in RCPL. The lease rentals do not fully capture the value of the business. Hence, Income Approach has been ignored for the present valuation exercise.

There is no separate market price available for the Demerged Undertaking of KIL hence, market approach has not been adopted.

Hence, we have thought fit to consider the 'Underlying Asset' approach for the present valuation exercise after considering the fair value of land & building and investment in RCPL.

5.2. UNDERLYING ASSET APPROACH

5.2.1. In case of the "Underlying Asset" approach, the value is determined by dividing the net assets of a company/undertaking by the number of shares. The value of land & building and investments is considered at their respective fair value and all other assets and liabilities have been considered at their book values.

5.2.2. In arriving at the Net Assets Value, we have made appropriate adjustments for appreciation in the value of investments and appreciation in value of land & building after considering tax impact wherever applicable.

5.2.3. The underlying net assets value as arrived above is divided by the outstanding number of equity shares to arrive at the value per share.

6. RECOMMENDATION OF FAIR SHARE ENTITLEMENT RATIO

6.1. The fair basis of demerger of the Demerged Undertaking of KIL into RCPL would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove.

6.2. As mentioned earlier, the Management of the Companies are proposing to issue 1 equity share of RCPL of INR 10 each fully paid up for every 1 equity share of KIL of INR 100 each fully paid up at the option of the shareholder of KIL.



- 6.3. Based on the above, a ratio of 1 (One) equity share of INR 10 each fully paid up of RCPL for every 1 (One) equity share of KIL of INR 100 each fully paid up to equity shareholders of KIL in consideration for the demerger of Demerged Undertaking would be fair and reasonable, considering that all the shareholders of KIL are and will, upon demerger, be the ultimate beneficial owners of RCPL in the same ratio (inter se) as they hold shares in KIL.
- 6.4. As mentioned earlier, the shareholders of KIL have an option to receive 7.50% non-convertible redeemable preference shares (NCRPS) of face value of INR 100 each of RCPL on proposed demerger of Demerged Undertaking of KIL. These NCRPS are redeemable at par on expiry of 12 months from the date of allotment.
- 6.5. For the purpose of issue of NCRPS to the shareholders of KIL for the proposed demerger we have considered the "Underlying Asset" Approach for arriving at the value per share of Demerged Undertaking of KIL.
- 6.6. The fair share entitlement ratio has been arrived on the basis of valuation of the shares of the Demerged undertaking based on the approach explained herein earlier and various qualitative factors and the business dynamics of the business of the Demerged Undertaking of KIL, having regard to information base, management representations and perceptions, key underlying assumptions and limitations.
- 6.7. In the ultimate analysis, valuation will have to involve the exercise of judicious discretion and judgment taking into account all the relevant factors. There will always be several factors, e.g. present and prospective competition, yield on comparable securities and market sentiments, etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. This concept is also recognized in judicial decisions. For example, Viscount Simon Bd in Gold Coast Selection Trust Ltd. vs. Humphrey reported in 30 TC 209 (House of Lords) and quoted with approval by the Supreme Court of India in the case reported in 176 ITR 417 as under:
- 'If the asset takes the form of fully paid shares, the valuation will take into account not only the terms of the agreement but a number of other factors, such as prospective yield, marketability, the general outlook for the type of business of the company which has allotted the shares, the result of a contemporary prospectus offering similar shares for subscription, the capital position of the company, so forth. There may also be an element of value in the fact that the holding of the shares gives control of the company. If the*



Computation of Fair Value per share and Share Entitlement Ratio

For Equity Shares:

The valuation report provides for issue of 1 equity share in RCPL of INR 10 each for every 1 equity share in KIL of INR 100 each.

As provided in our Valuation report at Para 6.3, a ratio of 1 (One) equity share of INR 10 each fully paid- up of RCPL for every 1 (One) equity share of KIL of INR 100 each fully paid up to equity shareholders of KIL in consideration for the demerger of Demerged Undertaking would be fair and reasonable, considering that all the shareholders of KIL are and will, upon demerger, be the ultimate beneficial owners of RCPL in the same ratio (inter se) as they hold shares in KIL.

Considering the above no valuation is required to be carried out for Demerged Undertaking of KIL and equity shares of RCPL to determine the share entitlement ratio.

For Preference Shares:

Method of Valuation	Demerged Business Undertaking of KIL	
	Value per Share (INR)	Weights
Asset Approach	6,922	1
Income Approach	NA	NA
Market Approach	NA	NA
Fair Value per Share	6,922	1
Fair Value per Share (rounded off)	7,000	
Share Entitlement Ratio	For every 1 (One) equity share of INR 100 each in KIL – 70 (Seventy) 7.5% Redeemable Preference shares of INR 100 each in RCPL	
	Annexure-1	



KAYCEE INDUSTRIES LIMITED

Asset Approach	
	(INR crores)
Particulars	Amount
Fixed Assets (Net)	1.62
Investments	0.01
Net Current Assets	(0.03)
Net Asset Value	1.59
Add/(Less):	
Appreciation in value of Surplus Assets (Net of Tax)	17.30
Appreciation in value of investment	25.04
Adjusted Net Asset Value	43.93
Number of Equity Shares	63,470
Value per Share (Face Value of INR 100 each) (INR)	6,922



September 05, 2017

**The Board of Directors,
Kaycee Industries Limited**
Corporate Office 32,
Ramjibhai Kamani Road,
Ballard Estate,
Mumbai – 400 001

**The Board of Directors,
RDJ Constructions Private Limited**
CMS Lake Road Center,
70 Lake Road, Kaycee Industrial Compound,
Bhandup (West),
Mumbai – 400 078

**Re: Computation of fair share entitlement ratio for the purpose of proposed demerger of
Demerged Undertaking of Kaycee Industries Limited into RDJ Constructions Private
Limited.**

Dear Sirs,

This is with reference to our report dated May 05, 2017 on "Recommendation of fair share entitlement ratio for the purpose of proposed demerger of Demerged Undertaking of Kaycee Industries Limited into RDJ Constructions Private Limited" and summary workings provided on June 06, 2017.

As required by circular no LIST/COMP/02/2017-18 dated May 29, 2017 issued by the Bombay Stock Exchange of India Limited and Circular No. Ref No: NSE/ CML/2017/12 dated June 01, 2017 issued by the National Stock Exchange of India Limited, we hereby present the requisite information in the format prescribed to us as given below.

Computation of Fair Value per share and Share Entitlement Ratio

For Equity Shares:

The Valuation report provides for issue of 1 equity share in RDJ Constructions Private Limited (hereinafter referred to as 'RCPL') of INR 10 each for every 1 equity share in Kaycee Industries Limited (hereinafter referred to as 'KIL') of INR 100 each.

As provided in our Valuation report at Para 6.3, a ratio of 1 (One) equity share of INR 10 each fully paid- up of RCPL for every 1 (One) equity share of KIL of INR 100 each fully paid up to equity shareholders of KIL in consideration for the demerger of Demerged Undertaking would be fair and reasonable, considering that all the shareholders of KIL are and will, upon demerger, be the ultimate beneficial owners of RCPL in the same ratio (inter se) as they hold shares in KIL. Considering the above no valuation is required to be carried out for Demerged Undertaking of KIL and equity shares of RCPL to determine the share entitlement ratio.



asset is difficult to value, but is nonetheless of a money value, the best valuation possible must be made. Valuation is an art, not an exact science. Mathematical certainty is not demanded, nor indeed is it possible.'

6.8. In light of the above and on consideration of all the relevant factors and circumstances as discussed and outlined hereinabove earlier in this report, in our opinion, a fair share entitlement ratio in the event of demerger of the Demerged Undertaking of KIL into RCPL would be either:

1 (One) equity share of RCPL of INR 10 each fully paid for every 1 (One) equity share of KIL of INR 100 each fully paid; OR

70 (Seventy) 7.50% non-convertible redeemable preference shares of RCPL of INR 100 each for every 1 (One) equity share of KIL of INR 100 each fully paid.

Thank you,
Yours faithfully,

SSPA & CO.



SSPA & CO.
Chartered Accountants
Firm registration number: 128851W

Signed by **Vikram Jain, Partner**
Membership No. 114613

Place: Mumbai

For Preference Shares:

Method of Valuation	Demerged Business Undertaking of KIL	
	Value per Share (INR)	Weights
Asset Approach	6,922	1
Income Approach (Note 1)	5,429	0
Market Approach (Note 2)	6,116	0
Fair Value per Share	6,922	1
Fair Value per Share (rounded off)	7,000	
Share Entitlement Ratio#	For every 1 (One) equity share of INR 100 each in KIL – 70 (Seventy) 7.5% Redeemable Preference shares of INR 100 each in RCPL	
	Annexure-1	

We have not attempted to arrive at the absolute value but at relative value to determine the fair share entitlement ratio.

Rationale for considering Valuation Methods:

Note 1:

The lease rentals do not fully capture the value of the business. Hence, Income Approach has been ignored for the present valuation exercise.

Note 2:

There is no separate market price available for the Demerged Undertaking of KIL, hence market price method is not applicable. However, we have been provided by the Company with comparable rental yields of properties in adjacent locations which has been considered to arrive at Market Approach Method. We have ignored Market Approach method for the present valuation exercise.

The above should be read in conjunction with our report dated May 05, 2017 and summary workings dated June 06, 2017 and is subjected to scope limitations enunciated in the report.

Thank you,
Yours faithfully,

SSPA & CO.



SSPA & CO.

Chartered Accountants

Firm registration number: 128851W

Signed by **Vikram Jain, Partner**

Membership No. 114613

Place: Mumbai



ANNEXURE – III

SEBI REGN. NO. INM 000010163

Strictly Private & Confidential

305 Enterprise Centre,
Nehru Road, Vile Parle (East), Mumbai 400 09
Tel : 2613 6460-61 / 2611 7553 / 2617 8936
T/F: 2618 6966

E-mail: fedex@vsnl.com • www.fedsec.in

CIN : U67120MH1996PLC102140

Dated: 5th May, 2017

**The Board of Directors,
Kaycee Industries Limited**

Corporate Office 32,
Ramjibhai Kamani Road,
Ballard Estate,
Mumbai – 400 001

Dear Members of the Board:

We refer to our letter of engagement dated 21st February 2017 (“LoE”) whereby Kaycee Industries Limited (hereinafter referred to as “Kaycee” or the “Company” or “Demerged Company” or the “Transferor Company”) has engaged Fedex Securities Limited (“Fedex”) inter alia to provide a fairness opinion to the Company on the share entitlement ratio report dated 5th May 2017 (“Valuation Report”) issued by SSPA & Co., Chartered Accountants (the “Valuer”) for the proposed demerger of “Demerged Undertaking” (as defined below) of Kaycee to RDJ Constructions Private Limited (hereinafter referred to as “RCPL” or “Transferee Company” or “Resulting Company”), hereinafter collectively referred to as “Companies” vide a Scheme of Arrangement under the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (“Proposed Scheme”). We understand that the Proposed Scheme will be considered by the Board of Directors of Kaycee.

Company Background and Purpose

Kaycee is listed on the BSE Limited (“BSE”) and is the leading provider of electrical and electronic components in India for the last 70 years. The core business activities of the Company are manufacturing and trading of industrial switches, counters, water meters, electrical components etc. Kaycee is also engaged in property leasing activity of land and building at Bhandup, Mumbai owned directly and indirectly through RCPL, which is leased out to the tenants. The said property leasing activity is non-core business activity of Kaycee.



RCPL is a private limited company incorporated under the provisions of the Companies Act, 1956 on 21 March 2000. The main objective of RCPL is to build or acquire commercial or residential infrastructure and letting out or selling the same for generation of income. Kaycee holds 100% of the equity share capital of RCPL.

The Company has appointed Valuer to recommend the share entitlement ratio to be issued as a consideration to the equity shareholders of Kaycee in connection with the Proposed Scheme for demerger of the Demerged Undertaking of Kaycee to RCPL and has in terms of the LoE requested us to examine the Valuation Report issued by the Valuer and other related information provided by the Company and issue our independent opinion as to the fairness of the Valuation ("Fairness Opinion") as per the requirement of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ("SEBI Circular").

All terms not specifically defined in this Fairness Opinion shall carry same meaning as in the Proposed Scheme.

Brief Background of the Proposed Scheme

Kaycee, the Company is engaged in the business of manufacturing and trading of industrial switches, counters, etc. Kaycee is also engaged in property leasing activity of land and building situated at Bhandup, Mumbai owned directly and indirectly through RCPL. The said property leasing activity is not the core business activity.

Kaycee under the Proposed Scheme is desirous of demerging its Demerged Undertaking as defined in the Scheme to RCPL as a "going concern" in accordance with the provisions of Section 2(19AA) of the Income-tax Act, 1961.

In order to enable the management of Kaycee to ensure better management focus on its core business of manufacturing and trading of industrial switches, counters, water meters, electrical components, etc., the Proposed Scheme envisages to demerge its non-core activities i.e. property leasing activities along with related assets into the RCPL.

Source of Information

For the said examination and for arriving at the opinion set forth below, we have received:

1. Valuation Report issued by the Valuer;
2. Draft of the Proposed Scheme;
3. Report on valuation of immovable properties of the Demerged Undertaking and RCPL issued by M/s. Kanti Karamsey & Co. Advisors LLP;
4. Audited Financial Statements of RCPL and Kaycee for the year ended 31 March 2016;
5. Management certified position of assets and liabilities of the Demerged Undertaking proposed to be demerged into RCPL as at 31 March 2017;
6. Management certified position of assets and liabilities of RCPL as at 31 March 2017; and
7. Necessary explanations and information from the representatives of the Companies.

Limitation of Scope and Review

Our Opinion and analysis is limited to the extent of review of documents as provided to us by the Company and the Resulting Company including the Valuation Report and the draft Proposed Scheme.



The Company has been provided with the opportunity to review the draft Opinion as part of our standard practice to make sure that factual inaccuracy / omissions are avoided in our final opinion.

We have assumed and relied upon, without independent verification, the accuracy and completeness of all information that was publicly available or provided or otherwise made available to us by the Company for the purposes of this Fairness Opinion. We express no opinion and accordingly accept no responsibility with respect to or for such information, or the assumptions which it is based. We have not assumed any obligation to conduct, nor have conducted any physical inspection or title verification of the properties or facilities of the Company and RCPL and neither express any opinion with respect thereto nor accept any responsibility therefore. We have not made any independent valuation or appraisal of the assets or liabilities of the Company or RCPL nor do we technically qualify to value immovable assets. We have, however been furnished with valuation report obtained by the Company and RCPL from Kanti Karamsey & Co. Advisors LLP valuing the immovable assets forming part of the Demerged Undertaking and those held by RCPL. Which report is relied upon by the Valuer and believes the same to be correct. We have not received any internal management information statement or any non-public reports, and instead, with your consent, have relied upon information that was publicly available or provided or otherwise made available to us by the Company & RCPL for the purposes of this Fairness Opinion. We are not experts in evaluation of litigation or other actual or threatened claims or any tax implication connected with the Proposed Scheme and accordingly we have not evaluated any litigation or other actual or threatened claims. In addition, we have assumed that the Proposed Scheme will be approved by regulatory authorities and that the Proposed Scheme will be consummated substantially in accordance with the terms set forth in the Proposed Scheme. We have assumed that there are no other contingent liabilities or circumstances that could materially affect the business or financial prospects of the Company or RCPL, other than those disclosed in the information provided or considered in the Proposed Scheme.

We understand that the management of the Company and, during our discussion with them, would have drawn our attention to all such information and matters which may have an impact on our analysis and opinion. We have assumed that in the course of obtaining necessary regulatory or other consents or approvals for the Proposed Scheme, no restrictions will be imposed or there will be no delays that will have a material adverse effect on the benefits of the Proposed Scheme that may have been contemplated. Our opinion is necessarily based on financial, economic, market and other conditions as they currently exist and on the information made available to us as of the date hereof. It should be understood that although subsequent developments may affect this opinion, we do not have an obligation to update, revise or reaffirm this opinion. In arriving at our opinion, we were not authorised to solicit, and did not solicit, interest from any party with respect to the acquisition, business combination or other extraordinary transaction involving the Company or any of its assets, nor did we negotiate with any other party in this regard.

We express no opinion whatever and make no recommendation at all as to Company's underlying decision to effect the Proposed Scheme or as to how the holders of equity shares or secured or unsecured creditors of the Company should vote at their respective meetings held in connection with the Proposed Scheme. We do not express and should not be deemed to have expressed any views on any other terms of the Proposed Scheme. We also express no opinion and accordingly accept no responsibility for or as to the price at which the equity shares of the Company will trade following the announcement of the Proposed Scheme or as to the financial performance of the Company or RCPL following the consummation of the Proposed Scheme.



Fedex and/or our affiliates in the past may have provided, and may currently or in the future provide, investment banking, commercial banking and other financial services to the Company and /or the Resulting Company and/or their affiliates unrelated to the Proposed Scheme. We may have received or in the future may receive compensation for the rendering of the aforementioned services. In the ordinary course of our businesses, we and our affiliates may invest, make or hold long or short positions, finance positions or trade or otherwise effect transactions in debt, equity or other securities or financial instruments (including derivatives or other obligations) of the Company and/or the Resulting Company and/or their respective affiliates, holding companies and group companies.

Fedex will receive a fee in connection with the delivery of this Fairness Opinion. The fee is not contingent upon the nature of the opinion provided to the Company. The fee for our service is not subject to the outcome of the Proposed Scheme. In addition, the Company has agreed to reimburse certain of our expenses and to indemnify us against liabilities arising out of our engagement. This Fairness Opinion is subject to the laws of India.

In no circumstances shall the liability of Fedex, its directors or employees related to the service provided in connection with this opinion, exceed the amount paid to Fedex as fees for this Fairness Opinion.

Distribution of this Fairness Opinion

The Fairness Opinion is addressed to the Board of Directors of Kaycee (in its capacity as such) solely for the purpose of providing them with an independent opinion on the fairness of the Valuation as determined by the Valuer and for the purpose of submission to the Stock Exchanges, National Company Law Tribunal along with the petition for the Proposed Scheme and such other regulatory authorities under SEBI Circular and /or Companies Act, 2013. The Fairness Opinion shall not be disclosed or referred to publicly or to any third party, other than as required by Indian law (in which case you would provide us a prior written intimation) without our prior written consent. The Fairness Opinion should be read in totality and not in parts. Further, this Fairness Opinion should not be used or quoted for any purpose. If this Fairness Opinion is used by any person other than to whom it is addressed or for any purpose other than the purpose stated hereinabove, then we will not be liable for any consequences thereof. In no circumstances however, will Fedex or its directors, officers, employees and controlling persons of Fedex accept any responsibility or liability including any pecuniary or financial liability to any third party, in any registration statement, prospectus, offering memorandum, annual report, loan agreement or any other agreement or documents given to third parties.

Conclusion

Based on and subject to the foregoing, we are of the opinion that, as of the date hereof, Share Entitlement Ratio of 1 (One) equity share of Rs. 10/- each of RCPL for every 1 (One) equity share of Rs. 100/- each of Kaycee to the equity shareholders who opt to receive equity shares or 70 (Seventy) 7.50% non-convertible redeemable preference shares(RPs) of RCPL of Rs. 100/- each for every 1 (One) equity share of Kaycee of Rs. 100/- each fully paid, is fair to the Equity Shareholders of the Company.

Yours truly,

For Fedex Securities Limited



Director/Authorised Signatory



DCS/AMAL/SD/R37/941/2017-18

October 6, 2017

The Company Secretary
KAYCEE INDUSTRIES LTD.

Old Kamani Chambers,
 32-Ramjibhai Kamani Road,
 Ballard Estate, Mumbai,
 Maharashtra - 400 001.

Sir,

Sub : Observation letter regarding the Draft Scheme of Arrangement between Kaycee Industries Ltd. and RDJ Constructions Pvt. Ltd.

We are in receipt of Draft Scheme of Arrangement between Kaycee Industries Ltd. (KIL) and RDJ Constructions Pvt. Ltd. (RCPL) and their respective shareholders and creditors filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated October 6, 2017, has inter alia given the following comment(s) on the draft scheme of arrangement.

- “Company shall ensure that applicable information pertaining to unlisted entity RCPL is included in the abridged prospectus as per the formate specified in the circular.”
- “Company to ensure that the scheme is conditional upon and subject to it being approved by shareholder’s resolution of KIL passed by way of postal ballot and e-voting, provided that the scheme shall be acted upon only if votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against.”
- Company shall ensure that additional information, if any, submitted by the company, after filling the Scheme with the Stock Exchange, from the date of receipt of this letter is displayed on the websites of the listed company.”
- “Company shall duly comply with various provisions of the Circulars.”
- “Company advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.”
- “It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations.”

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised :

- To provide additional, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/delisting/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

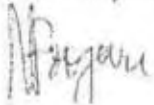
Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT. Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble NCLT, the listed company shall submit to the stock exchange the following.

- Copy of the NCLT approved Scheme;
- Result of voting by shareholders for approving the Scheme.
- Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-a-vis the Draft Scheme;
- Copy of the observation letter issued by all the Stock Exchanges where Company is listed;
- Status of compliance with the Observation Letter/s of the stock exchanges;
- The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- Complaints Report as per Annexure II of this Circular.
- Any other document/disclosure as informed by the Exchange.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete/incorrect/misleading/false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by Statutory authorities.

Please note that the aforesaid observation does not preclude the Company from complying with any other requirements.

Yours faithfully,



Nitin Pujari
Sr. Manager

Brand that sets
the standard



KAYCEE INDUSTRIES LTD.

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

Tel. : 0251 6940938, CIN No. : L70102MH1942PLC006482

Email : kayceeindltd@vsnl.com Web. : www.kayceeindustries.com

Date: July 14, 2017

To,

ANNEXURE - V

Listing Department

The Bombay Stock Exchange Limited

Phirozejeejeebhoy Towers

Dalal Street, Fort,

Mumbai 400 001

BSE Scrip Code: 504084

Dear Sirs,

Ref: Submission of Complaint Report as per Regulation 37 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ["SEBI (LODR) Regulations, 2015"]

Sub: Scheme of Arrangement between Kaycee Industries Limited ("KIL" or "the Demerged Company") and RDJ Constructions Private Limited ("RCPL" or "the Resulting Company") and their respective shareholders and creditors ("Scheme" or "the Scheme") under section 230 to 232 read with section 66 and section 52 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and rules framed thereunder

Please refer to our application under aforementioned regulation for the proposed Scheme of Arrangement between Kaycee Industries Limited and RDJ Constructions Private Limited and their respective shareholders and creditors ('the Scheme') filed on 23rd May, 2017 and uploaded on BSE portal on 20th June 2017

In this regard, we are enclosing herewith the Complaint Report, in the prescribed format for your necessary action.

Kindly upload the same on your website.

Thanking You,

Yours Faithfully,

For Kaycee Industries Limited



Mrs. Kamalleshwari Bind

Company Secretary

Email: k_bind@cms.co.in

Tel No: +91 9730491263

Encl.: As above



Regd. Office : Old Kamani Chambers, 32, Ramjibhai Kamani Marg,
Ballard Estate, Mumbai - 400 001.



Brand that sets
the standard



KAYCEE INDUSTRIES LTD.

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

Tel. : 0251 6940938, CIN No. : L70102MH1942PLC006482

Email : kayceeindltd@vsnl.com Web. : www.kayceeindustries.com

Sr. No.	Particulars	Number
1.	Number of complaints received directly	NIL
2.	Number of complaints forwarded by Stock Exchange (BSE)	NIL
3.	Total Number of complaints/comments received (1+2)	NIL
4.	Number of complaints resolved	NIL
5.	Number of complaints pending	NIL

PART B

Sr. No.	Name of Complainant	Date of complaint	Status (Resolved/Pending)
1	NIL		

For Kaycee Industries Limited



Mrs. Kamaleshwari Bind

Company Secretary

Email: k_bind@cms.co.in

Tel No: +91 9730491263

Encl.: As above

Date: 14 July, 2017



Regd. Office : Old Kamani Chambers, 32, Ramjibhai Kamani Marg,
Ballard Estate, Mumbai - 400 001.





KAYCEE INDUSTRIES LTD.

FACTORY.: Plot No. F-25, Addl. Ambarnath Industrial Area, Anand Nagar, Ambarnath (E), Thane-421 502.
Tel.: 0251 6940938, CIN No. : L70102MH1942PLC006482
Email : kayceeindltd@vsnl.com Web : www.kayceeindustries.com

ANNEXURE - VI

Report adopted by the Board of Directors of Kaycee Industries Limited on May 5, 2017 on the Scheme of Arrangement between Kaycee Industries Limited ("Demerged Company") and RDJ Constructions Private Limited ("Resulting Company") and their respective shareholders and creditors

Background

- i. The Board of directors of Kaycee Industries Limited ('KIL' or 'Demerged Company') at its meeting held on May 5, 2017 had considered and approved the Scheme of Arrangement between Kaycee Industries Limited and RDJ Constructions Private Limited and their respective shareholders and creditors under Sections 230 to 232 read with section 66 and section 52 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and rules framed thereunder ('Scheme of Arrangement').
- ii. As per Section 232(2)(c) of the Companies Act, 2013, a report adopted by the directors explaining effect of the Scheme of Arrangement on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders, is required to be circulated to the shareholders along with the notice convening the meeting.
- iii. At the Board Meeting, the following documents were placed before the Board of Directors for their consideration:
 - a. Scheme of Arrangement;
 - b. Memorandum of Association and Article of Association of the Demerged Company and the Resulting Company;
 - c. Audited accounts of the Demerged Company and the Resulting Company as on March 31, 2017;
 - d. Valuation report dated 5th May, 2017 issued by M/s. SSPA & Co., Independent Chartered Accountants prescribing the Share Entitlement Ratio with respect to the Scheme ("Valuation Report");
 - e. Fairness opinion dated 5th May, 2017 issued by Fedex Securities Limited, merchant banker, providing the fairness opinion on the Share Entitlement Ratio recommended by M/s SSPA & Co., Chartered Accountants ("Fairness Opinion");
 - f. Report of the Audit Committee dated 5th May, 2017 recommending the Scheme of Arrangement to the Board for approval.

Benefits of the Scheme

The Scheme will have the following benefits to the companies and the shareholders:

- i. Business wise segregation to ensure better management focus on core business activities.
- ii. The proposed segregation of non-core activities and assets of the Demerged Company is expected to enhance the value for the shareholders.
- iii. Each business would be treated as an individual business opportunity, pursue efficient capital allocation and attract different sets of investors, strategic partners, lenders and other stakeholders.



Regd. Office : Old Kamani Chambers, 32, Ramjibhai Kamani Marg,
Ballard Estate, Mumbai - 400 001.



KAYCEE IND. LTD.,
ISO 9001 : 2008
FILE NO : 20001525QM08

Valuation

The report on valuation has been obtained from SSPA & Co., Chartered Accountants, an independent valuer. The valuation report states that share exchange ratio would be:

- 1 (One) equity share of RCPL of Rs.10 each fully paid up for every 1 (One) equity share of KIL of Rs.100/- each fully paid up

OR

- 70 (Seventy) 7.5% non-convertible redeemable preference shares of RCPL of Rs.100 each for every 1(One) equity share of KIL of Rs.100 each fully paid.

Impact on key stakeholders

Effect of the arrangement on:	
(a) key managerial personnel;	No Effect
(b) directors;	No Effect
(c) promoters;	No Effect
(d) non-promoter members;	No Effect
(e) depositors;	NotApplicable
(f) creditors;	No Effect
(g) debenture holders;	Not Applicable
(h) deposit trustee and debenture trustee;	Not Applicable
(i) employees of the Transferee Company	No Effect

After taking on record the documents / confirmations referred above, the Board of the Demerged Company approved the Scheme of Arrangement.

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

Sd/-
Chandra Prakash Jain
Director
DIN:07337778
Place – Mumbai
Date – 5th May, 2017

RDJ CONSTRUCTIONS PRIVATE LIMITED

REGISTERED OFFICE : CMS LAKE ROAD CENTER, 70 LAKE ROAD, KAYCEE INDUSTRIAL COMPOUND,
BHANDUP (WEST), MUMBAI - 400 078. CIN : U45200MH2000PTC125073

Report adopted by the Board of Directors of RDJ Constructions Private Limited on May 5, 2017 on the Scheme of Arrangement between Kaycee Industries Limited ("Demerged Company") and RDJ Constructions Private Limited ("Resulting Company") and their respective shareholders and creditors

Background

- i. The Board of directors of RDJ Constructions Private Limited ('RCPL' or 'Resulting Company') at its meeting held on May 5, 2017 had considered and approved the Scheme of Arrangement between Kaycee Industries Limited and RDJ Constructions Private Limited and their respective shareholders and creditors under Sections 230 to 232 read with section 66 and section 52 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and rules framed thereunder ('Scheme of Arrangement').
- ii. As per Section 232(2)(c) of the Companies Act, 2013, a report adopted by the directors explaining effect of the Scheme of Arrangement on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders, is required to be circulated to the shareholders along with the notice convening the meeting.
- iii. At the Board Meeting, the following documents were placed before the Board of Directors for their consideration:
 - a. Scheme of Arrangement;
 - b. Memorandum of Association and Article of Association of the Demerged Company and the Resulting Company;
 - c. Audited accounts of the Demerged Company and the Resulting Company as on March 31, 2017;
 - d. Valuation report dated 5th May, 2017 issued by M/s. SSPA & Co., Independent Chartered Accountants prescribing the Share Entitlement Ratio with respect to the Scheme ("Valuation Report");

Based on review of the Scheme of Arrangement and the above-mentioned documents and in accordance with the provisions of section 232(2) (c) of the Companies Act, 2013, the Board is of the opinion that :

Benefits of the Scheme

The Scheme will have the following benefits to the companies and the shareholders:

- i. Business wise segregation to ensure better management focus on core business activities.
- ii. The proposed segregation of non-core activities and assets of the Demerged Company is expected to enhance the value for the shareholders.
- iii. Each business would be treated as an individual business opportunity, pursue efficient capital allocation and attract different sets of investors, strategic partners, lenders and other stakeholders.

Valuation

The report on valuation has been obtained from SSPA & Co., Chartered Accountants, an independent valuer. The valuation report states that share exchange ratio would be:

1. 1 (One) equity share of RCPL of Rs.10 each fully paid up for every 1 (One) equity share of KIL of Rs.100/- each fully paid up

OR

2. 70 (Seventy) 7.5% non-convertible redeemable preference shares of RCPL of Rs.100 each for every 1(One) equity share of KIL of Rs.100 each fully paid.

Impact on key stakeholders

Effect of the arrangement on:	
(a) key managerial personnel;	No Effect
(b) directors;	No Effect
(c) promoters;	No Effect
(d) non-promoter members;	No Effect
(e) depositors;	Not Applicable
(f) creditors;	No Effect
(g) debenture holders;	Not Applicable
(h) deposit trustee and debenture trustee;	Not Applicable
(i) employees of the Transferee Company	No Effect

After taking on record the documents / confirmations referred above, the Board of the Resulting Company approved the Scheme of Arrangement.

For and on behalf of the Board of Directors
RDJ Constructions Private Limited

Sd/-
Aarti Grover
Director
DIN:02625342
Place – Mumbai
Date – 5th May, 2017

ANNEXURE - VII
KAYCEE INDUSTRIES LIMITED
Balance Sheet as on 30th Sept. 2017

Particulars	Note No.	30th Sept., 2017 Rupees	31st March, 2017 Rupees
ASSETS			
1 Non-Current Assets			
(a) Property, Plant and Equipment	1	25,776,816	26,674,244
(b) Capital Work in Progress	1	14,766,844	14,766,844
(c) Financial Assets		-	-
(i) Investments	2	122,900	122,900
(ii) Others	2A	1,983,401	741,254
(d) Current Tax Assets (Net)			
(e) Deferred Tax Assets (Net)	3	5,133,137	5,133,137
(f) Other Non-current Assets	4	6,697,168	6,697,168
		53,580,266	54,135,547
2. Current Assets			
(a) Inventories	5	51,457,744	55,142,911
(b) Financial Assets			
(i) Investments			
(ii) Trade Receivables	6	103,465,963	97,892,842
(iii) Cash and Cash Equivalents	7	15,854,131	14,157,363
(c) Current Tax Assets (Net)		-	-
(d) Other Current Assets	8	5,262,857	4,234,276
		176,040,695	171,427,392
TOTAL ASSETS		229,620,961	225,562,940
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	9	6,347,000	6,347,000
(b) Other Equity	10	118,264,546	116,272,854
		124,611,546	122,619,854
LIABILITIES			
1. Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	11	242,382	296,746
(b) Provisions	12	2,648,810	3,041,889
(c) Deferred Tax Liabilities (Net)		-	-
(d) Other Non-Current Liabilities	12A	2,867,043	4,017,043
		5,758,235	7,355,677
2. Current Liabilities			
(a) Financial Liabilities			
4 (i) Borrowings	13	27,482,933	32,435,326
(ii) Trade Payable	14	47,699,926	53,752,109
(b) Other Current Liabilities	15	17,750,545	5,501,478
(c) Provisions	16	6,317,777	3,898,495
(d) Current Tax Liabilities (Net)		-	-
		99,251,180	95,587,408
TOTAL EQUITY AND LIABILITIES		229,620,961	225,562,940

Notes forming part of the Accounts

1 TO 27



KAYCEE INDUSTRIES LIMITED

Statement of Profit & Loss Account for the year ended 30th Sept. 2017

Particulars	Note No.	30th Sept., 2017 Rupees	31st March, 2017 Rupees
1 Revenue from operations	17	140,321,864	275,629,010
2 Other Income	18	5,706,299	8,077,943
3 Total Revenue		146,028,163	283,706,953
4 Expenses			
Cost of materials consumed	19	57,877,429	125,042,417
Purchases of stock-in-trade	20	4,761,483	3,553,107
Changes in inventories of finished goods, work-in-progress and stock-in-trade	21	(1,602,226)	4,701,501
Excise Duty		25,147,911	39,337,924
Employee Benefit Expenses	22	24,888,559	50,306,838
Finance cost	23	1,650,489	45,22,225
Depreciation and Amortisation Expenses	24	1,545,250	3,256,027
Other Expenses		28,604,678	50,780,008
Total Expenses		142,873,572	281,500,047
5 Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)		3,154,590	2,206,907
6 Exceptional items		-	-
7 Profit / (Loss) before tax (5 - 6)		3,154,590	2,206,907
8 Tax Expenses			
(a) Current tax		630,918	700,000
(a) Prior Period		-	400,000
(b) Deferred Tax		-	(4,963,379)
9 Profit / (Loss) after tax (7 -8)		2,523,672	6,070,286
10 Other Comprehensive Income			
A Items that will not be reclassified to Statement of Profit and Loss			
(a) (i) Remeasurement benefit of defined benefit plans		(531,979)	507,300
(ii) Income tax expense on remeasurement of defined benefit Plans		-	(156,756)
(b) Net fair value gain / (loss) on investments in equity instruments through OCI			
B Item that will be reclassified to Statement of Profit and Loss			
(i) Net fair value gain on investments in debt instruments through OCI		-	-
(ii) Income tax benefit on net fair value gain on Investments in debt instruments through OCI		-	-
11 Total Comprehensive Income (9+10)		1,991,693	6,420,830
12 Earning per equity share (Basic & Diluted)		31.38	101.16

Notes forming part of the Accounts

1 TO 27



Notes on Financial Statements for the Year ended 30th Sept. 2017											
Note No. 1											
Property, Plant and Equipment											
Description of Assets	GROSS BLOCK			DEPRECIATION				NET BLOCK			
	Cost as on 1.4.2017 Rs.	Additions Rs.	Deductions Rs.	As at 33.09.2017 Rs.	As at 1.4.2017 Rs.	Provided for the year Rs.	Deductions during the year Rs.	As at 30.09.2017 Rs.	As at 30.09.2017 Rs.	As at 31.03.2017 Rs.	
Tangible Assets :											
Land - Freehold	29,618	-	-	29,618	-	-	-	-	29,618	29,618	
Building (Factory & Ambarnath)	17,355,400	-	-	17,355,400	6,290,221	212,678	-	6,502,899	10,852,501	11,555,183	
Plant & Machinery	34,356,485	5,000	-	34,361,485	23,787,637	631,418	-	24,419,054	9,942,431	10,827,951	
Computers	4,547,140	415,263	-	4,962,402	3,931,838	137,686	-	4,069,524	892,878	939,796	
Furniture, Fitting & Office Equipment	10,502,316	227,560	-	10,729,876	7,602,101	402,802	-	8,004,903	2,724,973	3,460,810	
Vehicles	782,006	-	-	782,006	369,476	47,599	-	417,074	364,932	507,728	
Electrical Fitting	3,261,922	-	-	3,261,922	2,179,370	113,067	-	2,292,437	969,485	1,308,685	
SUB TOTAL (A)	70,834,887	647,823	-	71,482,709	44,160,642	1,545,250	-	45,705,892	25,776,818	28,629,771	
Intangible Assets :											
SUB TOTAL (B)	-	-	-	-	-	-	-	-	-	-	
Capital Work In Progress :											
Building under Construction (Refer Note)	14,766,844	-	-	14,766,844	-	-	-	-	14,766,844	14,766,844	
SUB TOTAL (C)	14,766,844	-	-	14,766,844	-	-	-	-	14,766,844	14,766,844	
SUB TOTAL A + B + C	85,601,731	647,823	-	86,249,553	44,160,642	1,545,250	-	45,705,892	40,543,662	43,396,615	
Previous Year											

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

Note : 2	As at 30th Sept. 2017	As at 31st March 2017
NON CURRENT INVESTMENTS		
Saraswat Bank (1000 Equity Shares of Rs. 10 each)	10,000	10,000
RDJ Construction sPvt. Ltd. (Subsidiary) 10000 (P. Y. 9990) Equity Shares	112,900	112,900
	122,900	122,900

Note No. : 2A	As at 30th Sept. 2017	As at 31st March 2017
OTHER NON CURRENT FINANCIAL ASSETS		
Bank Guarantee Margin	70,900	70,900
Banlance with bank held as Fixed Deposit	318,261	293,464
Unpaid Dividend Account	694,240	376,890
	1,083,401	741,254

Note No.: 3	As at 30th Sept. 2017	As at 31st March 2017
DEFFERED TAX ASSET/LIABILITY (NET)		
(a) Deferred Tax Liabilities		
(i) on Depreciation/amortisation of Fixed Assets	799,456	799,456
(ii) on Provision for doubtful debts	-	-
(iii) on Other Timing Difference	-	-
TOTAL	799,456	799,456
(b) Deferred Tax Assets		
(i) on Provision for Gratuity & Leave encashment	909,351	909,351
(ii) on Provision for doubtful Debts	831,096	831,096
(iii) Brought Forward Loss of Previous Year	4,192,146	4,192,146
TOTAL	5,932,593	5,932,593
TOTAL	5,133,137	5,133,137

Note No.: 4	As at 30th Sept. 2017	As at 31st March 2017
OTHER NON CURRENT ASSETS		
ASSETS & LIABILITIES IN PAKISTAN :		
Sundry Deposits :	876,320	876,320
Sales Tax Receivable	3,532,389	3,532,389
	2,288,459	2,288,459
	6,697,168	6,697,168

Note No.: 5	As at 30th Sept. 2017	As at 31st March 2017
INVENTORIES :		
(At cost or Net realisable value which ever is less)		
Raw Materials & Stores	13,368,631	15,708,906
Materials in Process	8,985,809	8,857,798
Finished Goods	20,821,111	19,346,896
Trading Goods	8,282,193	11,229,311
	51,457,744	55,142,911

[Signature]

Note No. : 6	As at 30th Sept. 2017	As at 31st March 2017
TRADE RECEIVABLES (Unsecured) Debts outstanding for a period exceeding six months from the date they were due for payment. Considered Good Considered Doubtful		
	103,465,963	12,809,334
	6,509,037	6,964,069
Less : Provision for Doubtful Debts	109,975,000 6,509,037	19,773,403 6,964,069
	103,465,963	12,809,334
Others : Considered Good	-	85,083,508
	103,465,963	97,892,842

Note No. : 7	As at 30th Sept. 2017	As at 31st March 2017
CASH AND CASH EQUIVALENTS : Cash in Hand With Scheduled Banks : In Current Account In Fixed Deposits In Fixed Deposits against LC Margin		
	251,627	57,949
	8,152,314	8,251,823
	5,606,908	4,004,309
	1,843,282	1,843,282
	15,854,131	14,157,363

Note No. : 8	As at 30th Sept. 2017	As at 31st March 2017
OTHER CURRENT ASSETS Unsecured, Considered Good Advances to employees (including Rs. 1,00,000/- to Director) Prepaid Expenses Deferred Expenditure Advance Tax Other Receivable Balances with Govt. Authorities : Modvat Service Tax Excise Receivable Central Excise Duty (PLA) Accured Interest on FD Advances to suppliers for Raw Material Capital Advances		
	124,205	152,000
	697,804	590,566
	-	-
	884,467	1,552,311
	600,000	4,354
	-	88,444
	-	487,578
	525,628	525,628
	7,577	24,174
	265,810	124,810
	2,157,366	325,223
	-	359,188
	5,262,857	4,234,276



Note No. : 9	As at 30th Sept. 2017	As at 31st March 2017
SHARE CAPITAL		
AUTHORISED		
97,500 Equity Shares of Rs. 100/- each	97,50,000	97,50,000
ISSUED, SUBSCRIBED AND PAID UP :		
63,470(P.Y. 63,470) Equity Shares of Rs. 100/- each	6,347,000	6,347,000
Includes 3125 Shares issued to erstwhile Deferred Shareholders pursuant to scheme of conversion sanctioned by Hon'ble Bombay High Court on 10th July, 1985		
a) Reconciliation of Issued, subscribed Add : Shares and fully paid up	63470 -	63470 -
	63470	63470
b) Details of Shareholder Holding more than 5% Shares		
Name of the Shareholder		Cms Traffic Ltd.
No. of Shares Held	-	21,656
% of Holding	-	38.20%
Name of the Shareholder	Cms Computer Limited	Cms Computers Limited
No. of Shares Held	45,899	24,243
% of Holding	72.32%	38.20%

Note No. : 10	As at 30th Sept. 2017	As at 31st March 2017
RESERVES AND SURPLUS		
Share Premium Account		
Opening Balance	57,374,552	57,374,552
Add : Share Premium Credited on Share Issue	-	-
Closing Balance	57,374,552	57,374,552
General Reserve		
Opening Balance	21,469,208	21,469,208
Less : Adjustment Related to Fixed Assets (Refer Note 27)	-	-
Closing Balance	21,469,208	21,469,208
Profit and Loss Account		
Opening Balance	37,429,093	31,377,096
Add Profit/(Loss) for the year	1,991,693	6,420,830
	39,420,786	37,797,926
Less : Appropriations		
Transfer to General Reserve	-	-
Proposed Dividend on equity shares	-	317,350
Tax on dividend	-	51,482
Closing Balance	39,420,786	37,429,094
TOTAL	118,264,546	116,272,854

Note No. : 11	As at 30th Sept. 2017	As at 31st March 2017
LONG TERM BORROWINGS		
Secured		
Vehicle Loan Mahindra & Mahindra Financial Services Ltd. (Secured Against Mahindra Bolero Vehicle)	242,382	296,746
	242,382	296,746

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

Note No. : 12	As at 30th Sept. 2017	As at 31st March 2017
LONG TERM PROVISIONS		
Provisin for Employee Benefits		
Leave Encashment	2,648,810	2,982,549
Gratuity	-	59,340
TOTAL	2,648,810	3,041,889

Note No. : 12A	As at 30th Sept. 2017	As at 31st March 2017
OTHER NON CURRENT LIABILITIES		
Unclaimed Dividends	376,890	376,890
Unclaimed amount for fractional share	664	664
DEPOSITS :	2,489,489	2,439,489
Unsecured (Dealer, Distributor & Stockist)		
Other Deposits	-	1,200,000
	2,867,043	4,017,043

Note No. : 13	As at 30th Sept. 2017	As at 31st March 2017
SHORT TERM BORROWINGS		
SECURED LOANS :		
Working Capital loans from The Saraswat Co-op/ Bank Ltd.		
ODCC	27,482,933	32,435,326
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	27,482,933	32,435,326
TOTAL	27,482,933	32,435,326

Note No. : 14	As at 30th Sept. 2017	As at 31st March 2017
TRADE PAYABLES	47,699,926	53,752,109
TOTAL	47,699,926	53,752,109

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, non disclosed for the year.

Note No. : 15	As at 30th Sept. 2017	As at 31st March 2017
OTHER CURRENT LIABILITIES		
Outstanding Liabilities	8,055,552	2,756,698
Statutory Dues	7,402,335	860,726
Advance from Customers	2,292,657	1,884,053
	17,750,545	5,501,478

Note No. : 16	As at 30th Sept. 2017	As at 31st March 2017
PROVISIONS		
Provision for Employee Benefit	2,038,466	1,380,008
Provision for GST (P. Y. Excise Duty)	3,910,479	2,149,655
Proposed Dividend	317,350	317,350
Dividend Distribution tax on Proposed Dividend	51,482	51,482
	6,317,777	3,898,495

Note No. : 17	As at 30th Sept. 2017	As at 31st March 2017
SALES		
Sale of Manufactured Goods	106,122,020	221,623,162
Add : Excise Duty	25,147,911	39,337,924
	131,269,931	260,961,086
Export Sale	5,397,083	3,196,511
Sale of Trading Goods	2,503,595	7,134,674
Repair Charges	126,784	134,917
Sale of Scrap	1,024,471	4,201,822
	140,321,864	275,629,010

Note No. : 18	As at 30th Sept. 2017	As at 31st March 2017
OTHER INCOME		
Interest from Bank on : Fixed Deposit	243, 299	277,191
Dividend Income From Shares	3,000	1,500
Other Non operating income Comprises :		
Rental Income	5,460,000	7,282,500
Interest From Customers	-	48,297
Insurance Claim Received	-	468,455
Profit on sale of Fixed Assets	-	-
	5,706,299	8,077,943

Note No. : 19	As at 30th Sept. 2017	As at 31st March 2017
COST OF MATERIAL CONSUMED		
Opening Stocks Raw Materials & Stores :	15,708,906	12,989,035
Add : Raw Material & Stores Purchases	55,537,154	127,762,288
	71,246,060	140,751,323
Closing Stocks Raw Material & Stores	13,368,631	15,708,906
	57,877,429	125,042,417

Note No. : 20	As at 30th Sept. 2017	As at 31st March 2017
Purchase of Stock in Trade		
Opening Stocks of Trading Goods	11,229,311	11,189,601
Add : Purchases	1,814,365	3,592,817
	13,043,676	14,782,418
Closing Stock	8,282,193	11,229,311
	4,761,483	3,553,107

Note No. : 21	As at 30th Sept. 2017	As at 31st March 2017
Changes in Inventory of Finished goods		
Opening Stocks :		
Materials in Process	8,857,798	8,420,929
Finished Goods	19,346,896	24,485,266
	28,204,694	32,906,195
Less : Closing Stocks :		
Materials in Process	8,985,809	8,857,798
Finished Goods	20,821,111	19,346,896
	29,806,920	28,204,694
	(1,602,226)	4,701,501

Note No. : 22	As at 30th Sept. 2017	As at 31st March 2017
EMPLOYEE BENEFIT EXPENSES :		
Salaries, Wages, Bonus, Exgratis & Gratuity	21,971,955	43,862,122
Contribution to Provident & other funds & schemes	1,272,209	2,573,889
Welfare Expenses	1,644,395	3,363,527
	24,888,559	49,799,538

Note No. : 23	As at 30th Sept. 2017	As at 31st March 2017
FINANCE COST		
Interest - Banks	1,507,813	4,051,326
Interest - Others	16,995	97,679
Bank Charges	125,681	373,220
	1,650,489	4,522,225



Note No. : 24	As at 30th Sept. 2017	As at 31st March 2017
OTHER EXPENSES :		
Component Processing and other charges	9,385,703	22,105,045
Power, Fuel, & Water Charges	414,581	779,947
Octroi, Transportation & Forwarding etc.	1,052,454	2,413,778
Conveyance & Traveling	2,446,936	5,188,482
Printing & Stationery	223,640	406,415
Postage & Telephone	471,163	1,173,193
Cash Discount	604,116	1,937,830
Maintenance & Repairs : Machinery	10,550	65,830
Maintenance & Repairs : Building	612,500	849,238
Maintenance & Repairs : Others	388,206	401,068
Insurance & Keyman Insurance	377,611	658,708
Rent, Rates & Taxes	185,830	933,087
Indirect Taxes Paid	540,316	805,229
Discounts	959,849	3,416,828
Bad Debts & Misc Written off	(82,060)	62,208
Provision for Doubtfull Debts	-	2,308,443
Legal & Professional Charges (Refer No. 18 for Auditors Remunera	6,265,972	3,920,296
Advertisement & Publicity	70,100	126,481
Sales Commission	5,051	-
Sales Promotion	54,168	104,826
Miscellaneous Expenses	4,617,991	3,123,076
	28,604,678	50,780,008



RDJ CONSTRUCTIONS PRIVATE LIMITED

BALANCE SHEET AS ON SEPTEMBER 30, 2017

Particulars	Note No.	As at September 30, 2017	As at March 31, 2017
I EQUITY AND LIABILITIES			
SHAREHOLDERS FUND			
(a) Share Capital	3	100,000	100,000
(b) Reserves & Surplus	4	12,462,247	12,321,249
NON CURRENT LIABILITY			
a) Long Term Borrowings	5		
b) Other Current Liabilities		26,912,824	26,912,824
CURRENT LIABILITIES	6		
a) Trade Payable		1,044,000	690,000
b) Short Term Provisions		2,404,083	2,404,083
TOTAL		42,923,154	42,428,156
II. ASSETS			
NON CURRENT ASSETS			
a) Fixed Assets			
Tangible Assets	7	1	1
b) Long Term Loans & Advances	8	22,730,224	23,730,224
CURRENT ASSETS			
a) Cash and bank balance	9	17,900,084	16,456,607
b) Short term Loans & Advances	10	2,286,195	2,234,674
c) Misc Expenditure		6,650	6,650
TOTAL		42,923,154	42,428,156

III NOTES FARMING PART OF THE FINANCIALS STATEMENTS 1 TO 27

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RDJ CONSTRUCTIONS PRIVATE LIMITED

STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED SEPTEMBER 30, 2017

Particulars	Note No.	For the year ended September 30, 2017	For the year ended March 31, 2017
I. REVENUE FROM OPERATIONS		-	-
II. OTHER INCOME	11	515,211	12,516,967
TOTAL REVENUE		515,211	12,516,967
III. EXPENSES			
Operation and other Expenses	12	373,713	844,075
Finance Costs	13	500	576
Depreciation and amortisation Expenses	7	-	-
TOTAL EXPENSES		374,213	844,651
IV. PROFIT BEFORE TAX		140,998	11,672,316
V. TAX EXPENSES			
a) Current Tax			2,200,000
b) Prior Period Tax			71,995
c) Deferred tax			
			2,271,995
VI. PROFIT FOR THE YEAR		140,998	9,400,322
VII. EARNING PER EQUITY SHARE : Basic and diluted	14	14.10	940.03

VIII. NOTES FORMING PART OF THE FINANCIALS STATE 1 TO 17

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RDJ CONSTRUCTIONS PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENT

1. Background

RDJ CONSTRUCTIONS P. LTD. is a Property Development Company engaged in Real Estate Business

2. Significant accounting policies

(a) Basis of preparation

Accounts are prepared using the historical cost convention and on the basis of going concern, with revenues recognised and expenses accounted on accrual basis.

(b) Fixed assets

Fixed Assets are stated mentioned at cost of acquisition inclusive of direct incidental expenditure

(e) Income Expenditure

Income & expenditure are accounted as & when they are earned or incurred.

Maheshwari

RDJ CONSTRUCTIONS PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENT

	As at 30th Sept. 2017	As at 31st March 2017
3) SHARE CAPITAL		
(a) Authorised Capital		
(i) 10000 equity shares of Rs. 10 each	100,000	100,000
(b) Issued, Subscribed and Paid up		
(i) 10000 equity shares of Rs. 10 each	100,000	100,000
	100,000	100,000

Details of shares held by shareholders holding more than 5% of aggregate share capital

(a) Equity Shares		
Name of shareholder	Kaycee Industries Limited	Kaycee Industries Limited
No. of Shares held	10,000	9,990
Percentage Holding	100.00	99.90

	As at 30th Sept. 2017	As at 31st March 2017
4) RESERVES & SURPLUS		
(a) Surplus in Statement of Profit & Loss		
(i) Opening Balance	12,321,248	2,920,926
(ii) Profit for the year	140,998	9,400,322
	1	1
(b) Capital Reserve	12,462,247	12,321,249

	As at 30th Sept. 2017	As at 31st March 2017
5) LONG TERM BORROWING		
a) Unsecured Loan		
From Directors & Relatives	26,912,824	26,912,824
From Associates companies	-	-
	26,912,824	26,912,824
b) OTHER NON CURRENT LIABILITIES		
Advance against Property	-	-
	-	-

	As at 30th Sept. 2017	As at 31st March 2017
6) TRADE PAYABLE		
a) Other Liabilities	1,044,000	690,000
	1,044,000	690,000
b) SHORT TERM PROVISIONS		
Audit Fees Payable	40,083	40,083
Provision for Income Tax	2,364,000	2,364,000
	2,404,083	2,404,083

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	As at 30th Sept. 2017	As at 31st March 2017
8) LONG TERM LOANS AND ADVANCES		
Advance against Property	22,415,224	22,415,224
Other Loans	315,000	1,315,000
	22,730,224	23,730,224
9) CASH AND BANK BALANCE		
a) Cash and Cash Equivalents		
i) Balance with Banks		
- On current accounts	187,458	1,209,458
- Fixed Deposit	17,686,167	15,222,477
ii) Cash on Hand	26,459	24,672
	17,900,084	16,456,607
10) SHORT TERM LOANS AND ADVANCES		
Advances recoverable in cash or in kind or for which value to be received or to be otherwise adjusted	2,286,195	2,234,674
Other Advances	2,286,195	2,234,674
11) OTHER INCOME		
1) FD INTEREST RECEIVED	515,211	1,106,950
2) CAPITAL GAIN ON SALE OF PROPERTY	-	11,401,534
3) INTERST ON IT REFUND	-	8,483
	515,211	12,516,967
12) OPERATION AND OTHER EXPENSES		
1 Auditors Remuneration		20125
2 Brokerage		0
3 Conveyance	17169	262
4 Filing Fees	44	88
5 Legal & Professional Expenses		100000
6 Printing and Stationery		120
7 Sundry Balance W/F		5980
8 Salary	354000	690000
9 R O C Fees	2500	27500
	373,713	844,075
13) FINANCE COSTS		
1) Interest on		
Cash Credit		
Others	-	-
2) Bank Charges	500	576
	500	576
14) EARNING PER SHARE (EPS)		
Net Profit for the year	140,998	9,400,322
Less : Preference Share Dividend (Including tax)	-	-
Amount Available for Equity Share Holder	140,998	9,400,322
Weighted Average number of Shares	10,000	10,000
Earning per Share Basic and Diluted (Rs.)	14.10	940.03
Face Value per Equity Share (Rs.)	10	10

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RDJ CONSTRUCTIONS PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENT

15. Sundry debtors, creditors, loans & advances are subject to confirmation & Reconciliation of Balances.
16. Figures relating to the Previous year have been re-grouped, re-casted and re-arranged whenever considered necessary to confirm to the classification of the Current Year and make it comparable with the Current Year figures.
17. These financials are prepared in the format prescribed by the Schedule III to the Companies Act, 2013.

Place : Mumbai

Date :

Mahesh

RDJ CONSTRUCTIONS PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENT

(All figures in India Rupees)

NOTE 7 FIXED ASSETS									
Description of Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 31.03.2017 Rs.	Additions during the year Rs.	Deductions the during year Rs.	As at 30.09.2017 Rs.	As at 31.3.2017 Rs.	for the year Rs.	Deductions for the year Rs.	As at 30.09.2017 Rs.	As at 31.03.2017 Rs.
Tangible									
LAND AT BHANDUP	1	-	-	1	-	-	-	1	1
TOTAL	1	-	-	1	-	-	-	1	1
PREVIOUS YEAR	6,923,025	608,775	7,531,799	1	-	-	-	1	6,923,025

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ANNEXURE - VIII

IN THE NATURE OF ABRIDGED PROSPECTUS – MEMORANDUM CONTAINING SALIENT FEATURES OF THE SCHEME OF ARRANGEMENT BETWEEN KAYCEE INDUSTRIES LIMITED (“KIL OR DEMERGED COMPANY”) AND RDJ CONSTRUCTIONS PRIVATE LIMITED (“RCPL OR RESULTING COMPANY” OR “THE COMPANY”) AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS (UNDER SECTIONS 230 TO 232 OF THE COMPANIES ACT, 2013 READ WITH SECTION 66 AND SECTION 52 OF THE COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND RULES FRAMED THEREUNDER (HEREINAFTER REFERRED TO AS THE “SCHEME”).

THIS ABRIDGED PROSPECTUS CONTAINS 7 PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.

This document is prepared to comply with the requirement of applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Annexure I, Paragraph 3(a) of SEBI circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 and in accordance with disclosures in Abridged Prospectus as provided in Part D of Schedule VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, to the extent applicable. Kaycee Industries Limited (hereinafter referred to as the “KIL”) is listed on the BSE Limited (hereinafter referred to the “Stock Exchange”). Pursuant to the Scheme, there is no issue of equity shares or preference shares to the public at large, except to the existing shareholders of KIL. Therefore, the requirements with respect to GID (General Information Document) is not applicable and this abridged prospectus be read accordingly.

You are encouraged to read greater details about the Company and proposed business of the Company included in the Scheme of Arrangement approved by the Board of Directors of Kaycee Industries Limited, RDJ Constructions Private Limited on May 05, 2017, available on the website of the BSE Limited and corporate disclosures issued by Kaycee Industries Limited available at www.kayceeindustries.com. This abridged prospectus does not purport to include the complete information of the Company, including its business, operations, assets and liabilities. For further details see “Any other important information as per Lead Manager / Resulting Company” of this abridged prospectus.

Nothing in this abridged prospectus constitutes an offer or an invitation by or on behalf of either the Resulting Company or Kaycee Industries Limited or to subscribe for or purchase any of the securities of the Resulting Company.

RDJ CONSTRUCTIONS PRIVATE LIMITED

Registered & Corporate Office: CMS Lake Road Center, 70 Lake Road, Kaycee Industrial Compound, Bhandup (West), Mumbai - 400078, Maharashtra, India | **Contact Person:** Murugesh Iyer | **Tel No.:** +91 9720074529 | **Fax No.:** Not Available | **E-mail Id:** murugesh_iyer@cms.co.in ; | **Website:** Not Available

Corporate Identity Number: U45200MH2000PTC125073

PROMOTER OF THE COMPANY*

Pre-Effectiveness of the Scheme: Kaycee Industries Limited (KIL)

**(Post Effectiveness of the Scheme: CMS Computers Limited)*

OFFER DETAILS AND PROCEDURE

RDJ CONSTRUCTIONS PRIVATE LIMITED IS THE WHOLLY OWNED SUBSIDIARY OF KAYCEE INDUSTRIES LIMITED ("KIL"). KIL PRESENTLY HOLDS 9,990 EQUITY SHARES IN ITS OWN NAME AND BALANCE 10 SHARES ARE HELD BY AARTI GROVER AS A NOMINEE OF KIL IN RCPL THEREBY CONSTITUTING 100% OF PAID UP SHARE CAPITAL OF RCPL

The proposed issue of Equity Shares or Preference Shares of the Resulting Company is pursuant to the Scheme of Arrangement filed under sections 230-232 of the Companies Act, 2013 read with section 66 and section 52 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and rules framed thereunder, between Kaycee Industries Limited ("KIL" or "Demerged Company") and RDJ Constructions Private Limited ("RCPL" or Resulting Company" or "the Company") and their respective shareholders and creditors approved by the Board of Directors of Kaycee Industries Limited and the Resulting Company on May 05, 2017 ("Scheme"), and accordingly there shall be no price band or minimum bid lot size applicable to the proposed issue of equity shares or preference shares of the Company ("Equity Shares or Preference Shares")

PROCEDURE

Pursuant to the provisions of the Scheme, post receipt of approval of the National Company Law Tribunal ("NCLT") and upon certified copies of the sanction order(s) of the NCLT approving the Scheme being filed with the relevant Registrar of Companies, the Resulting Company shall issue and allot Equity Shares or Preference Shares as the case may be to the shareholders of KIL as per the share entitlement ratios set out in the Scheme as on the Record Date mutually fixed by the Board of Directors of KIL and RCPL.

ELIGIBILITY

Since the Equity Shares or Preference shares may be allotted pursuant to the provisions of the Scheme, eligibility conditions under regulations 26(1) and 26(2) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 are not applicable.

Persons who are shareholders of KIL as on the Record Date, mutually fixed by the Board of Directors of KIL and RCPL post effectiveness of the Scheme, shall be eligible to receive Equity Shares or Preference Shares, as the case may be, of the Resulting Company, pursuant to the provisions of the Scheme.

INDICATIVE TIMELINE

This Abridged Prospectus is filed pursuant to the Scheme, and is not an offer to public at large. Given that the Scheme requires approval of various regulatory authorities including and primarily, the NCLT, the time frame cannot be established with certainty. However, in general, it may take 5 to 6 months after the shareholder's meeting.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest their funds unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision. For taking an investment decision, investors must rely on their own examination of the Resulting Company and the Scheme, including the risks involved. The Equity Shares or Preference Shares have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this abridged prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" at page 6 of this abridged prospectus.

PRICE INFORMATION OF LEAD MANAGER

Issue Name	Name of Merchant Banker	+/- % change in closing price, [+/- % change in closing benchmark]		
		30th calendar days from listing	90th calendar days from listing	180th calendar days from listing
Shree Ganesh Remedies Limited**	Fedex Securities Limited	0.69%	Not Applicable	Not Applicable

*The Script of Shree Ganesh Remedies Limited was listed on BSE SME Limited on October 13, 2017

<u>Lead Manager</u> Fedex Securities Limited 305, Enterprise Centre, Nehru Road, Vile Parle (East), Mumbai 400099. Tel No: 022 2613 6460 Fax No: 022 2618 6966 E-mail: mb@fedsec.in Website: www.fedsec.in Contact Person: Rinkesh Saraiya SEBI Registration No: INM000010163	<u>Statutory Auditor</u> Basant Jain & Associates, Chartered Accountants 601, Dalamal Chambers, New Marine Lines, Mumbai - 400 020 Tel No.: 022-22018793/ 22018369 / 9820350814 Email id: basant.jain2011@gmail.com Firm Registration No: 120131W
Syndicate Members - Not applicable Registrar - Not applicable Credit Rating Agency - Not Applicable Debenture trustee - Not Applicable Self-Certified Syndicate Banks - Not Applicable Non-Syndicate Registered Brokers – Not Applicable	<u>Peer Review Auditor</u> PC Surana & Co., Chartered Accountants 205-206, Standard House, 83 Maharshi Karve Road, Marine Lines, Mumbai – 400002 Tel No.: 022 22057705 / 9967051857 Email Id: pcs_co@rediffmail.com Firm Registration No: 110631W Peer Reviewed Certificate No: - 009639

PROMOTERS OF RCPL

Pre - Effectiveness of the Scheme:

Kaycee Industries Limited ("KIL" or "Demerged Company") is a public limited Company incorporated under the provisions of the Companies Act, 1913 on December 15, 1942 having Corporate Identification Number L70102MH1942PLC006482. The Registered Office being Old Kamani Chambers, 32-Ramjibhai Kamani Marg, Ballard Estate, Mumbai-400001, Maharashtra, India. The Company is engaged in manufacturing and trading of industrial switches, counters, water meters, electrical components etc. Further, is the Demerged Company is also engaged in property leasing business

Post - Effectiveness of the Scheme:

CMS Computers Limited is a public limited Company incorporated under the provisions of the Companies Act, 1956 on February 19, 1980 having Corporate Identification Number U30007MH1980PLC022235. The Registered Office of CMS Lake Road Centre, 70, Lake Road, Kaycee Industrial Compound, Bhandup (West), Mumbai-400078, Maharashtra, India

Name of top Listed Group Companies: Kaycee Industries Limited

BUSINESS OVERVIEW / STRENGTH AND STRATEGY

RDJ Constructions Private Limited ('RCPL') is a Private Limited company incorporated under the provisions of Companies Act, 1956 on March 21, 2000. The Corporate Identification Number is U45200MH2000PTC125073. Currently, the authorized share capital of RCPL is Rs. 1,00,000 divided in to 10,000 equity shares of Rs. 10 each. The registered office of RCPL is located at CMS Lake Road Center, 70 Lake Road, Kaycee Industrial Compound, Bhandup (West), Mumbai - 400078, Maharashtra, India and the Company currently is not engaged into any business activities but was incorporated with an objective to engage in real estate development activities.

BOARD OF DIRECTORS

Sr. No	Name	Designation	Experience including current / past position held in other firms
1.	Raju Ramesh Dutt Grover*	Director	She was appointed as a Director of the RCPL on August 31, 2004. She holds a degree of Bachelor of Arts. She has overall experience of around 30 years of which she has an experience of 13 years in RCPL. She also possesses experience in the field of operational and Real Estate Business.
2.	Aarti Grover*	Director	She was appointed as Director of RCPL on September 06, 2010. She holds degree of Master of Business Administration from the University of San Francisco, USA. She has overall experience of almost 10 years.
3.	Mahesh Idani	Director	He is the Director of RCPL He has an experience of more than 24 years and has worked various organizations at senior level in Finance & Management. He holds degree of Bachelor of Commerce and Chartered Accountant by profession.
4.	Chandra Prakash Jain	Director	He is the Director of RCPL and holds Bachelor's in commerce. He has overall 30 years of experience in Information Technology and manufacturing Industry with specific focus on Electric and Engineering instrument. He is experienced in the field of Accounts, finance, international and domestic sales, Business development, supply chain management, etc

**As on the date of this Abridged Prospectus these directors are disqualified under section 164(2)(a) of Companies Act, 2013 in another company.*

OBJECTS OF THE SCHEME

The rationale of the proposed Scheme is as under:

- Currently, the core business activities of the Demerged Company is manufacturing and trading of industrial switches, counters, water meters, electrical components, etc. The Demerged Company along with its wholly owned subsidiary i.e. the Resulting Company jointly owns an immovable property which comprises land and building at Bhandup, Mumbai. The Demerged Company is also engaged into leasing business activities of the said property.
- Accordingly, in order to ensure better management focus on the core business activities, the management of KIL has proposed to demerge its non-core activities i.e. property leasing activities along with related assets into the Resulting Company such that the shareholders of KIL have direct participation in property owning and leasing company.

The demerger will inter alia have the following benefits to the companies and the shareholders:

- Business-wise segregation to ensure better management focus on core business activities.
- The proposed segregation of the non-core activities and assets of the Demerged Company is expected to enhance the value for the shareholders.
- Each business would be treated as the independent business opportunity, pursue efficient capital allocation and attract different sets of investors, strategic partners, lenders and other stakeholders.

Name of Monitoring Agency: Not Applicable

Terms of Issuance of Convertible Securities: Not Applicable

SHAREHOLDING PATTERN

A. Shareholding Pattern of RCPL as on date of this Abridged Prospectus:

Sr. No.	Particulars	Pre-Issue number of Equity Shares	% holding of Pre-issue
(A)	Promoters and Promoter's Group		
	Kaycee Industries Limited	9,990	99.90%
	Aarti Grover as a nominee of KIL	10	0.10%
	Total Promoter Shareholding	10,000	100%
(B)	Public	NIL	NIL
	TOTAL (A+B)	10,000	100%

B. Shareholding upon effectiveness of the Scheme:

OPTION 1: All Public Shareholders opt for 'Equity Shares'

Sr. No.	Name	(Post-Scheme) Post- Offer No. of equity shares	% holding of Post Offer
(A)	Promoters and Promoter's Group		
1.	CMS Computers Limited	45,899	72.32%
	Total Promoter Shareholding	45,899	72.32%
(B)	Non-Promoter Shareholding		
	Public Shareholding	17,571	27.68%
(C)	Non-Promoter- Non-Public	N.A	N.A
	TOTAL (A +B + C)	63,470	100.00%

OPTION 2: All public shareholders except "NRI-Repat" opt for 'redeemable preference shares'

Equity Shareholding pattern:

Sr. No.	Name	(Post-Scheme) Post- Offer No. of equity shares	% holding of Post Offer
(A)	PROMOTERS AND PROMOTER'S GROUP		
1.	CMS Computers Limited	45,899	98.51%
	TOTAL PROMOTER SHAREHOLDING	45,899	98.51%
(B)	NON-PROMOTER SHAREHOLDING		
	Public Shareholding		
	Non-Resident Shareholders	692	1.49%
(C)	NON-PROMOTER- NON-PUBLIC	NA	NA
	TOTAL (A+ B + C)	46,591	100%

Redeemable Preference Shareholding pattern:

Sr. No.	Name	(Post-Scheme) Post-Offer No. of equity shares	% holding of Post Offer
(A)	PROMOTERS AND PROMOTER'S GROUP	NIL	NIL
(B)	NON-PROMOTER SHAREHOLDING		

Sr. No.	Name	(Post-Scheme) Post-Offer No. of equity shares	% holding of Post Offer
	Public Shareholding	11,81,530	100%
(C)	NON-PROMOTER- NON-PUBLIC	N.A	N.A
	TOTAL (A + B + C)	11,81,530	100%

Number/amount of equity shares proposed to be sold by selling shareholders - Not applicable

STANDALONE RESTATED AUDITED FINANCIALS

(in Rs. Lakhs unless stated otherwise)

Particulars	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	Six Months ended September 30, 2017
Revenue from operations (net)	46.29	0	1.21	8.86	125.16	5.15
Net Profit / (Loss) before tax and extraordinary items	45.58	(1.03)	0.95	(3.65)	116.72	1.40
Net Profit / (Loss) after tax and extraordinary items	37.31	(2.41)	0.57	(5.09)	94.00	1.40
Equity Share Capital	1.00	1.00	1.00	1.00	1.00	1.00
Reserves and Surplus	36.14	33.73	34.30	29.20	123.21	124.62
Net Worth	37.14	34.73	35.30	30.20	124.21	125.62
Basic Earnings Per Share (In Rs.)	373.19	(24.14)	5.73	51.00	940.03	14.10
Diluted Earnings Per Share (In Rs.)	373.19	(24.14)	5.73	51.00	940.03	14.10
Return on Net Worth (%)	100.47	(6.95)	1.62	(16.87)	75.68	1.12
Net Asset Value Per Share (In Rs.)	371.46	347.32	353.06	302.09	1242.12	1256.22

INTERNAL RISK FACTORS

1. It is difficult to estimate the true financial position of the company because the company was not in operation for past few years.
2. Upon the effectiveness of the scheme the Promoter of Resulting Company will be CMS Computers Limited, which possess limited experience in the real estate business, which may impact the revenue and business of the company.
3. Implementation of the Scheme completely depends on the approval of Regulatory authorities. Any modification or revision in the Scheme by the competent authorities may delay the completion of the process.
4. Shares to be issued pursuant to the Scheme of the Resulting Company will not be listed.
5. Trademark of our logo is not registered.

SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

A. Total number of outstanding litigations against the company and amount involved -

RCPL is involved in total 1 (one) outstanding proceeding as on date of this Abridged Prospectus. Total amount involved in all the proceeding is approximately Rs. 38.00 lakhs

B. Brief details of top 5 material outstanding litigations against the Company and amount involved

Sr. No	Particulars	Litigation filed by	Current Status	Amount involved (in Rs)
1.	RCPL was having Slum Rehabilitation Authority property in Bhandup, Mumbai, Maharashtra. The Company purchased the said property from various landowners which was subsequently sold to Skicon Infrastructure Company and the matter is for levy of lower stamp duty.	Inspector of General Revenue, Pune	The matter is pending before the Inspector of General Revenue, Pune at hearing stage	38,00,000 approx.

A. Regulatory Action, if any - disciplinary action taken by SEBI or stock exchanges against the Promoters / Group companies in last 5 financial years including outstanding action, if any: None

B. Brief details of outstanding criminal proceedings against Promoter: None

ANY OTHER IMPORTANT INFORMATION AS PER LEAD MANAGER / RESULTING COMPANY

This abridged prospectus does not include the complete information of the Company, including its business, operations, assets and liabilities. Nothing in this abridged prospectus constitutes an offer or an invitation by or on behalf of either the Resulting Company, KIL subscribe for or purchase any of the securities of the Resulting Company.

DECLARATION BY THE RESULTING COMPANY

We hereby declare that all relevant provisions of the Companies Act, 1956, the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement in this abridged prospectus is contrary to the provisions of the Companies Act, 1956, the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued thereunder, as the case maybe. We further clarify that all statements in this abridged prospectus are true and correct.



KAYCEE INDUSTRIES LIMITED

ADD.: 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

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL BENCH, AT MUMBAI

IN THE MATTER OF THE COMPANIES ACT, 2013

And

In the matter of Sections 230 to Section 232 of the Companies Act, 2013; read with Section 66 and Section 52 of the Companies Act, 2013; and other applicable provisions of the Companies Act, 2013 and rules framed thereunder

And

In the matter of Scheme of Arrangement ('Scheme') between Kaycee Industries Limited ('Demerged Company') and RDJ Constructions Private Limited ('Resulting Company') and their respective shareholders and creditors

Kaycee Industries Limited

...Applicant Company/Demerged Company

PROXY FORM

Name of the Member(s): _____

Registered address: _____

E-mail ID: _____ Folio No./Client ID: _____

DP ID: _____

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

1) Name _____

Address _____

Email id _____

Signature: _____ Or failing him / her

2) Name _____

Address _____

Email id _____

Signature: _____ Or failing him / her

3) Name _____

Address _____

Email id _____

Signature: _____ Or failing him / her

as my / our proxy and whose signature(s) are appended below to attend and vote (onPoll) for me/ us and on my/ our behalf at the Meeting of the Applicant Company to be held on **Thursday 04th January, 2018** at 11.00 a.m. at Jainam Banquet Hall, Jainam Arcade, B.M.T Compound, 100, L.B.S Marg, Bhandup (W), Mumbai 400 078 and at any adjournment or adjournments thereof in respect of such resolutions and in such manner as are indicated below:

Sr. no.	Particulars
1	Approval of Scheme of Arrangement between Kaycee Industries Limited ('Demerged Company') and RDJ Constructions Private Limited ('Resulting Company') and their respective shareholders and creditors

Signed this _____ day of _____ 2017

affix Re.1/-
revenue
stamp

(Signature of shareholder(s))

Signature of Proxy _____

NOTES:

1. This form in order to be effective should be duly completed and deposited at the Registered Office of the Company at Old Kamani Chambers, 32-Ramjibhai Kamani Marg, Ballard Estate, Mumbai-400001, not less than 48 hours before the commencement of the Meeting.
2. Please affix revenue stamp before putting signature.
3. Alterations, if any, made in the Form of Proxy should be initialed.
4. In case of multiple proxies, the proxy later in time shall be accepted.
5. Proxy need not be the shareholder of the Company.
6. Body Corporate and FPI/FII Equity Shareholder(s) would be required to deposit certified copies of Board/Custodial Resolutions/Power of Attorney in original, as the case may be, authorizing the individuals named therein, to attend and vote at the meeting on its behalf. These documents must be deposited at the Registered Office of Company at least 48 hours before the time of holding the meeting.



KAYCEE INDUSTRIES LIMITED

ADD.: 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 NCLT Convened Meeting of Equity Shareholders of Kaycee Industries Limited

Total no. of Shares:	
Total Amount of Shares:	
Name of the Equity Shareholders:	
Name of Proxy/Authorized Representative:	
Address:	

I/We hereby record my/our presence at the NCLT Convened meeting of Equity Shareholders of the Applicant Company pursuant to the Order dated 24th November 2017 in the Company Scheme Application No. CSA 948 of 2017 on Thursday the 4th day of January 2018 at 11.00 a.m. at Jainam Banquet Hall, Jainam Arcade, B.M.T Compound, 100, L.B.S Marg, Bhandup (W), Mumbai 400 078.

I/We hereby record my presence at the Meeting, of the Equity Shareholders of the Applicant Company at, in the state of Maharashtra on 04th day of January 2018 at 11.00 a.m, pursuant to the Order of the Tribunal dated 24th November 2017.

SIGNATURE OF THE ATTENDING MEMBER/PROXY

NOTES:

- (1) Shareholder/Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and hand over at the entrance duly signed.
- (2) Shareholder/Proxy holder desiring to attend the meeting should bring his/her copy of the Notice for reference at the meeting.
- (3) Equity Shareholders who hold shares in dematerialized form are requested to bring their client ID and DPID for easy identification of attendance at the meeting.
- (4) Equity Shareholders are informed that in case of joint holders attending the meeting, only such joint holder whose name stands first in the Register of Members of Kaycee Industries Limited in respect of such joint holding will be entitled to vote.

