



**79<sup>th</sup> | ANNUAL  
REPORT  
2021-22**



**KAYCEE INDUSTRIES LIMITED**

Kaycee for Commitment...

Kaycee for Quality...



## KAYCEE INDUSTRIES LIMITED

CIN: L70102MH1942PLC006482

**Board Members**

Mr. N Rangachary	Chairman - Independent Director
Mr. Jayaraman Balasubramanian	Independent Director
Mr. R Doraiswamy	Non Executive And Non Independent Director
Mr. D Rajeshkumar	Non Executive And Non Independent Director
Mr. Jitendra Kantilal Vakharia	Non Executive And Non Independent Director
Mrs. Manimegalai Arumugam	Non Executive And Non Independent Director
Mr. Dileep Gupte Keshavrao	Independent Director (upto 19.05.2021)
Mr. Chandra Prakash Jain	Whole Time Director (upto 12.05.2021)

**Manager cum Chief Operating Officer**

Mr. K Raman

**Chief Financial Officer**

Mr. Deepak Potdar

**Company Secretary**

Mr. Mohit Premchand Dubey

**Registered Office**

Old Kamani Chambers,  
32 Ramjibhai Kamani Marg,  
Ballard Estate, Mumbai - 400 001.  
Contact: 022-22613521/66663521/22/23  
Website : www.kayceeindustries.com

**Factory Address**

Plot No. F-25,  
Addl. Ambarnath Industrial Area,  
Anand Nagar, Ambarnath (East),  
Thane - 421 502.

**Bankers**

ICICI Bank Limited, Mumbai Juhu Tara Road Branch.

**Statutory Auditors**

R. Subramanian and Company LLP  
Chartered Accountants  
New No. 6, Old No. 36,  
Krishnaswamy Avenue, Luz, Mylapore,  
Chennai Tamil Nadu-TN - 600004.

**Secretarial Auditors**

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

**Registrar and Share Transfer Agent**

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

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## NOTICE

**NOTICE** is hereby given that the **SEVENTY NINTH ANNUAL GENERAL MEETING** of the members of **KAYCEE INDUSTRIES LIMITED** will be held on **Saturday, August 6, 2022, at 11:00 a.m.** through Video Conferencing(VC) /Other Audio Visual Means(OAVM) to transact the following business:-

### **ORDINARY BUSINESS:**

#### **Item No. 1 – Adoption of financial statements**

To consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2022 and the reports of the Board of Directors along with its annexures and auditors thereon;

“**RESOLVED THAT** the Audited Financial Statement comprising of Balance Sheet as at March 31, 2022, statement of Profit and Loss for the year ending on that date, Cash Flow Statement and Statement of Changes in Equity as on that date and the reports of the Board of Directors along with annexures and Auditors thereon, as circulated to the Shareholders, be and are hereby received, considered and adopted.”

#### **Item No. 2 – Declaration of dividend**

To declare a final dividend of Rs.50 per equity share of Rs.100 each for the year ended March 31, 2022.

“**RESOLVED THAT** a dividend at the rate of Rs.50 (50%) per equity share of Rs.100/-each fully paid-up of the Company be and is hereby declared for the financial year 2021-22 and the same be paid as recommended by the Board of Directors of the Company, out of the Profit of the Company for the financial year ended March 31, 2022.

#### **Item No. 3 – Re-appointment of Mrs. Manimegalai Arumugam as a director liable to retire by rotation**

To appoint a director in place of Mrs. Manimegalai Arumugam (DIN: 02536666), who retires by rotation and being eligible, offer herself for re-appointment.

“**RESOLVED THAT** in pursuance of Section 152 and other applicable provisions of the Companies Act, 2013, and in accordance with provision contained in the Articles of Association of the Company. Mrs. Manimegalai Arumugam (DIN: 02536666), a retiring Director at this Annual General Meeting be and is hereby re-appointed as a Director of the Company, subjected to determination of her office by means of retirement by rotation at the Annual General Meeting.”

## Special business

### Item No. 4 – Appointment of Mrs. Priya Bhansali as an Independent Director

To consider and, if thought fit, to pass, with or without modifications, the following resolutions as Special Resolutions:-

**“RESOLVED THAT** Mrs. Priya Bhansali (DIN: 00195848), who was appointed as an additional Director, designated as an independent director, by the Board at its meeting held on May 12, 2022 with the term of office till the conclusion of this Annual General Meeting, pursuant to Sections 149, 152 and 161 and other relevant provision of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Articles of Association of the Company, approvals and recommendations of the Nomination and Remuneration Committee, and that of the Board, be and is hereby appointed as an independent director, not liable to retire by rotation, for a period of three years – up to May 11, 2025.”

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the power to any committee of directors with power to further delegate to any other officer(s) / authorized representative(s) of the Company to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

### Item No. 5 – Material Related Party Transaction with Salzer Electronics Limited.

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, (“SEBI Listing Regulations”), the applicable provisions of the Companies Act, 2013 (“Act”) read with Rules made thereunder, other applicable laws/statutory provisions, if any, (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force), the Company’s Policy on Related Party Transactions, and subject to such approval(s), consent(s), permission(s) as may be necessary from time to time and basis the approval and recommendation of the Audit Committee and the Board of Directors of the Company, the approval of the Members of the Company be and is hereby accorded to the Company to enter/continue to enter into Material Related Party Transaction(s)/ Contract(s)/Arrangement(s)/Agreement(s) (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise) with Salzer Electronics Limited, a Holding Company falling within the definition of ‘Related Party’ under Section 2(76) of the Act and Regulation 2(1)(zb) of the SEBI Listing Regulations, for a value not exceeding Rs.30 Crore comprising of buying and selling of products/tools/dyes and availing and rendering Services in the Ordinary Course of business and Pricing at arm length basis to meet its business objectives/requirements on such material terms and conditions as detailed in the explanatory statement to this Resolution and as may be mutually agreed between related parties and the Company for the Financial year 2022-23.



“**RESOLVED FURTHER** that the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion and to take all such steps as may be required in this connection including finalizing and executing necessary documents, contract(s), scheme(s), agreement(s) and such other documents as may be required, seeking all necessary approvals to give effect to this resolution, for and on behalf of the Company and settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions from powers herein conferred to, without being required to seek further consent or approval of the Members and that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

**Item No. 6** – Approve the creation of charges/mortgages for borrowings against undertaking of the company assets.

To consider and, if thought fit, to pass, with or without modifications, the following resolutions as Special Resolutions:-

“**RESOLVED THAT** pursuant to Section 180 (1) (a) and other applicable provisions of the Companies Act, 2013 read together with rules framed thereunder, as recommended by the Board of Directors of the Company, the member do hereby consider, ratify and approve to create security by way of mortgage, charge, hypothecate, pledge, assign or otherwise encumber, moveable and/or immovable, tangible and/or intangible properties/assets of the Company, both present and future, and/or the whole or substantially the whole of the undertakings of the Company, in such form and manner and with such ranking and at such time and on such terms as the Board may deem fit, in favour of/for the benefit of lenders, security trustee, agents to secure loans/borrowings/financial assistances availed/ to be availed by the Company/third party, together with interest, additional interest, liquidated damages, cost, charges, expenses and all other monies whatsoever payable by the Company/third party as per the terms of respective financing documents for the said loans/borrowings/financial assistances, up to the value of and within the overall limit of Rs. 10 Crores.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorized to finalize, settle, negotiate and execute such documents, deeds, writings, undertakings, agreements as may be required and take all such steps and do all such acts, deeds, matter, and things as it may, in its discretion, deem necessary, proper, desirable or expedient to give effect to the above resolution

By the order of the Board of Directors

Jitendra Vakharia  
**Director**  
(DIN: 00047777)

**Date: May 12, 2022**  
**Place: Mumbai**

**Notes :**

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.kayceeindustries.com](http://www.kayceeindustries.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsd.com](http://www.evoting.nsd.com).





7. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.
8. Members whose shareholding is in electronic mode are requested to direct notifications about change of address and updates about bank account details to their respective depository participants(s) (DP).
9. Members may note that the Board of Directors, in its meeting held on May 12, 2022 has recommended a final dividend of Rs.50 per share. The record date for the purpose of final dividend for fiscal 2022 will be July 29, 2022. The dividend, once approved by the members in the ensuing AGM will be paid within the stipulated time from the date of AGM, electronically through various online transfer modes to those members who have updated their bank account details. For members who have not updated their bank account details, dividend warrants / demand drafts / cheques will be sent out to their registered addresses. To avoid delay in receiving the dividend, members are requested to update their KYC with their depositories (where shares are held in dematerialized mode) and with the Company's Registrar and Transfer Agent (RTA)- M/s Datamatics Financial Services Ltd (where shares are held in physical mode) to receive the dividend directly into their bank account on the payout date.
10. Members may note that the Income Tax Act, 1961, ("the IT Act") as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a company after April 01, 2020 shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source (TDS) at the time of making the payment of final dividend. In order to enable us to determine the rate of TDS applicable, members are requested to submit the following documents in accordance with the provisions of the IT Act.
- a) **For resident shareholders**, taxes shall be deducted at source under Section 194 of the IT Act as follows

Members having valid PAN	10% or laid by the Act and rules made thereunder
Members not having PAN / valid PAN	20% or laid by the Act and rules made thereunder

However, no tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by them during Financial Year 2021-22 does not exceed Rs. 5,000 and also in cases where members provide Form 15G / Form 15H (applicable to individuals aged 60 years or more) subject to conditions specified in the IT Act. Resident shareholders may also submit any other document as prescribed under the IT Act to claim a lower / Nil withholding tax. Registered members may also submit any other document as prescribed under the IT Act to claim a lower / Nil withholding tax. PAN is mandatory for members providing Form 15G / 15H or any other document as mentioned above.





- a) **For non-resident shareholders**, taxes are required to be withheld in accordance with the provisions of Section 195 and other applicable sections of the IT Act, at the rates in force. The withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) or as notified by the Act and the rules on the amount of dividend payable. However, as per Section 90 of the IT Act, non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) between India and the country of tax residence of the member, if they are more beneficial to them. For this purpose, i.e. to avail the benefits under the DTAA, non-resident shareholders will have to provide the following :
- i. Copy of the PAN card allotted by the Indian Income Tax authorities duly attested by the member
  - ii. Copy of Tax Residency Certificate (TRC) for the FY 2021-22 obtained from the revenue authorities of the country of tax residence, duly attested by member
  - iii. Self-declaration in Form 10F
  - iv. Self-declaration by the shareholder of having no permanent establishment in India in accordance with the applicable tax treaty
  - v. Self-declaration of beneficial ownership by the non-resident shareholder
  - vi. Any other documents as prescribed under the IT Act for lower withholding of taxes if applicable, duly attested by member. In case of Foreign Institutional Investors/ Foreign Portfolio Investors, tax will be deducted under Section 196D of the IT Act @ 20% (Plus applicable surcharge and cess)

The aforementioned documents are required to be uploaded on the shareholder portal at [anand\\_bhilare@datamaticsbpm.com](mailto:anand_bhilare@datamaticsbpm.com) and [rajendra\\_jadhav@datamaticsbpm.com](mailto:rajendra_jadhav@datamaticsbpm.com).

1. Members wishing to claim dividends that have remain unclaimed are requested to correspond with the RTA as mentioned above or with the Company Secretary at the Company's registered office. Members are requested to note that dividends that are not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to the Investor Education and Protection Fund (IEPF). Shares on which dividend remains unclaimed for seven consecutive years shall too be transferred to the IEPF as per Section 124 of the Act, read with applicable IEPF rules.
2. The Board of Directors has appointed Mr. Aashit Doshi, Practicing Company Secretary as the Scrutinizer to scrutinize the voting at the meeting and remote e-voting process in a fair and transparent manner.



3. The Facility for voting shall also be made available at the AGM and the Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the AGM.
4. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
5. The e-voting period commences on August 3, 2022, Wednesday (9:00 a.m. IST) and ends on August 5, 2022, Friday (5:00 p.m. IST). During this period, members holding shares either in physical or dematerialized form, as on cut-off date, i.e. as on July 30, 2022 may cast their votes electronically. The e-voting module will be disabled by NSDL for voting thereafter. A member will not be allowed to vote again on any resolution on which vote has already been cast. The voting rights of members shall be proportionate to their share of the paid-up equity share capital of the Company as on the cut-off date, i.e. as on July 30, 2022.
6. Any person holding shares in physical form and non-individual shareholder who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if he / she is already registered with NSDL for remote e-voting then he / she can use his / her existing user ID and password for casting the vote.

If you forgot your password, you can reset your password by using “Forgot User Details/ Password” or “Physical User Reset Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no. 1800 1020 990 and 1800 22 44 30. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. July 30, 2022 may follow steps mentioned in the Notice of the AGM under “Access to NSDL e-Voting system.”

7. In compliance with the Circulars, the Annual Report 2021-22, the Notice of the 79th AGM, and instructions for e-voting are being sent only through electronic mode to those members whose email addresses are registered with the Company / depository participant(s).
8. Additional information, pursuant to Regulation 36 of the Listing Regulations, in respect of the directors seeking appointment / reappointment at the AGM, forms part of this Notice.
9. SEBI has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participant(s). Members holding shares in physical form are required to submit their PAN details to the RTA.



10. As per the provisions of Section 72 of the Companies Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to register to submit these details to their DP in case the shares are held by them in electronic form and to the RTA in case the shares are held in physical form.
11. The Scrutinizer will submit his report to the Chairman of the Company ('the Chairman') or to any other person authorized by the Chairman after the completion of the scrutiny of the e-voting (votes casted during the AGM and votes casted through remote e-voting), not later than 48 hours from the conclusion of the AGM. The result declared along with the Scrutinizer's report shall be communicated to the stock exchanges, NSDL, and RTA and will also be displayed on the Company's website [www.kayceeindustries.com](http://www.kayceeindustries.com)
12. Since the AGM will be held through VC in accordance with the Circulars, the route map, proxy form and attendance slip are not attached to this Notice.

#### **THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-**

**The remote e-voting period begins on August 3, 2022, Wednesday (9:00 a.m. IST) and ends on August 5, 2022, Friday (5:00 p.m. IST). The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. July 30, 2022, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being July 30, 2022.**

#### **How do I vote electronically using NSDL e-Voting system?**

*The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:*





#### **Step 1: Access to NSDL e-Voting system**

#### **A Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li data-bbox="805 461 1461 1176">1. Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDeAS</b>’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li data-bbox="805 1176 1461 1422">2. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li data-bbox="805 1422 1461 1993">3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on</li> </ol>

Type of shareholders	Login Method
	<p>company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>4. Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p><b>NSDL Mobile App is available on</b></p> <p>  App Store                     Google Play             </p> <div style="display: flex; justify-content: space-around; align-items: center;">   </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> </ol>

	<p>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</p>
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43



- B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you



from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

- (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

## **Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

### **How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [aashit.doshi@gmail.com](mailto:aashit.doshi@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to (Ms. Soni Singh) at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), and AADHAR (self-attested scanned copy of Aadhar Card) by email to ([cs@kayceeindustries.com](mailto:cs@kayceeindustries.com)).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to ([cs@kayceeindustries.com](mailto:cs@kayceeindustries.com)). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of “VC/OAVM link” placed under “**Join meeting**” menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (cs@kayceeindustries.com). The same will be replied by the company suitably.

By the order of the Board of Directors

Date : May 12, 2022  
Place : Mumbai

**Jitendra Vakharia**  
Director  
(DIN: 00047777)



## Explanatory Statement

As required by Section 102 of the Companies Act, 2013 (“Act”) the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 4 to 6 of the accompanying Notice:

### Item No.4

The Board of Directors of your Company at their meeting held on May 12, 2022 appointed Mrs. Priya Bhansali (DIN: 00195848) on the Board as an Additional Director, designated as Non-Executive and Independent for a term of three years effective May 12,2022 in terms of Section 149 and 161 of the Companies Act 2013 (“the Act”), with the term of office till the Conclusion of 79th Annual General Meeting (“AGM”) of the Shareholders of the Company for the financial year 2021-22.

Considering the term of her office getting concluded with the date of 79th AGM, the Nomination and Remuneration Committee, considered the subject and recommended the appointment of Mrs. Priya Bhansali on the Board for a term of three years as said above in compliance with Section 160 of the Act.

Mrs. Priya Bhansali has submitted necessary declarations to the effect that

- ✓ She is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act 2013 &
- ✓ She meets with the criteria of Independence as prescribed both under sub-section (6) of Section 149 of the Companies Act 2013 and under Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015.

A brief profile of Mrs. Priya Bhansali is annexed (Annexure : 1) herewith pursuant to Regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015.

Copy of the letter for appointment Mrs. Priya Bhansali as the Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

The Board recommends the resolutions set forth in Item Number 4 for the approval of the Members. Except Mrs. Priya Bhansali, none of the Directors, Key Managerial Personnel and relatives are in any way concerned or interested in the said resolutions.

### Item No.5

Your Company has been undertaking business transactions with its Holding Company, Salzer Electronics Limited (“**Salzer**”) for more 10% of its consolidated turnover in a year which eventually is getting termed as a Material Related Party Transaction within the meaning of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015

The Members of the Company at their 77<sup>th</sup> Annual General meeting held on August 07, 2020 granted an approval for such business transactions with Sazler for a value not exceeding Rs.15 Crores per annual on a regular basis subject to the conditions requiring the transactions to be done at arms length basis and in the ordinary course of business

Considering projected growth of the Company with the support of the business from Salzer, the Audit Committee and the Board at their respective meeting held on May 12,2022 approved and

recommended to the shareholders to modify / enhance their limit from Rs.15 Crores to Rs.30 Crores covering the period from the date of conclusion of this Annual General Meeting till the date of next Annual General Meeting for the Financial year 2022-23 as articulated in the SEBI Circular dated April 08,2022

The details of the transactions with above mentioned related parties as required pursuant to SEBI circular No. SEBI/HO/CFD/CMD1/CIR/P/201/662 dated 22nd November, 2021 is given below.

Sr. No.	Description		Details of proposed RPTs between the Company and related parties
Summary of information provided by the Management to the Audit Committee for approval of the proposed material RPTs			
a.	Type, material terms and particulars of the proposed transaction	:	Buying and selling of the products and Availing and Rendering of services in the ordinary course of business and pricing at arm's length basis for a value not exceeding Rs.30 Crs during the financial year 2022-23
b.	Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise);	:	Salzer Electronics Limited (Holding Company)
c.	Value of the proposed transaction;	:	Not exceeding Rs.30 crore
d.	The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction	:	31.95%
2.	Justification for the proposed RPT	:	Generate more revenues and growth, widening the products offer and expanding to new market, scalingup the business in the market.
3.	If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary.		
i.	details of the source of funds in connection with the proposed transaction;	:	Internal accruals and liquidity of the Company.

Sr. No.	Description		Details of proposed RPTs between the Company and TMML
ii.	where any financial indebtedness is incurred to make or give loans, intercorporate deposits, advances or investments, nature of indebtedness; cost of funds; and tenure;	:	NA
iii.	applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and	:	NA
iv.	the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT	:	NA
4.	Arm's length pricing and a statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through registered email address of the shareholder	:	<p>The pricing mechanism would be as per Arm's Length criteria based on the market price or alternative pricing method of relevant materials and/or services.</p> <p>In the case of reimbursements / recoveries, same would be basis actual cost incurred</p> <p>The Company has not relied upon the valuation or any external report in relation to the transaction with the related party and hence disclosure regarding the same does not arise.</p>
5	Name of the director or key managerial personnel who is related, if any and nature of relationship	:	<p>Mr. N Rangachary, Chairman of the Company who is also chairman of Salzer Electronics Limited Mr. R Doraiswamy and Mr. D Rajesh Kumar, Non Executive Directors and also Promoters of Salzer Electronics Limited Mrs. A Manimegalai, Non Executive Director who is also Assistant General Manager (Fund Management) in Salzer Electronics Limited</p>



The Members may note that in terms of the provisions of the SEBI Listing Regulations, the related parties as defined thereunder (whether such related party(ies) is a party to the aforesaid transactions or not), shall not vote to approve resolutions under Item No. 5.

Except Mr. N Rangachary, Chairman of the Company who is also chairman of Salzer Electronics Limited, Mr. R Doraiswamy and Mr. D Rajesh Kumar, Non Executive Directors and also Promoters of Salzer Electronics Limited and Mrs. A Manimegalai, Non Executive Director who is also Assistant General Manager (Fund Management) in Salzer Electronics Limited, None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the Resolution mentioned at Item No. 5 of the Notice.

The Board recommends the Resolution set forth at Item No. 5 for the approval of the Members

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

In order to secure the borrowings / financial assistance, the Company may be required to create security by way of mortgage/charge and/or hypothecation of its assets and properties both present and future. The terms of such security may include a right in certain events of default, to take over management or control of the whole or substantially the whole of the undertaking(s) of the Company.

Pursuant to Section 180(1)(a) of the Companies Act 2013, consent of the Company by Special Resolution is required to be obtained by the Board of Directors to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking(s) of the Company. Since mortgaging or charging the movable and/or immovable properties and assets of the Company with the right of taking over management or control in certain events of default may be considered to be disposal of the Company's undertaking within the meaning of Section 180(1)(a) of the Act, it is proposed to seek approval of the shareholders for creating such mortgages and/or charges on the assets and properties of the Company, both present and future.

None of the Directors, Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Special Resolution for approval by the members.





**ANNEXURE : 1 DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING PURSUANT TO REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENT) REGULATIONS 2015**

1	Name of the Director	Mrs. Manimegalai Arumugam	Mrs. Priya Bhansali
2	DIN	02536666	00195848
3	Category	Non-Executive and Non Independent	Non-Executive and Independent
4	Date of Birth	05/06/1957	25/03/1966
5	Date of Appointment on the Board	21/01/2020	12/05/2022
6	Qualification	Commerce Graduate	Chartered Accountant
7	Brief profile and nature of their expertise in specific functional areas	Sound Knowledge in Finance and Banking System.	She is having wide range of experience in the field of Direct Taxes, Management Assurance Audit, Joint Ventures and FDI, International Taxation.
8	Directorships held in other companies.	1. Saradha Investments Ltd. 2. K R Health Care Pvt. Ltd. 3. Sri Ram Arts Centre Pvt. Ltd. 4. S R V E Industries Ltd.	1. SAKTHI SUGARS LIMITED 2. SAKTHI FINANCE LIMITED 3. ISHITA ADVISORY SERVICES PRIVATE LIMITED
9	Memberships / Chairmanships of committees across all companies	-	-
10	Shareholding in the Company	-	-
11	Inter-se relationship, if any	-	-

## DIRECTORS' REPORT

To,  
The Members,  
Kaycee Industries Limited,  
Mumbai.

Your Directors have great pleasure in presenting the 79th Annual Report and Financial Statements of the company for the Financial Year ended 31st March, 2022.

In line with the requirements of Section 134 of the Companies Act, 2013 ('the Act') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the SEBI Regulations'), the following information is furnished covering the financial Performance and other significant developments during the Financial Year starting from April 1, 2021 and ending on March 31, 2022.

### 1) Financial Highlights

Particulars	2021-22 Rs. in Lakhs	2020-21 Rs. in Lakhs
Revenue from Operations	2940.86	2271.62
Other Income	44.02	34.95
<b>Total Revenue</b>	<b>2984.88</b>	<b>2306.57</b>
Total Expenses	2734.76	2196.77
<b>Profit/(Loss) before exceptional and extraordinary items and tax</b>	<b>250.12</b>	<b>109.80</b>
Exceptional Items	(0)	(15.09)
Extraordinary Items	-	-
<b>Net Profit Before Tax</b>	<b>250.12</b>	<b>124.89</b>
Provision for Tax		
- Current Tax	53.13	35.29
- Deferred Tax (Liability)/Assets	10.38	4.79
Net Profit After Tax	186.61	84.81
Other Comprehensive Income (After Tax)	4.93	(0.83)
<b>Total Comprehensive income</b>	<b>191.54</b>	<b>83.98</b>
Paid up Equity Share Capital (Face Value Rs. 100/- per Share)	63.47	63.47
Other Equity	1593.87	1421.37
Earnings per share ( Basic & Diluted)	294.01	133.62

### 2) Financial Performance

- ◆ The Company has achieved a turnover of Rs.29.41 Crores for the FY ended 31st March 2022, and there was a rise of Rs.6.69 crores when comparing with FY 20-21. In spite of a significant impact in the first quarter in FY22 due to lockdown related economic disruptions, the Company posted a growth of 30% in sales volume on a full year basis and profit got



doubled with the margins of around 6% amidst increased cost of inputs. One-third of the revenue was generated through trading of goods sourced from Salzer

- ◆ The average raw material consumption has increased due to surge in the raw materials cost especially ABS powder, Silver, Bronze and other components during the 3rd and 4th Quarters.
- ◆ Borrowings are Nil as of 31st of March 2022;

### 3) Dividend

The Board considered a fair compensation to the shareholders, by way of dividend and considering the present economic situation it has recommended payment of Dividend of Rs. 50/- (i.e 50%) Per equity share of Rs.100 each on the total outstanding 63,470 equity shares the Dividend outflow will amount to Rs. 31,73,500/- and will be out of the available surplus of the Company for the financial year 2021-22. The Dividend, if approved by the Members at their 79<sup>th</sup> Annual General Meeting, shall be paid to all Members whose name appear in the Register of Members on record date fixed July 29, 2022 and be paid within the stipulated time.

### 4) Share Capital and other related matters

During the year under review, the Company did not issue any fresh capital or adopt any buy back arrangements.

### 5) Corporate Governance

The Company has been practicing good corporate governance and measures in line with the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015. However, since the Net worth and paid up capital of the Company is below Rs. 25 Crores and Rs 10 Crores respectively, the Regulation 27 and Para C, D and E of Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 are not applicable to the Company a good Corporate Governance practice. However the Company has voluntarily adopted compliance to Corporate Governance Report from October 1, 2020. The Corporate Governance report forming part of this Board Report is at annex-7.

### 6) Reserves

No amount was transferred to reserves during the current Financial Year.

### 7) Liquidity

As at March, 2022, the Company had adequate cash and cash equivalents in its books, to take care of all current liabilities comfortably.

### 8) Change in nature of business

There was no change in the nature of business of the Company. Your Company continues to be one of the leading manufacturers of Rotatory Switches and other electrical products for valuable customers.



**9) Material Changes and commitments affecting the Financial Position of the Company which have occurred between the end of the Financial year of the Company to which the Financial statements relate and the date of the report.**

The company has taken into account the possible impact of COVID19-pandemic in its scheme of operation. Due to the lockdown, while the sales volumes for the 1st half ended September 30, 2021 were adversely impacted, demand conditions have shown an improvement in the 2nd half-year ended March 31, 2022. The company is continuously monitoring the situation and does not foresee as of now any significant impact on the operations and the financial position of the company as at March 31, 2022. The Company will continue to closely monitor any material changes to future economic conditions.

**10) Details of the significant and Material Orders passed by the Regulators or Courts or Tribunals impacting the On-going Concern status and Company's Operations in future**

No such material orders were made by any Regulator or Court or Tribunal during the year under review impacting the on-going concern status and Company's operations in future.

**11) Details in respect of adequacy of internal financial controls with reference to the financial statements.**

The Company has put in place adequate internal financial controls over financial reporting. These are reviewed periodically not only by your board but examined by the auditors. The Company tries to automate these controls to enhanced reliability.

**12) Details of Subsidiary/Joint Ventures/Associate Companies**

Your company does not have any subsidiary/Joint Ventures/Associate Companies company. Your Company continues to be a subsidiary of M/s Salzer Electronics Ltd, Coimbatore.

**13) Deposits**

During the Financial year under the review, your Company did not accept any deposits within the meaning of Section 73 of the Companies Act 2013 read with Companies (Acceptance of Deposits) Rules, 2014. There were no deposits due as at March 31, 2022.

**14) Statutory Auditors**

At the Annual General Meeting held on August 04, 2021, M/s. R Subramanian and Company LLP, Chartered Accountant (FRN.: 004137S/S200041), were appointed as the Statutory Auditors of the Company to hold office till the conclusion of the 83 AGM of the Company to be held in the year 2026.

Pursuant to the Notification issued by Ministry of Corporate Affairs on 7<sup>th</sup> May, 2018, amending section 139 of the Companies Act 2013, the mandatory requirement for ratification of the appointment of Auditor by the members at every AGM has been omitted.



The report of the Statutory Auditors on the Company's financial statement is part of the Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditor in the Report.

#### 15) **Cost Audit**

Though there is no requirement of compliance of maintenance of the cost records within the ambit of Provisions of Section 148(1) of the Companies Act 2013 read with Rule 3 of the Companies (Cost Records and Audit) Rules 2014, your Company has been maintaining requisite cost records covering its production activities.

#### 16) **Investments Made By the Company**

The Company has adequate measures to review the significant impact by way of any increase/decrease of the fair value of the investments and accordingly being dealt with in the financial statements of the Company. During the reporting period, there was no significant variance in the fair value of its Investments.

#### 17) **Extract of the Annual Return**

The extract of the annual return in Form No. MGT – 9 forms part of the Board's report is given as *Annexure: 1* herewith in compliance with Rule 12(1) of the Companies (Management and Administration) Rules, 2014

#### 18) **Compliance on Secretarial Standards**

The Company complies with all applicable mandatory secretarial standards issued by the Institute of Company Secretaries of India.

#### 19) **Disclosure of particulars regarding conservation of energy, technology absorption, and foreign exchange earnings and outgo**

The disclosure of particulars relating to conservation of energy and technology absorption and foreign exchange earnings and outgo as required by Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is given in Annexure – 2.

#### 20) **Corporate Responsibility Statement (CSR)**

Your Directors state that the provisions of Section 135 of the Companies Act, 2013 regarding the Corporate Social Responsibility are not applicable to the Company.

#### 21) **Changes in the Directorate**

Consequent on your company becoming the subsidiary of Salzer Electronics Ltd., the under mentioned changes have taken place:

##### a) **Board of Directors**

As at March 31, 2022 the Board had 6 Directors with, four Non - Executive and Non Independent Directors – Mr. R Doraiswamy, Mr. D Rajesh Kumar, Mrs. A Manimegalai,

and Mr. Jitendra Kantilal Vakharia and Two Independent Directors - Mr. N Rangachary and Mr. Balasubramanian Jayaraman

Mr. Dileep Gupte Keshavrao, an Independent Director passed away on May 19, 2021. On the recommendations of its Nomination & Remuneration Committee, the Board of Directors has given its approval for re-appointment of Mrs. A Manimegalai as a Non - Executive and Non Independent Director for a period of 5 years and for the appointment of Mr. Priya Bhansali as a Non-Executive & Independent Director for a period of 3 years your consent to both the proposals is being sought at this meeting. The board has recommended these proposals to you.

**b) Committees of the Board**

The Company has the following committees to discharge the functions as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and those committees have been re-constituted consequent to the changes in the composition of the Board.

	<b>Committee Name</b>	<b>Composition</b>
A]	Audit Committee	Mr. Balasubramanian Jayaraman – Chairman; Mr. N Rangachary, Mr. Dileep Gupte** Mr. D Rajesh Kumar
B]	Nomination & Remuneration Committee	Mr. Balasubramanian Jayaraman – Chairman; Mr. N Rangachary Mr. Dileep Gupte** Mr. R Doraiswamy
C]	Share Transfer- Cum- Stakeholder Grievance Committee	Mr. N Rangachary– Chairman; Mr. Dileep Gupte** Mr. Jitendra Vakharia Mr. R Doraiswamy

\*\*Died on May 19, 2021

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

**c) KMP**

Mr. Harshal Patil has resigned from the position of Company Secretary w.e.f. 27<sup>th</sup> January, 2022 and Mr. Mohit Premchand Dubey has been appointed as a Company Secretary of the Company w.e.f. 27<sup>th</sup> January, 2022.

**22) Number of Meetings of the Board and its Committee**

- a) There were Four Board Meetings held during the Period from April 01, 2021 to March 31, 2022 and details of the meetings are as under
- 1) 12/05/2021    2) 04/08/2021    3) 27/10/2021    4) 27/01/2022
- b) There were four Audit Committees Meetings held during the Period from April 01, 2021 to March 31, 2022 and details of the meetings are as under
- 1) 12/05/2021    2) 04/08/2021    3) 27/10/2021    4) 27/01/2022
- c) The Nomination and Remuneration Committee met twice in the year on
- 1) 12/05/2021    2) 27/01/2022
- d) There was one Meeting of the Stakeholder Relationship Committee held during the Period from April 01, 2021 to March 31, 2022 on 08/03/2022

**23) Board Evaluation**

The Board of Directors has carried out an annual evaluation of its own performance, Board committees and individual Directors pursuant to Sec.149 of the Companies Act 2013 read along with SEBI circular dt.17.04.2014 and the performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of the criteria such as the Board composition and structure, effectiveness of Board processes, information and functioning, etc.

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

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

**24) Disclosure under section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal), Act, 2013**

The Company’s policy on prevention of sexual harassment of women provides for the protection of women employees at the workplace and for prevention and redressal of such complaints.

An Internal Complaints Committee (ICC) has been set up to redress the complaints received regarding the Sexual Harassment. All the employees (Permanent, Contractual and Temporary Trainees) are covered under the policy. There were no complaints pending for the redressal at the beginning of the year and no complaints received during the Financial Year.



**25) Listing Regulations**

Your Company has duly complied with various Regulations as prescribed under SEBI (Listing obligations and Disclosures) Regulations 2015 to the extent of its applications.

**26) Listing**

The Shares of the Company are listed on the Bombay Stock Exchange (BSE) at Mumbai. The Company has paid the Listing fees for the year 2021-22 to the Bombay Stock Exchange (BSE).

**27) Depository Services**

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

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

**28) Vigil Mechanism**

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

**29) Directors Responsibility Statement**

In terms of Section 134(5) of the Companies Act, 2013, your Directors make the following statements:

- ◆ that in the preparation of the annual financial statements for the year ended March 31, 2022, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ◆ that such accounting policies have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 and of the profit and loss of the company for that period;
- ◆ that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- ◆ that the annual financial statements have been prepared on a going concern basis;



The Management and the Board believe the possible impact of events arising from COVID 19 pandemic in the preparation of the financial statements including the ability of the Company to continue as going concern. Moreover, the impact assessment of COVID 19 is a continuing process given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes that might affect the economic in the future.

- ◆ That proper internal financial controls are being followed by the company.
- ◆ that systems to ensure compliance with the provisions of all applicable laws are in place and are adequate and operating effectively.

### **30) Particulars of Contracts or Arrangements made with Related Parties**

The Contracts or Arrangements with related parties are done at on arm's length and in the ordinary course of business. There are detailed in note 29 to Accounts of the Financial Statements for the year ended 31st March, 2022. Refer annexure 3 in Form AoC-2 showing the details of the Related Party Transactions during the year in pursuance of Clause (h) of Sub Section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

### **31) Particulars of Loans given, Investments made, Guarantees given and Securities provided under section 186 of the companies act, 2013**

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

### **32) Particulars of Employees and Related Disclosures**

The particulars of employees required to be furnished pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed herewith as Annexure 4 to this Report.

During the year under review, none of the employees of the Company was in receipt of remuneration aggregating Rs. 1,20,00,000/- or more per annum, if employed throughout the year, or Rs. 8,50,000/- or more per month, in case employed for part of the year. Hence, there are no particulars to be annexed to this report as required under sub-rules 2 and 3 of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### **33) Secretarial Audit Report**

The Board appointed Mr. Aashit Doshi, Practicing Company Secretary, to conduct Secretarial Audit for the Financial Year 2021-22. The Secretarial Audit Report for the Financial Year ended March 31, 2022 is annexed herewith marked as annexure 5 to this Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Secretarial Auditors in his Report.

### **34) Transfer of Unclaimed Dividend to Investor Education and Protection Fund**

Pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules"), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF, established by the Government



of India, after the completion of seven years. Further, according to the IEPF Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of the IEPF Authority. During the year, the Company has transferred the unclaimed and unpaid dividends of Rs. 48,190/-. Further, 89 corresponding shares on which dividends were unclaimed for seven consecutive years were transferred as per the requirements of the IEPF Rules. Year-wise amounts of unpaid / unclaimed dividends lying in the unpaid account up to the year, and the corresponding shares, which are liable to be transferred are provided in the Shareholder Information section of corporate governance report and are also available on our website, at [www.kayceeindustries.com](http://www.kayceeindustries.com).

### 35) Management's Discussion and Analysis Report

In terms of the provisions of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management's discussion and analysis is set out in this Annual Report as *Annexure :6*

### 36) Industrial Relations

During the year under review, industrial relations at the Company's unit continued to remain cordial and peaceful.

### 37) Cautionary Statement

Statements in the Annual Report, particularly those which relate to Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations, may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Although the expectations are based on reasonable assumptions, the actual results might differ.

### 38) Human Resources

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

### 39) Acknowledgement

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

Date : May 12, 2022

For and on behalf of the Board

**Jitendra Vakharia**  
Director  
(DIN: 00047777)

**Rajeshkumar**  
Director  
(DIN: 00003126)

## FORM NO. MGT 9

## EXTRACT OF ANNUAL RETURN

As on Financial Year ended on 31/03/2022

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

## I. REGISTRATION &amp; OTHER DETAILS :

I.	REGISTRATION & OTHER DETAILS	
1.	CIN	L70102MH1942PLC006482
2.	Registration Date	15.12.1942
3.	Name of the Company	Kaycee Industries Limited
4.	Category/Sub-category of the Company	Company Limited by Shares / Non-Government Company
5.	Address of the Registered Office & contact details	Old Kamani Chambers, 32-Ramjibhai Kamani Marg, Ballard Estate, Mumbai - 400 001. Maharashtra, India. Tel.No. : +91-22-22613521 Email : sales@kayceeindustries.com Website : www.kayceeindustries.com
6.	Whether listed Company	Yes
7.	Name, Address & Contact details of the Registrar & Transfer Agent, if any.	Datamatics Financial Services Limited Registrar and share transfer agent Add.: Plot No. A-16 & 17, Part 'B' Cross Lane, MIDC, Andheri (E), Mumbai 400 093. Maharashtra, India. Tel.: +91-22-66712188

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

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

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

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1	Salzer Electronics Ltd	L03210TZ1985PLC001535	Holding	74.91	2 (46)

**IV. SHAREHOLDING PATTERN (Equity Share Capital Break-Up as Percentage of Total Equity)  
Category-wise share Holding**

**A) Category-wise Holding**

Category code	Category of shareholder	Number of Shares held at the beginning of the year				Number of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(I)	(II)									
<b>(A)</b>	<b>Promoters</b>									
<b>1</b>	<b>Indian</b>									
(a)	Individuals/HUF	2	0	2	0.00	0	0	0	0.00	0.00
(b)	Central Government	0	0	0	0.00	0	0	0	0.00	0.00
(c)	State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Bodies Corporate	47546	0	47546	74.91	47546	0	47546	74.91	0.00
(e)	Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub Total (A)(1)</b>	<b>47548</b>	<b>0</b>	<b>47548</b>	<b>74.91</b>	<b>47546</b>	<b>0</b>	<b>47546</b>	<b>74.91</b>	<b>0.00</b>
<b>2</b>	<b>Foreign</b>									
(a)	NRIs – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Other – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
	<b>Total Shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2)</b>	<b>47548</b>	<b>0</b>	<b>47548</b>	<b>74.91</b>	<b>47546</b>	<b>0</b>	<b>47546</b>	<b>74.91</b>	<b>0.00</b>

Category code	Category of shareholder	Number of Shares held at the beginning of the year				Number of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>(B)</b>	<b>Public shareholding</b>									
<b>1</b>	<b>Institutions</b>									
(a)	Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Banks / FI	8	59	59	0.09	0	59	59	0.09	0.00
(c)	Central Government	545	0	545	0.85	439	0	439	0.69	(0.16)
(d)	State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(g)	FIs	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(j)	Alternate Investment Funds	0	0	0	0.00	0	0	0	0.00	0.00
(k)	Other	1939	0	1939	3.05	2028	0	2028	3.19	0.14
	<b>Sub Total (B)(1)</b>	<b>2484</b>	<b>59</b>	<b>2543</b>	<b>4.000</b>	<b>2467</b>	<b>59</b>	<b>2526</b>	<b>3.97</b>	<b>(0.02)</b>
<b>2</b>	<b>Non-institutions</b>									
(a)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(a)(i)	Indian	1302	9	1311	2.06	1337	9	1346	2.12	0.05
(a)(ii)	Overseas	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(b)(i)	Individuals - shareholders holding nominal share capital up to Rs 2 Lakh	9499	2361	11860	18.68	9559	2249	11808	18.60	(0.08)
(b)(ii)	Individual shareholders holding nominal share capital in excess of Rs. 2 Lakh	0	0	0	0	0	0	0.00	0.00	0.00
(c)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
d-i	NRI Rep.	12	0	12	0.02	30	00	30	0.04	0.02
d-ii	NRI Non –Rept.	196	0	196	0.30	214	0	214	0.33	0.02
d-iii	Foreign Bodies	0	0	0	0.00	0	0	0	0.00	0.00
d-iv	Foreign National	0	0	0	0.00	0	0	0	0.00	0.00
d-v	Clearing Members	0	0	0	0	0	0	0	0.00	0.00

Category code	Category of shareholder	Number of Shares held at the beginning of the year				Number of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(I)	(II)									
d-vi	Investor Education & Protection Fund Authority	0	0	0	0	0	0	0	0.00	0.00
	<b>Sub Total (B)(2)</b>	<b>11009</b>	<b>2370</b>	<b>13379</b>	<b>21.07</b>	<b>11140</b>	<b>2258</b>	<b>13398</b>	<b>21.10</b>	<b>0.02</b>
	<b>Total Public Shareholding (B)= (B)(1) + (B)(2)</b>	<b>13493</b>	<b>2429</b>	<b>15922</b>	<b>25.08</b>	<b>13607</b>	<b>2317</b>	<b>15924</b>	<b>25.09</b>	<b>0.00</b>
	<b>Total (A+B)</b>	<b>61041</b>	<b>2429</b>	<b>63470</b>	<b>100.00</b>	<b>61153</b>	<b>2317</b>	<b>63470</b>	<b>100.00</b>	<b>0.00</b>
(C)	Custodians for GDRs and ADRs	0	0	0	0.00	0	0	0	0.00	0.00
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>61041</b>	<b>2429</b>	<b>63470</b>	<b>100.00</b>	<b>61153</b>	<b>2317</b>	<b>63470</b>	<b>100.00</b>	<b>0.00</b>

**B) SHAREHOLDING OF PROMOTER**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year [As on 1st April 2021]			Shareholding at the end of the year [As on 31st March 2022]			% Change during the year
		No. of Shares	% of total shares	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged/encumbered to total shares	
1	SALZER ELECTRONICS LTD	47,546	74.91	0.00	47,546	74.91	0.00	0.00

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

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	<b>Salzer Electronics Ltd</b>				
	At the beginning of the year	47546	74.91	47546	74.91
	<i>Changes during the year</i>	-	-	-	-
	At the end of the year			47546	74.91
2	<b>R Doraiswamy</b>				
	At the beginning of the year	2	00	0	00
	<i>Changes during the year</i>	(2)	-	-	-
	At the end of the year			0	00



**D) Shareholding Pattern of top ten Shareholders:**

(Other than Directors, promoters and Holders of GDRs and ADRs):

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>Investor Education and Protection Fund Authority Ministry of Corporate Affairs</b>				
	<b>At the beginning of the year</b>	<b>1939</b>	<b>3.05</b>	<b>1939</b>	<b>3.05</b>
	<i>Changes during the year</i>				
	Transfer                      10-DEC-2021	89	0.14	2028	3.19
	<b>At the end of the year</b>			2028	3.19
2	<b>Singhi Advisors &amp; Financial Services LLP</b>				
	<b>At the beginning of the year</b>	1169	1.84	1169	1.84
	<i>Changes during the year</i>	-	-	-	-
	<b>At the end of the year</b>			1169	1.84
3	<b>Custodian Of Enemy Property For India</b>				
	<b>At the beginning of the year</b>	545	0.85	545	0.85
	<i>Changes during the year</i>				
	Transfer                      09-APR-2021	(24)	(0.03)	521	0.82
	Transfer                      25-JUN-2021	(10)	(0.01)	511	0.80
	Transfer                      30-JUN-2021	(22)	(0.03)	489	0.77
	Transfer                      09-JUL-2021	(10)	(0.01)	479	0.75
	Transfer                      16-JUL-2021	(3)	(0.00)	476	0.75
	Transfer                      24-SEP-2021	(29)	(0.04)	447	0.70
	Transfer                      22-OCT-2021	(8)	(0.01)	439	0.69
	<b>At the end of the year</b>			439	0.69
4	<b>Aruna P Chokshi</b>				
	<b>At the beginning of the year</b>	401	0.63	401	0.63
	<i>Changes during the year</i>	-	-	-	-
	<b>At the end of the year</b>			401	0.63
5	<b>Aslam Qadar Khan</b>				
	<b>At the beginning of the year</b>	330	0.52	330	0.52
	<i>Changes during the year</i>	-	-	-	-
	<b>At the end of the year</b>			330	0.52

Sr. No.	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year		Cumulative shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
6	<b>Mr Sanjiv Kumar Batta</b>					
	<b>At the beginning of the year</b>		171	0.26	171	0.26
	<i>Changes during the year</i>		-	-	-	-
	<b>At the end of the year</b>				171	0.26
7	<b>Minakshi Bajaj</b>					
	<b>At the beginning of the year</b>		150	0.23	150	0.23
	<i>Changes during the year</i>		-	-	-	-
	<b>At the end of the year</b>				150	0.23
8	<b>Pansy Dinshaw Mehta</b>					
	<b>At the beginning of the year</b>		141	0.22	141	0.22
	<i>Changes during the year</i>		-	-	-	-
	<b>At the end of the year</b>				141	0.22
9	<b>Renu Gupta</b>					
	<b>At the beginning of the year</b>		128	0.20	128	0.20
	<i>Changes during the year</i>		-	-	-	-
	<b>At the end of the year</b>				128	0.20
10	<b>Bhadreshkumar Balkrishna Panchal</b>					
	<b>At the beginning of the year</b>		126	0.19	126	0.19
	<i>Changes during the year</i>		(1)	(0.02)	125	0.19
	<b>At the end of the year</b>				125	0.19
10	<b>Dolly Garg</b>					
	<b>At the beginning of the year</b>		129	0.20	129	0.20
	<i>Changes during the year</i>		-	-	-	-
	Transfer	09-APR-2021	(29)	(0.04)	100	0.15
	Transfer	16-APR-2021	(49)	(0.07)	51	0.08

Sr. No.	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year		Cumulative shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Transfer	23-APR-2021	(51)	(0.08)	0	0.00
	Transfer	30-JUN-2021	22	0.03	22	0.03
	Transfer	02-JUL-2021	(22)	(0.03)	0	0.00
	Transfer	24-DEC-2021	10	0.01	10	0.01
	Transfer	31-DEC-2021	5	0.00	15	0.02
	Transfer	07-JAN-2022	7	0.01	22	0.03
	Transfer	11-FEB-2022	2	0.00	24	0.03
	Transfer	18-FEB-2022	5	0.00	29	0.04
	Transfer	25-FEB-2022	2	0.00	31	0.04
	Transfer	04-MAR-2022	2	0.00	33	0.05
	Transfer	11-MAR-2022	21	0.03	54	0.08
	Transfer	18-MAR-2022	(13)	0.02	41	0.06
	Transfer	31-MAR-2022	2	0.00	43	0.06
	<b>At the end of the year</b>				43	0.06
10	<b>Shubham Sanjay Damani</b>					
	<b>At the beginning of the year</b>		211	0.33	211	0.33
	<i>Changes during the year</i>		(156)	0.24	55	0.08
	<b>At the end of the year</b>				55	0.08

## E) Shareholding of Directors and Key Managerial Personnel

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<b>Shareholding of Directors</b>					
1	<b>Mr. R. Doraiswamy</b>				
	<b>At the beginning of the year</b>	2	0.00	0	0.00
	<i>Changes during the year</i>	(2)			
	<b>At the end of the year</b>	-	-	0	0.00
2	Mr. N Rangachary	-	-	-	-
3	Mr. J Balasubramanian	-	-	-	-
4	Mr. Dileep Gupte (Died on 19.05.2021)	-	-	-	-
5	Mr. Jitendra Vakharia	-	-	-	-
6	Mr. Rajeshkumar	-	-	-	-
7	Mrs. Manimegalai	-	-	-	-
<b>Shareholding of Key Managerial Personnel</b>					
1	Mr. Raman K – (COO)	-	-	-	-
2	Mr. Deepak Potdar - (CFO)	-	-	-	-
3	Mr. Harshal Patil - (CS) (Resigned w.e.f. 27.01.2021)	-	-	-	-
4	Mr. Mohit Dubey - (CS) (Appointment w.e.f. 27.01.2021)	-	-	-	-

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the Financial Year</b>				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total (i+ii+iii)</b>	NIL	NIL	NIL	NIL
Change in Indebtedness during the Financial Year				
* Addition	NIL	NIL	NIL	NIL
* Reduction	NIL	NIL	NIL	NIL
<b>Net Change</b>	NIL	NIL	NIL	NIL
<b>Indebtedness at the end of the Financial Year</b>				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total (i+ii+iii)</b>	NIL	NIL	NIL	NIL

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		CHANDRA PRAKASH JAIN (whole time director)			
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisite u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit Others Specify	-	-	-	-
5	Others, please specify - Professional Fees	1,60,714/-	-	-	1,60,714/-
	<b>Total (A)</b>	1,60,714/-	-	-	1,60,714/-
	Ceiling as per the Act	Rs. 84,00,000/-			

**B. Remuneration to other Directors (Non Executive Directors)**

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amt. (inRs.)
		N Rangachary	J Balasubramanian	Dileep Gupte		
1	Independent Directors					
	Fee for attending board & committee meetings	1,85,000/-	1,80,000/-	-	-	3,65,000/-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	1,85,000/-	1,80,000/-		-	3,65,000/-
2	Other Non-Executive Directors	D Rajeshkumar	R Doraiswamy	Manimegalai	Jitendra K. Vakharia	-
	Fee for attending board & committee meetings	85,000/-	40,000/-	40,000/-	27,500/-	1,92,500/-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	85,000/-	40,000/-	40,000/-	-	1,92,500/-
	Total (B) = (1 + 2)	2,70,000/-	2,20,000/-	40,000/-	27,500/-	5,57,500/-
	Total Managerial Remuneration	5,57,500/-				
	Overall Ceiling as per the Act	84,00,000/-				

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		COO*	CS**	CFO	Total
1	Gross Salary	-	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-Tax act, 1961	15,80,150/-	5,59,686/-	9,55,040/-	30,94,876/-
	(b) Value of perquisite u/s 17(2) Income-Tax at, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-Tax Act, 1961	-	-	-	-
2	Commission - as % of profit Others, specify	-	-	-	-
3	Others, please specify	-	-	-	-
4	Stock Option	-	-	-	-
5	Sweat Equity	-	-	-	-
	Total	15,80,150/-	5,59,686/-	9,55,040/-	30,94,876/-

\*COO (Chief Operating Officer)

\*\*CS. Harshal Patil – Resigned (27.01.2021)

CS. Mohit Premchand Dubey - Appointed(27.01.2021)

## VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

TYPE	SECTION OF THE COMPANIES ACT	BRIEF DESCRIPTION	DETAILS OF PENALTY/ PUNISHMENT/ COMPOUNDING FEES IMPOSED	AUTHORITY (RD/NCLT/ COURT)	APPEAL MADE, IF ANY (GIVE DETAILS)
<b>A. COMPANY</b>					
Penalty	<b>None</b>				
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty	<b>None</b>				
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	<b>None</b>				
Punishment					
Compounding					

For and on behalf of the Board

**Jitendra Vakharia**  
Director  
(DIN : 00047777)

**Rajesh Kumar**  
Director  
(DIN : 00003126)

Date: May 12, 2022





## ANNEXURE 2

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

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

**CONSERVATION OF ENERGY**

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

<b>POWER AND FUEL CONSUMPTION</b>	<b>CURRENT YEAR 31.03.2022</b>	<b>PREVIOUS YEAR 31.03.2021</b>
<b>Ambernath</b>		
Unit (KWH)	48,250	47,763
Total Amount (Rs.)	4,77,846	4,76,390
Rate/KWH (Average) Rs.	9.90	9.97

**TECHNOLOGY ABSORPTION**

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

**FOREIGN EXCHANGE EARNINGS AND OUTGO**

Foreign Exchange Earning: Rs. 31,36,030/-

Foreign Exchange Outgo: Rs.14,18,196 /-

For and on behalf of the Board

**Jitendra Vakharia**  
Director  
(DIN : 00047777)

**Rajesh Kumar**  
Director  
(DIN : 00003126)

Date: May 12, 2022

## ANNEXURE 3

## Form No. AOC-2

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

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

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

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

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

Particulars	Enterprises which are owned, or have significant influence of or are partner with Key Management Personnel and their relatives
	Salzer Electronics Limited
Purchase & Service Expenses	8,55,48,782/-
Interest Paid	-
Reimbursement of Expenses Received	-
Service Charges	-
Sales	3,48,387/-
Commission	-
Remuneration	-
Rent Received	-
Unsecured Loans Repaid	-
Fixed Assets Purchased	33,53,300/-
Amount Paid as Advances, if any	-
Date of Approval by the Board, if any	12/05/2021

For and on behalf of the Board

**Jitendra Vakharia**  
Director  
(DIN : 00047777)

**Rajesh Kumar**  
Director  
(DIN : 00003126)

Date: May 12, 2022

## ANNEXURE 4

## PARTICULARS OF EMPLOYEES

Information required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016

- i. The Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2021-22; and
- ii. The percentage increase in remuneration of each Director, Managing Director & Chief Executive Officer, Chief Financial Officer and Company Secretary of the Company in the financial year 2021-22.

Name & Designation	Remuneration of each Director & KMP for the FY 2021-22 (Rs.)	Increase / Decrease in Remuneration in the FY 2021-22	Ratio of Remuneration of each Directors to median remuneration of employees
<b>A. Directors</b>			
Mr. Chandra Prakash Jain	1,60,714/-	NIL	1:4
<b>B. Key Managerial Personnel</b>			
Mr. Raman K – COO	15,80,150/-	9,25,100/-	1:37
Mr. Deepak Potdar-CFO	9,55,040/-	1,71,187/-	1:23
Mr. Harshal Patil-CS*	4,42,773/-	NIL	1:10
Mr. Mohit Dubey-CS**	1,16,913/-	NIL	1:3

COO – Chief Operating Officer,

CFO – Chief Financial Officer,

CS - Company Secretary.

\*Mr. Harshal Patil – Resigned w.e.f. 27/01/2022

\*\*Mr. Mohit Dubey – Appointed w.e.f. 27/01/2022

Note:

Median remuneration of all the employees of the Company for the financial year 2021-22 is Rs. 42,430/- p.a.

- iii. The percentage increase/(decrease) in the median remuneration of employees in the financial year 2021-22

Particulars	Financial Year 2021-22(Rs.)	Financial Year 2020-21 (Rs.)	Increase/Decrease (%)
Median remuneration of all employees	42,430/- p.a.	63,256/- p.a.	(32.92%)

Note: The calculation of % increase / (decrease) in the median remuneration has been done based on comparable employees.



iv. **The number of permanent employees on the rolls of Company:**

There were 65 permanent employees on the rolls of Company as on March 31, 2022.

v. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.**

NIL

vi. **Affirmation that the remuneration is as per the Remuneration Policy of the Company**

Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, KMPs, Senior Management and other employees of the Company is as per the Remuneration Policy of the Company.

For and on behalf of the Board

**Jitendra Vakharia**  
Director  
(DIN : 00047777)

**Rajesh Kumar**  
Director  
(DIN : 00003126)

Date: May 12, 2022



## SECRETARIAL AUDIT REPORT

Form No. MR-3

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2022

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

To  
The Members  
**Kaycee Industries Limited**  
Old Kamani Chambers  
32-Ramjibhai Kamani Marg,  
Ballard Estate, Mumbai - 400001

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup>March, 2022 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31<sup>st</sup>March, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;



- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; and
- (c) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

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

- (i) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; and
- (ii) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

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

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

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

I further report that:

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

Adequate notice is generally given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance and a system exists for seeking and



obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

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

**For Aashit Doshi & Associates  
Practicing Company Secretaries**

**Aashit Doshi**

Proprietor

FCS : 9321 CP : 10190

UDIN : F009321D000312811

Date : 12/05/2022

Place : Mumbai

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





To  
The Members  
**Kaycee Industries Limited**  
Old Kamani Chambers  
32-Ramjibhai Kamani Marg,  
Ballard Estate, Mumbai - 400001

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

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of Financial Records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. I have not carried out the physical verification of any records due to prevailing conditions of COVID-19 in the country. I have relied on the records as made available by the Company through digital mode as well as I have also relied on the Management representation made by the Company

For **Aashit Doshi & Associates**  
**Practicing Company Secretaries**

**Aashit Doshi**  
**Proprietor**  
**FCS: 9321 CP: 10190**

UDIN: F009321D000312811

Date: 12/05/2022  
Place: Mumbai

**MANAGEMENT DISCUSSION AND ANALYSIS**

The Kaycee Industries Limited is a pioneer in the field of engineering offering high quality products and services to its clients in India. The Company started manufacturing operation in the year 1942 and developed a steady market for its products. The Company now manufactures high-end electrical equipment, indigenously designed through extensive research and development in the vital fields, offering them across the country to its clients. The products are:

- Lugs
- Rotary Switch
- Limit Switches
- Toggle Switches
- Cam Switches
- Rotary Toggle Switches
- Monitoring Device
- Timer
- Universal Counter
- Temperature Indicator/Controller
- Auxilary Switches
- Digi count
- Digital Time Totalizer

By adopting continuous R & D efforts, it has been possible to update the existing products and processes, improve customer satisfaction, improve quality and performance of the products, making more cost effective products and upgrading products to the latest relevant standards, right balance of In-house manufacturing and outsourced manufacturing, increasing strategic flexibility, cost management and asset- lightness.

The Company increased its investment in process automation, helping to optimize costs, strengthen efficiency and enhance transparency. Product efficiency: The Company's products act to enhance its customer price-value proposition.

Kaycee Industries Limited's products are specially designed and developed using the indigenous state of the art technology and have high reliability and long life. Continual improvements are being done based on current technology and customer feedback. Its design and development centre is well equipped with relevant updated software, qualified engineers all geared to the latest national



and international standards. The company is associated with its holding company into the area of making new products relevant to the present market.

The Company has taken several vital steps to remain competitive and to ensure survival by reducing cost by streamlining the overall operations process. Despite severe competition and reduced demand, optimism about the mid and long term growth prospects remain and will continue to remain in the coming years which optimizing is based on its current performances.

### **OPPORTUNITIES AND THREATS**

Recent government measures aimed at structural reforms in the Indian economy are in the right direction that move towards an area of economic development and growth. Considering the 80 years presence and experience in the Company in electrical sector, a huge business potential is anticipated. The Company has a strong, well established distribution network. The Company has a wide range of products in electrical categories with on-going efforts to add new product variants. The Company is deepening penetration into market for its products and continuing focus on products expansion targeting a very good and substantial business in the future. One of the measures through to be helpful in this area is expansion of distribution network this is being implemented. Barring unforeseen circumstances, the Company expects to increase its volume of business in the current year.

### **OUTLOOK**

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

The philosophies of Atmanirbhar Bharat and Make in India initiative will certainly help our company to be in demand

### **RISK MANAGEMENT**

Risk management is an integral function of the overall management and is embedded across all of the business processes undertaken by the Company. Your Company believes it is essential to identify and manage risks to reduce uncertainties and to ensure continuity of operations. To manage risks, the Company's Management team continuously assesses and monitors business practices, current developments, etc. ensuring a smooth flow of operations adhering to stringent guidelines. The Company has a risk management framework in place, with processes to strategize, monitor, identify, assess and mitigate risks that could impact sustainability of business operations. All fixed assets are covered by the insurance policy and its renewals are made in time.

We are committed to providing the highest degree of protection and safety to all our employees, especially at the factories. Regular machinery inspections are important to ensure that the functionality of the machinery is up to date and does not impose any potential hazards that could cause accidents at the workplace. Periodic maintenance checks to equipment are conducted to assure that they meet acceptable safety requirements.



The Company also actively manages and controls risks arising from credit, raw material price fluctuation, besides the financial risks which include liquidity management and close monitoring of interest costs.

### **Internal Control Systems.**

The Company and its Management have adequate internal control systems in place to safeguard and shield the Company from losses and in ensuring proper utilization of its assets. This also ensures that the Company's assets and interests are carefully protected, and all the transactions are appropriately authorized, recorded and presented to the top management. The Company always adheres to prescribed guidelines and follows all Accounting Standards prescribed for maintenance of books of accounts and reporting of financial statements. The appointed independent internal auditors monitor and report on the effectiveness of the internal control systems of the various areas of operations, there is a free exchange between the auditors and the audit committee that ensure responsible and transparent operations. The Internal Control systems ensure the business functions efficiently and the applicable laws, rules, regulations, policies of the Company are followed, in addition to ensuring the reliability of financial reporting.

### **FINANCIAL PERFORMANCE AND OPERATIONAL EFFICIENCY**

- The Company achieved a turnover of Rs.29.41 Crores for the period under reviewed that resulted in an enhancement of its sales by Rs.6.69 crores as compared to FY 20-21. In spite of business having been significantly affected in the first quarter of the period due to covid – 19 the Company posted a growth of 30% in its sales volume on a full year basis and its profits doubled. One-third of the revenue generated was through Trading of goods sourced from Salzer
- The average raw material consumption has increased during 3rd and 4th Quarter due to surge in the cost of raw materials like ABS powder, Silver, Bronze and other components.
- Borrowings was Nil as of 31st of March 2022

### **Human Resources Development**

The Company maintains a cordial relationship with its employees at all levels. Human resources are considered the most important and a valuable asset of the Company. Continuous commitment to upgrading skills is an integral part of the human resource development Policy of the Company. The focus has always been towards creating a rewarding and nurturing environment for employees. The Company is an equal opportunity employer and promotes diversity in its workforce. Equal opportunities are given to optimize their potential and improve their standard of living.

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

Various internal as well as external development programs were organized in the year to develop and motivate the employees. Relations with the employees remained cordial throughout the year.



Jobs at all levels in the Company are designed, organized and managed effectively by interaction between the management and employees. The Company had a total manpower of 65 as on March 31, 2022.

**Cautionary Statement.**

The Financial Statements that are attached to this report are in conformity with the accounting principles generally accepted in India. Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimation and expectations may somewhat be 'forward looking' within the meaning of applicable law and regulations. Management has based these forward- looking statements on its current expectations and projections about future events. Such statements involve known and unknown risks, significant changes in political and economic environment in India or key markets abroad, tax laws, litigation, labour relations, exchange rate fluctuations, interest and other costs and may cause actual results to differ materially.

For and on behalf of the Board

Date: May 12, 2022

**Jitendra Vakharia**  
Director  
(DIN : 00047777)

**Rajesh Kumar**  
Director  
(DIN : 00003126)



## CORPORATE GOVERNANCE REPORT

Corporate Governance is not merely the compliance to a set of regulatory laws and regulations but is a set of good and transparent practices that enable an organization to perform efficiently and ethically to generate long term wealth and create value for all its stakeholders. It goes beyond building and strengthening the trust and integrity of the Company by ensuring conformity with the globally accepted best governance practices. The Securities and Exchange Board of India (SEBI) observes keen vigilance over governance and fulfillment of these regulations in letter and spirit, which entails a certainty towards sustainable development of the Company, enhancing stakeholders' value eventually.

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Corporate Governance is a set of systems and practices to ensure that the affairs of the company are being managed in a way which ensures accountability, transparency and fairness in all its transactions in the widest sense and meet its stakeholders' aspirations and societal expectations. Your Company has committed itself to bring about good corporate governance practices. It strongly believes in attaining transparency, accountability and equity in all its operations and in its interaction with stakeholders including shareholders, employees, the government and the lenders. The Company keeps itself abreast of the best governance practices on the global front, at the same time conforming to the recent amendments.

The Company firmly believes that corporate governance and compliance practices are of paramount importance in order to maintain the trust and confidence of the stakeholders and clients in the Company and the unquestioned integrity of all personnel involved or related to the Company. Corporate Governance contains a set of principles, process and systems to be followed by directors, Management and all Employees of the Company for increasing the shareholders' value, keeping in view the interest of other stakeholders. While adhering to the above, the Company is committed to integrity, transparency, accountability and compliance with laws in all its dealings with shareholders, employees, the Government, customers, suppliers and other stakeholders.

### 2. BOARD OF DIRECTORS:

The Board of Directors ("the Board") facilitates the effective fulfillment of the Board's tasks and provides leadership and guidance to the Company's management and helps in supervising the performance of the Company and helps achieving in its goals. The Board plays a crucial role enhancing and protecting the reputation of the organization and is expected to exercise its duties in the best interests of shareholders and to maximize wealth.

The Board comprises of members distinguished in various fields such as management, finance, law and marketing. This provides reliability to the Company's functioning and the Board ensures a critical examination of the strategies and operational planning mechanisms adopted by the management across the globe. None of the Directors on the Board is a member in more than ten Committees and Chairman of more than five Committees across all Companies in which they are Directors as per Regulation 26(1) of the SEBI (LODR) regulations, 2015.

The Company has an optimum combination of Directors on its Board and is in conformity with Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as on March 31, 2022. The Board comprises of 6 (Six) Directors out of which 2 (Two) are Non-Executive Independent Directors and 4 (Four) are Non-Executive non- Independent Directors.

Agenda papers of the Board's and its Committee meetings are circulated to the Directors well in advance of the meetings, supported with significant information as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for an effective and well-informed decision making during the meetings.

The composition of the Board of Directors and also the number of other Companies of which he/ she is a Director and Member/ Chairman as on March 31, 2022, are as under :

Name of the Directors	Category of Directorship	Directorship in other Companies (Including Private Companies)	Committee Membership(s) of other Companies		No. of Shares held
			Member	Chairman	
Mr.N Rangachary	Independent Director	6	4	1	-
Mr. J Balasubramanian	Independent Director	2	-	-	-
Mr. Dileep Gupte*	Independent Director	-	-	-	-
Mr. Jitendra Vakharia	Non-executive and Non-Independent Director	6	-	-	-
Mr. R. Doraiswamy	Non-executive and Non-Independent Director	8	-	-	-
Mr. Rajeshkumar	Non-executive and Non- Independent Director	9	-	-	-
Mrs. Manimegalai	Non-executive and Non- Independent Director	4	-	-	-
Mr. Chandra Prakash Jain**	Whole time Director	1	-	-	-

\* Died on 19.05.2021

\*\*Resigned w.e.f. 12.05.2021

The particulars of Directors, who are proposed to be re-appointed at the ensuing AGM, are given in the Notice convening the AGM.

Further, there are no inter-se relationships between the Board Members except Mr. R. Doraiswamy and Mr. Rajeshkumar are related father and son respectively.

#### **BOARD PROCEDURE:**

The Board meets at least once every quarter to review the quarterly performance and the financial results. The Board's role, functions, responsibility and accountability are clearly defined. All major



decisions involving policy formulations, business plans, annual operating budgets, compliance with statutory requirements, major accounting provisions and write-offs are considered by the Board. All the Directors have made necessary disclosures about the directorships and committee positions they occupy in other companies.

### ATTENDANCE OF EACH DIRECTOR AT THE BOARD MEETINGS AND THE LAST ANNUAL GENERAL MEETING:

During the year 4 (Four) Board Meetings were held during the financial year ended March 31, 2022, the dates of which are 12/05/2021, 04/08/2021, 27/10/2021 and 27/01/2022

The attendance of each Director at Board Meetings and at the last Annual General Meeting is as under:

Name of the Directors	No. of Board meetings attended	Attendance of last AGM held on 04/08/2021.
Mr. N Rangachary	4	Present
Mr. J Balasubramanian	4	Present
Mr. Dileep Gupte*	0	NA
Mr. Jitendra Vakharia	4	Present
Mr. R. Doraiswamy	3	Present
Mr. Rajeshkumar	4	Present
Mrs. Manimegalai	4	Present
Mr. Chandra Prakash Jain**	1	NA

\* Died w.e.f. 19.05.2021

\*\*Resigned w.e.f. 12.05.2021

### 3. AUDIT COMMITTEE:

#### BROAD TERMS OF REFERENCE:

The terms of reference of the Audit Committee are in order to cover the matters specified under revised Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013. This Committee has powers and roles comprising of Financial Reporting and disclosure, recommendation of appointment/ removal of Auditors, reviewing of company's results, evaluation of Independent Directors performances and all such other terms of reference as enumerated on the company's website at [www.kayceeindustries.com](http://www.kayceeindustries.com).

#### COMPOSITION:

The Audit Committee comprises of Three Directors, out of three, 2 are non-executive and Independent Directors, 1 is non-executive and non-Independent Director. All these Directors possess knowledge by corporate finance, accounts and company law.

The constitution of the Audit Committee as on 31<sup>st</sup> March 2022 is as follows :

S.N	Name of Directors	Executive/Non-Executive Independent
1.	Mr. J Balasubramanian	Non-Executive Independent
2.	Mr.N Rangachary	Non-Executive Independent
3.	Mr. Rajeshkumar	Non-Executive Non Independent

## MEETINGS AND ATTENDANCE

During the financial year ended March 31, 2022, Four Audit Committee Meetings were held on 12/05/2021, 04/08/2021, 27/10/2021 and 27/01/2022.

The attendance at the Audit Committee Meetings is as under:

S.N	Name of Director	Executive/ Non-Executive Independent	No. of meetings attended
1.	Mr.J Balasubramanian	Chairman, Non-Executive Independent	4
2.	Mr. N Rangachary	Member, Non-Executive Independent	4
3.	Mr. Rajeshkumar	Member, Non-Executive	4
4.	Mr. Dileep Gupte*	Member, Non-Executive Independent	0
5.	Mr. Chandra Prakash Jain**	Member, Executive	1
6.	Mr. Jitendra Vakharia***	Member, Non-Executive Non-Independent	1

\*Died on 19.05.2021

\*\*Resigned w.e.f. 12.05.2021

\*\*\*Change in the designation w.e.f. 01.07.2021

The Chairman of the Committee was present at the Annual General Meeting of the Company held on 04/08/2021 to attend to the shareholders' queries.

### 1. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The terms of reference are in line with Section 178 of the Companies Act, 2013 and Regulation 20 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee reviews Shareholder's/ Investor's complaints like non-receipt of Annual Report, physical transfer/ transmission/transposition, split/ consolidation of share certificates, issue of duplicate share certificates etc. This Committee is also empowered to consider and resolve the grievance of other stakeholders of the Company including security holders.

No complaints had been received during the year and there was no pending complaint as on March 31, 2022.

**COMPOSITION:**

The constitution of the Committee of Directors as on 31<sup>st</sup> March 2022 is as under:

S.N.	Name of Director	Executive/Non-Executive Independent
1.	Mr. N Rangachary	Chairman, Non-Executive Independent
2.	Mr. Rajeshkumar	Member, Non-Executive Non Independent
3.	Mr. Jitendra Vakharia	Member, Non-Executive Non Independent

**5. NOMINATION AND REMUNERATION COMMITTEE:**

The Committee's constitution and terms of reference are in compliance with provisions of section 178 of the Companies Act, 2013, Regulation 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

This Committee has powers to recommend / approve remuneration, Identification of Persons who are qualified to become director, Recommend to the board their appointment and removal, approve remuneration of Non-Executive Directors and all such and terms of reference as enumerated on the company's website at [www.kayceeindustries.com](http://www.kayceeindustries.com).

The constitution of the Committee of Directors as on 31<sup>st</sup> March 2022 is as under:

S.N.	Name of Director	Executive/Non-Executive Independent
1.	Mr.J Balasubramanian	Chairman, Non-Executive Independent
2.	Mr. N Rangachary	Member, Non-Executive Independent
3.	Mr. R Doraiswamy	Member, Non-Executive Non Independent

**Remuneration Policy for Key Managerial Personnel and other Employees of the Company:**

The Company's Remuneration Policy for Key Managerial Personnel and other employees is driven by the success and the performance of the Company and the individual & industry benchmarks and is decided by the Nomination and Remuneration Committee. Through its compensation programme, the Company endeavors to attract, retain, develop and motivate a high performance workforce. The Company follows a mix of fixed/ variable pay, benefits and performance related pay.

**Role of the Nomination and Remuneration Committee:**

The Committee performs the functions enumerated in Section 178 of the Act and Regulation 19(4) read with Part D of Schedule II of the Listing Regulations as follows:

- (1) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- (2) formulation of criteria for evaluation of performance of independent directors and the Board of Directors;

- (3) devising a policy on diversity of Board of Directors;
- (4) identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;
- (5) whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.

The details of Remuneration paid to the Executive Directors & KMP for the Financial Year 2021-22

S.N	Names of Executive Directors/ KMP	Executive/Non-Executive Independent	Amt. (in Rs.)
1.	Mr. Raman K	Chief Operating Officer	15,80,150/-
2.	Mr. Deepak Ramesh Potdar	Chief Financial Officer	9,55,040/-
3.	Mr. Mohit Premchand Dubey*	Company Secretary	1,16,913/-
4.	Mr. Harshal Patil**	Company Secretary	4,42,773/-

\*Mr. Mohit Dubey - Appointed w.e.f. January 27, 2022.

\*\*Mr. Harshal Patil - Resigned w.e.f. January 27, 2022

Further, there is no pecuniary relationship or transactions of the non-executive directors vis-à-vis the Company except Mr. Jitendra Vakharia - Non Executive Non Independent Director is being paid Rs. 9,00,000/- for Professional Fees. An Executive Director is not entitled for payment of any severance fees.

## MEETINGS AND ATTENDANCE

During the financial year ended March 31, 2022, 2 (Two) Committee Meeting were held to consider and approve the appointment of Company Secretary and to consider and approve the remuneration package of the Director of the Company.

The attendance at the Remuneration Committee Meeting is as under :

S.N	Name of Director	Executive/ Non-Executive Independent	No. of meeting attended
1.	Mr.J Balasubramanian	Chairman, Non-Executive Independent	1
2.	Mr. N Rangachary	Member, Non-Executive Independent	2
3.	Mr. Dileep Gupte*	Member, Non-Executive Independent	0
4.	Mr. R Doraiswamy	Member, Non-Executive Non Independent	1
5.	Mr. Jitendra Vakharia**	Member, Non-Executive Non Independent	1

\* Died on 19.05.2021

\*\*Change in the designation w.e.f. 01.07.2021

## 6. GENERAL BODY MEETINGS / POSTAL BALLOT:

Details of the last three years Annual General Meeting are as under:

Financial Year	Date	Location of the Meeting	Time	Special Resolution(s) Passed
2018-2019	27/09/2019	Babubhai Chinai Committee Room, 2nd Floor, IMC Building, IMC Marg, Churchgate, Mumbai- 400020	11.30 A.M.	3
2019-2020	07/08/2020	Video Conferencing / Other Audio Visual Means (VC)	11.30 A.M.	1
2020-2021	04/08/2021	Video Conferencing / Other Audio Visual Means (VC)	12.00 noon	3

## 7. TRAINING FOR BOARD MEMBERS

Regulation 25(7) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, every listed company is required to conduct familiarization programmed enabling the Independent Directors of the Company to understand the Company's business in depth that would facilitate their active participation in managing the Company.

The Company has adopted a system to familiarize its Independent Directors with the Company, to make them aware of their roles, rights & responsibilities in the Company and nature of the industry in which the Company operates business model of the Company, etc. The Company has also put in place a system to familiarize its Independent Directors with the Company, their roles, rights & responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. Presentation was made for the newly appointed Independent Directors to make them aware of their roles & duties and Code for Independent Directors, Code of Conduct for Non-Executive Directors and Code of Conduct for Prevention of Insider Trading as issued by the Company are also shared with them at the time of their appointment/ re-appointment. Further, presentations are also made from time to time at the Board and its Committee meetings, on quarterly basis, covering the business & financial performance of the Company & its subsidiaries, quarterly/ annual financial results, revenue and capital budget, review of Internal Audit findings etc.

The details of such familiarization programmed are disclosed on the Company's website [www.kayceeindustries.com](http://www.kayceeindustries.com)

## 8. PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the



Directors individually as well as the evaluation of the working of its Audit Committee, Nomination & Remuneration

Committee and Stakeholders Relationship Committee. The performance of individual Directors was evaluated on parameters such as attendance and participation in the Meetings, preparedness for the meetings, understanding of the Company & the external environment in which it operates, contribution to strategic direction, raising of valid concerns to the Board, constructive contribution to issues, active participation at meetings and engaging with & challenging the management team without confronting or obstructing the proceeding of the Board and its Committee meetings of which the Director is a member. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Non Independent Directors was carried out by the Independent Directors at their meeting. The Directors expressed their satisfaction with the evaluation process.

## **9. DISCLOSURES:**

### **i. Related Party Transactions:**

There were no transactions of material nature between the Company and its Directors or Senior Management and their relatives or Promoters that may have potential conflict with interest of the Company. The Register of Contracts containing transactions, in which Directors are interested, have been placed before the Board regularly.

The transactions with related parties as per Indian Accounting Standard (IND AS-24) are set out in Notes to accounts under Note no.29 forming part of financial statements. All transactions entered into with Related Parties as defined under Section 188 of the Companies Act, 2013 and Regulation 23 read with Part A of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year were in the ordinary course of business and on an arm's length pricing basis. The approval of Shareholders were taken in the last AGM for related party transactions. Suitable disclosures as required by the relevant Indian Accounting Standards (IND AS18) have been made in the Notes to the Financial Statements. The Board has approved a policy for related party transactions which has been uploaded on the Company's website [www.kayceeindustries.com](http://www.kayceeindustries.com)

### **ii. Disclosures from Senior Management**

Disclosures from Senior Management are obtained on quarterly basis to the effect that they have not entered into any material, financial and commercial transactions, where they have personal interest that may have potential conflict with the interest of the Company at large.

### **iii. Compliances by the Company**

The Company has complied with the requirements of the Regulatory Authorities on matters related to the capital market and no penalties/ strictures have been imposed against the

Company by the Stock Exchange or SEBI or any other Regulatory Authority on any matter related to capital market during the last three years.

iv. Whistle Blower Policy/ Vigil Mechanism

The Company has adopted a Whistle Blower Policy to provide a vigil mechanism to directors, employees, agents, consultants, vendors and business partners to disclose instances of wrong doing in the workplace. The object of this Whistle Blower Policy is to encourage individuals to disclose and protect such individuals in the event of a disclosure. The Company is keen on demonstrating the right values and ethical, moral and legal business practices in every field of activity within the scope of its work. The objective of this policy is to provide a vigil mechanism and framework to promote responsible whistle blowing and ensure effective remedial action and also protect the interest of the whistle blower as guided by legal principles. This policy is intended to:

1. Encourage and enable directors, employees, agents, consultants, vendors and business partners to raise issues or concerns, which are either unacceptable or patently against the stated objectives, law or ethics, within the Company.
2. Ensure that directors, employees, agents, consultants, vendors and business partners can raise issues or concerns without fear of victimization, subsequent discrimination or disadvantage thereof.
3. Reassure the whistle blower(s) that they will be protected from possible reprisals or victimization if they have made disclosure/s in good faith.
4. Ensure that where any wrong doing by the Company or any of its directors, employees, agents, consultants, vendors or business partners is identified and reported to the Company under this policy, it will be dealt with expeditiously and thoroughly investigated and remedied. The Company will further examine the means of ensuring how such wrong doing can be prevented in future and will take corrective action accordingly.

The policy also provides adequate safeguards against victimization of persons who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases. No person has been denied access to the Audit Committee. All complaints received under the said policy, if any, are reviewed by the Audit Committee at its meeting held every quarter. In staying true to our values of Strength, Performance and Passion and in line with Company's vision of being one of the most respected companies in India; the Company is committed to the high standards of Corporate Governance and stakeholder responsibility.

v. Code of Conduct for Directors and Senior Management

The Board has laid down Codes of Conduct for Executive Directors & Senior Management and for Non-Executive/ Independent Directors of the Company. The Codes of Conduct have been circulated to the Board and Senior Management and the compliance of the





same has been affirmed by them. A declaration signed by the Director in this regard is given at the end of this Report. The Code of Conduct is available on website of the Company at the link [www.kayceeindustries.com](http://www.kayceeindustries.com).

vi. Code of Conduct for Prohibition of Insider Trading

The Company has framed Kaycee Industries Limited's Code of Conduct for Prohibition of Insider Trading' pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, which is applicable to its Directors, Officers, and Designated Employees. The Code includes provisions relating to disclosures, opening and closure of Trading Window and Pre-Clearance of trades procedure. In compliance with SEBI Regulations the Company sends intimations to Stock Exchanges from time to time.

vii. Subsidiary Companies

The Company does not have any subsidiary company as on March 31, 2022.

The Policy of Material Subsidiaries is available on website of the Company at the link [www.kayceeindustries.com](http://www.kayceeindustries.com).

viii. Risk Management & Internal Control

The Company has implemented a comprehensive 'Enterprise Risk Management' framework in order to anticipate, identify, measure, mitigate, monitor and report the risks to meet the strategic business objectives, details of which are given in the Risk Management section under 'Management Discussion and Analysis Report' which forms part of this Annual Report. The Company has a competent team which prepares and executes a vigorous Audit Plan covering various functions such as operations, finance, human resources, administration, legal and business development etc. across different geographies. The team presents their key audit findings of every quarter to the Audit Committee. The management updates the members about the remedial actions taken or proposed for the same. The suggestions and comments from the Committee members are vigilantly incorporated and executed by the Company.

ix. Sexual Harassment Policy

The Company has an anti-sexual harassment policy to promote a protective work environment. The complaints received by the Sexual Harassment Committee with details of action taken thereon are reviewed by the Audit Committee at its meeting held every quarter. The Company has a zero tolerance policy towards such complaints and the same is conveyed to the employees at the time of induction.

x. Management Discussion and Analysis Report

The Management Discussion and Analysis Report is attached to board report as annexure 6.



## xi. Independent Directors

The Independent Directors of the Company have the option and freedom to meet and interact with the Company's Management as and when they deem it necessary. They are provided with necessary resources and support to enable them to analyze the information/data provided by the Management and help them to perform their role effectively.

## xii. Share Reconciliation Audit

As stipulated by SEBI, a Qualified Practicing Company Secretary carries out Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchange. The Audit confirms that the total Listed and Paid-up capital is in agreement with the aggregate of the total number of shares in dematerialized form and in physical form.

**10. MEANS OF COMMUNICATION:**

The Quarterly Reports of the Company are published in accordance with the Requirements of the SEBI (LODR) Regulations 2015 of the BSE Ltd.

**Newspapers in which results are normally published:**

1. Financial Express (English)
2. Navshakti (Marathi)

**11. GENERAL SHAREHOLDERS' INFORMATION:****1. Annual General Meeting Scheduled to be Held:**

<b>Day &amp; Date</b>	:	Saturday August 6, 2022
<b>Time</b>	:	11.00 A.M.
<b>Venue/Mode</b>	:	Video Conferencing / Other Audio Visual Means (VC)

**2. Record Date for Dividend** : July 29, 2022**3. Financial Calendar:**

The next financial calendar year of the Company will be from April 1, 2022 to March 31, 2023

<b>Audited/ Unaudited</b>	<b>Particulars of Financial Reporting</b>	<b>Date</b>
Unaudited	Financial Reporting for the quarter ending June 30, 2022.	Up to Aug. 14, 2022
Unaudited	Financial Reporting for the quarter ending September 30, 2022.	Up to Nov. 14, 2022
Unaudited	Financial Reporting for the quarter ending December 31, 2022.	Up to Feb. 14, 2023
Audited	Financial Reporting for the Audited Financial Result as on March 31, 2023.	Up to May 30, 2023

**4. Listing on Stock Exchanges:**

The Equity Shares of the Company are listed on BSE Limited.

**5. Stock Codes:**

- BSE Limited : **504084**

**6. Stock Price Data:**

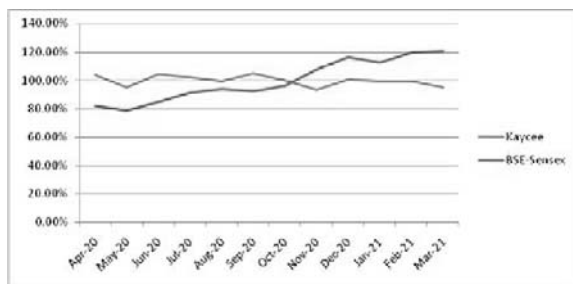
The monthly high and low quotations and volume of shares traded on **BSE Limited** is as follows:

MONTH	BSE, MUMBAI		
	High (Rs.)	Low (Rs.)	No. of shares Traded
April, 2021	3,289.05	2,700.00	230
May, 2021	3,244.00	2,750.05	143
June, 2021	4,835.50	2,989.20	577
July, 2021	4,521.00	4,000.05	216
August, 2021	4,350.00	3,561.30	126
September, 2021	4,399.95	3,651.00	147
October, 2021	4,199.00	3,701.00	156
November, 2021	4,149.00	3,720.00	291
December, 2021	4,138.00	3,515.00	212
January, 2022	4,299.50	3,700.00	213
February, 2022	4,169.80	3,700.00	90
March, 2022	3,994.00	3,223.10	135

Note : Source: BSE Website

**7. Performance in comparison**

The company Fully Paid Share Price versus BSE Sensex



**8. Address for Correspondence :**

Registered Office	Old Kamani Chambers, 32, Ramajibhai Kamani Marg, Ballard Estate, Mumbai - 400 001.
Share Transfer in physical form and in other communication in that regards including share certificates, dividends and change of address etc. may be addressed.	<b>Datamatics Financial Services Limited</b> Registrar & Share Transfer Agent Add.: Plot No.A-16 & 17 part 'B' Cross Lane, MIDC Andheri (E), Mumbai-400 093, Maharashtra, India. Tel: 022- 66712188



## 9. Share Transfer System:

All requests for dematerialization of shares are processed by the Company and Datamatics Financial Services Limited within 21 days.

The Company's share transfer / transmission works, both physical and electronic form, are being done by M/s. Datamatics Financial Services Limited (R&T Agents), Mumbai. As per SEBI regulations, except in case of transmission or transposition of securities, requests for effecting transfer of securities in physical mode was not processed.

In view of the above, the members holding shares in physical form are requested to consider converting their holdings to dematerialize and to avail various benefits of dematerialization and to eliminate all risks associated with physical shares and for ease of portfolio management.

Application for transmission / transposition of share held in physical form are received at the office of the Registrar / Share Transfer Agent of the Company and if the documents are found to be in order, the transmission / transposition work is completed and the share certificate are returned within the stipulated time as per the Regulations. To consider transmission / transposition of shares, the committee meets at least once in 15 days. The Shares held in the demat form are electronically traded in the depositories and the Registrar and Transfer Agents of the Company periodically receive from the depositories the beneficiary holdings, to enable them to update their records.

## 10. Dematerialization of shares:

As on March 31, 2022, 61153 Equity Shares are held in dematerialized form with NSDL and CDSL out of total Equity Shares of 63470 aggregating to 96.34%.

## 11. Distribution of shareholding as on March 31, 2022:

No. of shares held	No. of Folios	No. of shares held	% of shareholding
1 to 50	1308	8197	12.92
51 to 100	22	1606	2.53
101 to 200	15	1754	2.76
201 to 300	0	0	0.00
301 to 400	1	330	0.52
401 to 500	2	840	1.32
501 to 1000	0	0	0.00
1001 to 5000	2	3197	5.04
5001 and above	1	47546	74.91
<b>TOTAL</b>	<b>1351</b>	<b>63470</b>	<b>100.00</b>

## 12. Shareholding Pattern as on March 31, 2022 :

Particulars of Category	Number of Shareholders	Shares	
		Number	% to total Capital
<b>(A) Promoter and Promoter Group Holding</b>			
Individual / Hindu Undivided Family	-	-	-
Bodies Corporate	1	47546	74.91
<b>Total (A)</b>	<b>1</b>	<b>47548</b>	<b>74.91</b>
<b>(B) Non – Promoter Holding</b>			
<b>Institutions</b>			
Alternate Investment Funds	-	-	-
Financial Institutional Investors (FIIs)/Banks	2	59	0.09
Trusts	-	-	-
<b>Central Government</b>	<b>1</b>	<b>439</b>	<b>0.69</b>
<b>Non-Institutions</b>			
Bodies Corporate	14	1335	2.10
Indian Public	1289	11808	18.60
NRIs	11	244	0.38
Clearing Members	2	11	0.01
Hindu Undivided Family	-	-	-
Investor Education And Protection Fund Authority	1	2028	3.19
<b>Total (B)</b>	<b>1320</b>	<b>15924</b>	<b>25.09</b>
<b>Grand Total (A) + (B)</b>	<b>1321</b>	<b>63470</b>	<b>100</b>

**Note:** The total foreign shareholding for the year ended March 31, 2022 is 244 shares which in percentage terms is 0.38 % of the issued and subscribed capital.

No Equity Shares under Lock-in for the period ended as on March 31, 2022.

Shareholding pattern in case of dematerialization shares has been prepared based on download of data received from NSDL / CDSL as on March 31, 2022.

**CERTIFICATION FROM THE CFO:**

In terms of Regulation 17(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered with the BSE, I hereby certify as under:

- a. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2022 and that to the best of our knowledge and belief:
  - 1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - 2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

There have been no

- i. Significant changes in internal control over financial reporting during the year;
- ii. Significant changes in accounting policies during the year;
- iii. Instances of fraud of which we have become aware and the involvement therein, of the management or an employee having significant role in the Company's internal control system over financial reporting.

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

**Place: Mumbai**  
**Date: May 12, 2022**

**Deepak R. Potdar**  
**Chief Financial Officer**

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**DECLARATION BY THE DIRECTOR ON 'CODE OF CONDUCT'**

I hereby confirm that:

The Company has obtained from all the members of the Board and senior management, affirmation that they have complied with the Code of Conduct as applicable to them.

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

**Place: Mumbai**  
**Date: May 12, 2022**

**Jitendra Vakharia**  
[DIN:00047777]  
**Director**



### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To  
The Members  
**Kaycee Industries Limited**  
Old Kamani Chambers,  
32, Ramajibhai Kamani Marg,  
Ballard Estate, Mumbai 400001.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **KAYCEE INDUSTRIES LIMITED** having CIN: L70102MH1942PLC006482 and having registered office at Old Kamani Chambers, 32, Ramajibhai Kamani Marg, Ballard Estate, Mumbai 400001 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications [including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)] as considered necessary and explanations furnished to me by the Company, Directors & its Officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, RBI or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment
1	Nambi Iyengar Rangachary	00054437	27/09/2019
2	Jitendra Kantilal Vakharia	00047777	29/07/2019
3	Balasubramanian Jayaraman	01525552	27/09/2019
4	Rajeshkumar Doraiswamy	00003126	29/07/2019
5	Doraiswamy Rangaswamy	00003131	27/09/2019
6	Manimegalai Arumugam	02536666	21/01/2020

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification through digital mode. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Aashit Doshi & Associates**  
Practicing Company Secretary

UDIN: F009321D000312844  
Date: 12.05.2022  
Place: Mumbai

**Aashit Doshi**  
Proprietor  
FCS: 9321 CP: 10190

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KAYCEE INDUSTRIES LIMITED**

**To The Members  
Kaycee Industries Limited**

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

We have audited the accompanying financial statements of **KAYCEE INDUSTRIES LIMITED** (the "Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Management's Responsibilities for the IND AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India including the IND AS specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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



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

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

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

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



Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid IND AS financial statements comply with the Ind AS specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent applicable.
  - e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in



“Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.

- g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us.
- (i) The Company has disclosed the impact of pending litigations as at March 31, 2022 on its financial position in its standalone financial statements.
  - (ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
  - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - (iv) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (v) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
  - (vi) Based on such audit procedures, we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause .(i) and (ii) of Rule 11(e) as provided under (iv) and (v) above, contain any material mis-statements.
  - (vii) The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.



2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

3. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

**For R Subramanian and Company LLP  
Chartered Accountants  
Firm Registration No. 004137S/S200041**

**Place :** Mumbai

**Date :** 12 May 2022

**Kartik Subramanian  
Partner  
Membership No: 209698  
UDIN No. : 2209698AIVAHE9028**

**ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

**(Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Kaycee Industries Limited of even date)]**

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **Kaycee Industries Limited** (the “Company”) as of March 31, 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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

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

**Auditor’s Responsibility**

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

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

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



### **Meaning of Internal Financial Controls over Financial Reporting**

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

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

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

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

**For R Subramanian and Company LLP  
Chartered Accountants  
Firm Registration No. 004137S/S200041**

**Place :** Mumbai  
**Date :** 12 May 2022

**Kartik Subramanian  
Partner  
Membership No:209698  
UDIN No. : 2209698AIVAHE9028**

**ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Kaycee Industries Limited of even date)**

- i.
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment. The Company has maintained proper records showing full particulars of intangible assets.
  - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, plant and equipment by which all Property, plant and equipment are verified in a phased manner over a period of two years. In accordance with this programme, certain Property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us and based on the examination of the records produced to us, the company did not own any freehold properties as at the Balance Sheet date. In respect of immovable properties in the form of leasehold building, which has been taken on lease and disclosed as right-of use assets in the financial statements, the lease agreements are in the name of the company, where the company is the lessee in the agreement.
  - (d) The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
  - (e) No proceedings have been initiated or are pending against the company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii.
- a. The inventory of Finished Good, Raw Material and Work in Progress has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.
  - b. The company has not been sanctioned working capital limits from any bank in excess of Rs. 5 crores. Accordingly, reporting under clause 3(ii) (b) of the Order is not applicable to the Company.



- iii. During the year, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, reporting under clause 3(iii) of the Order is not applicable to the Company.
- iv. According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 and the Company has not provided any guarantee or security as specified under Section 186 of the Companies Act, 2013. Further, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in relation to the investments made.
- v. The Company has not accepted any deposits from the public or amounts which are deemed to be deposits within the meaning of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under. Therefore, reporting under clause 3(v) of the Order is not applicable.
- vi. In our opinion and according to the information and explanations given to us, the requirements for maintenance of cost records by the Company pursuant to Companies (Cost Records and Audit) Rules, 2014 specified by the Central Government under Section 148 of the Act is not applicable to the Company for the year under audit.
- vii. The Company does not have liability in respect of Sales tax, Service tax, Duty of excise and Value added tax during the year since effective 1 July 2017, these statutory dues have been subsumed into GST.
- a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-tax, Duty of Customs, Cess and other material statutory dues have generally been regularly deposited with the appropriate authorities. except few delays in the payment of PF, ESI, Tax Deducted at source and Goods and Service Tax.
- According to the information and explanations given to us, no undisputed amounts payable in respect of GST, Provident fund, Employees' State Insurance, Income-tax, Duty of Customs, Cess and other material statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, there are no dues of GST, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Value added tax, Cess or other statutory dues which have not been deposited by the Company on account of disputes, except for the following :



Nature of the Statute	Nature of the dues	Amount (Rs. In lakhs)	Period	Forum where dispute is pending	Current status
Central Sales Tax	Assessment dues	3.9	2013-14	Deputy commissioner of Sales Tax, Mazgaon	Appeal has been filed. Part payment of Rs. 1.4 lakhs has been made.

- viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.
- ix. According to the information and explanations given to us :-
- The company has not been declared as a wilful defaulter for loans taken borrowings from financial institutions or banks or any other lender.
  - The loans were applied for the purpose for which they were obtained.
  - According to the information and explanations given to us by the management, the Company has not obtained any term loans. Accordingly, clause 3(ix)(c) of the Order is not applicable.
  - The short term loans raised by the company have not been utilised for long term purposes.
  - The Company does not have any subsidiaries, associates or Joint Ventures and therefore raising of funds to meet obligations of its subsidiaries, associates or Joint Ventures, is not applicable to the Company.
  - The Company does not have any subsidiaries, associates or Joint Ventures and therefore raising of loans on pledge of securities held in its subsidiaries, associates or Joint Ventures, is not applicable to the Company.
- x. According to the information and explanations given to us :-
- The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and hence reporting under clause 3 (x) (a) of the Order is not applicable to the Company.
  - The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence reporting under clause 3 (x) (b) of the Order is not applicable to the Company.
- xi. To the best of our knowledge and according to the information and explanations given to us :-
- no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.



- b. No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
  - c. No whistle blower complaints have been received during the year, by the company.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable Indian accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. As per the information and explanations given to us :-
- a. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
  - b. The company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
  - c. The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
  - d. According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- xvii. The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- xviii. With reference to the resignation of the earlier statutory auditors during the year, there has been no issues, objections or concerns raised by the outgoing auditor.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our



knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report, about the capability of the company in meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

xx.

- a. The company is not required to comply with second proviso to sub-section (5) of section 135 of the Companies Act with respect to the transfer of unspent amount to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year.
- b. The company is not required to comply with the provisions of subsection (6) of Section 135 of the Companies Act with respect to the transfer of any amount remaining unspent under sub-section (5) of section 135 of the Companies Act, pursuant to any ongoing project, to a special account.

xxi. Consolidated financial statements are not applicable to the company and therefore qualifications or adverse remarks in the Companies (Auditor's Report) Order (CARO) reports of the respective companies to be included in the consolidated financial statements, are not applicable.

**For R Subramanian and Company LLP  
Chartered Accountants  
Firm Registration No. 004137S/S200041**

**Place : Mumbai  
Date : 12 May 2022**

**Kartik Subramanian  
Partner  
Membership No:209698  
UDIN No. : 2209698AIVAHE9028**

**BALANCE SHEET AS ON 31<sup>ST</sup> MARCH 2022**

Particulars	Note No.	31st March 2022 Rupees in Lakhs	31st March 2021 Rupees in Lakhs
<b>ASSETS</b>			
<b>1 Non- Current Assets</b>			
(a) Property, Plant and Equipment	2A	117.28	102.03
(b) Right-of-use assets	2A	162.82	170.47
(c) Intangible Assets	2B	0.42	3.66
(d) Financial Assets		-	
(i) Investments	3	0.10	0.10
(ii) Others	4	1.70	1.70
(e) Deferred Tax Asset (Net)	5	-	9.04
(f) Other Non-current Assets	6	18.84	29.84
		<b>301.17</b>	<b>316.85</b>
<b>2 Current Assets</b>			
(a) Inventories	7	328.04	361.41
(b) Financial Assets			
i) Investments		-	-
ii) Trade Receivables	8	1,112.93	1,024.33
iii) Cash and Cash Equivalents	9	61.36	36.52
iv) Other Bank Balances	9	308.77	306.85
(c) Current Tax Assets (Net)		3.07	-
(d) Other Current Assets	10	30.93	23.26
		<b>1,845.11</b>	<b>1,752.37</b>
<b>TOTAL ASSETS</b>		<b>2,146.28</b>	<b>2,069.21</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	11	63.47	63.47
(b) Other Equity	12	1,593.87	1,421.37
		<b>1,657.34</b>	<b>1,484.84</b>
<b>LIABILITIES</b>			
<b>1 Non-Current Liabilities</b>			
(a) Financial Liabilities			
i) Borrowings	13	-	-
ii) Other Financial Liabilities		-	-
(b) Provisions	14	14.56	16.32
(c) Deferred Tax Liabilities (Net)	5	1.34	-
(d) Other Non-current Liabilities	15	24.54	24.09
		<b>40.44</b>	<b>40.41</b>
<b>2 Current Liabilities</b>			
(a) Financial Liabilities			
i) Borrowings	16	-	-
ii) Trade Payable			
<i>Due of Small enterprises and micro enterprises</i>	17	81.48	71.79
<i>Due of Creditors other than small enterprises and micro enterprises</i>	17	290.62	389.61
iii) Other Financial Liabilities	18	4.24	4.20
(b) Other Current Liabilities	19	58.52	48.06
(c) Provisions for Employee Benefit Obligations	20	13.64	21.61
(d) Current Tax Liabilities (Net)		-	8.68
		<b>448.50</b>	<b>543.96</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,146.28</b>	<b>2,069.21</b>
		-	-

Notes Forming Part of the Accounts  
In terms of our report of even date attached

**For R. SUBRAMANIAN AND COMPANY LLP**  
Firm Registration No.: 004137S/S200041  
**Chartered Accountants**

**Kartik Subramanian (Membership No. 209698)**  
Partner

MUMBAI,  
Date: 12th May 2022

**Deepak Potdar**  
CFO

1 to 53

**For and on behalf of the Board**

**D Rajesh Kumar**  
Director  
(DIN : 00003126)  
Coimbatore

**Mohit Dubey**  
CS

**Jitendra Vakharia**  
Director  
(DIN : 00047777)  
Mumbai

**Raman Krishnamoorthy**  
Manager cum COO

STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022

Particulars	Note No.	Yearly	
		31st March 2022 Rupees in Lakhs	31st March 2021 Rupees in Lakhs
1 Revenue from operations	21	2,940.87	2,271.62
2 Other Income	22	44.01	34.95
<b>3 Total Income</b>		<b>2,984.88</b>	<b>2,306.57</b>
<b>4 Expenses</b>			
Cost of materials consumed	23	1,119.60	1,278.38
Cost of Traded Goods	24	616.43	48.05
Changes in inventories of finished goods, work-in-progress	25	51.46	7.04
Employee Benefit Expenses	26	419.64	377.64
Finance cost	27	7.10	7.06
Depreciation and Amortisation Expenses	2	32.89	40.57
Other Expenses	28	487.65	438.03
<b>Total Expenses</b>		<b>2,734.76</b>	<b>2,196.77</b>
<b>5 Profit / (Loss) before exceptional items and tax (3 - 4)</b>		<b>250.12</b>	<b>109.80</b>
<b>6 Less : Exceptional items</b>			
a) Provision on account of Covid 19 for Inventory and Receivable)		-	(19.46)
b) Prior Period Expenses		-	4.37
<b>7 Profit / (Loss) before tax (5 - 6)</b>		<b>250.12</b>	<b>124.89</b>
<b>8 Tax Expenses</b>			
(a) Current tax		52.08	29.34
(b) Prior Period		1.05	5.96
(c) Mat Credit Entitlement		-	-
(d) Deferred Tax		10.38	4.79
<b>9 Profit / (Loss) After tax (7 - 8)</b>		<b>186.61</b>	<b>84.81</b>
<b>10 Other Comprehensive Income</b>			
A Items that will not be reclassified to Statement of Profit and Loss			
(a) (i) Remeasurement benefit of defined benefit plans		6.58	(1.11)
(ii) Income tax expense on remeasurement benefit of defined benefit Plans		(1.66)	0.28
(b) Net fair value gain/(loss) on investments in equity instruments through OCI		-	-
B Items that will be reclassified to Statement of Profit and Loss			
(i) Net fair value gain on investments in debt instruments through OCI		-	-
(ii) Income tax benefit on net fair value gain on Investments in debt instruments through OCI		-	-
<b>11 Total Comprehensive Income (9 + 10)</b>		<b>191.54</b>	<b>83.97</b>
<b>12 Earning per equity share</b> ( Basic & Diluted)		<b>294.01</b>	<b>133.62</b>

Notes Forming Part of the Accounts  
In terms of our report of even date attached  
For R. SUBRAMANIAN AND COMPANY LLP  
Firm Registration No.: 004137S/S200041  
Chartered Accountants

Kartik Subramanian (Membership No. 209698)  
Partner

MUMBAI,  
Date: 12th May 2022

Deepak Potdar  
CFO

1 to 53

For and on behalf of the Board

D Rajesh Kumar  
Director  
(DIN : 00003126)  
Coimbatore

Mohit Dubey  
CS

Jitendra Vakharia  
Director  
(DIN : 00047777)  
Mumbai

Raman Krishnamoorthy  
Manager cum COO

**CASH FLOW FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022**

Particulars	2021-2022		2020-2021	
	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh
<b>A. Cash Flow From Operating Activities</b>				
<b>Net Profit/(Loss ) Before Tax</b>		<b>250.12</b>		<b>124.89</b>
Adjusted for				
Depreciation	32.89		40.57	
Interest received	(15.26)		(16.86)	
Dividend received	(0.02)		-	
Other Comprehensive Income/(Expenses)	6.58		(1.11)	
Proceed from sale of fixed assets	(1.63)		(0.99)	
Interest Charged	7.10	29.66	7.06	28.67
<b>Operating profit before working capital changes</b>		<b>279.79</b>		<b>153.56</b>
Adjustments for:				
Trade and Other receivables	(88.61)		(72.23)	
Inventories	33.37		(16.14)	
Other Current assets	(7.92)		22.58	
Trade payable / Other Liabilities	(88.09)	(151.25)	34.73	(31.07)
<b>Cash generated from operations</b>		<b>128.54</b>		<b>122.49</b>
Direct taxes Paid		(55.29)		(9.79)
Net cash flow before extra ordinary items		73.25		112.71
Prior Period		-		-
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>		<b>73.25</b>		<b>112.71</b>
<b>B. Cash flow from investing activities</b>				
Inflow				
Interest received		15.26		16.86
Dividend received		0.02		-
Proceeds from sale of fixed assets		1.84		0.99
Increase/(Decrease) in Other Bank Balances		(1.92)		(27.34)
Purchase of fixed assets		(37.46)		(18.64)
<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>		<b>(22.26)</b>		<b>(28.14)</b>
<b>C. Cash flow from financing activities</b>				
Inflow				
Increase/(Decrease) in bank borrowing -NET		-		(35.01)
Outflow				
Dividend Paid		(19.04)		(19.04)
Interest paid		(7.10)		(7.06)
<b>NET CASH USED IN FINANCING ACTIVITIES (C)</b>		<b>(26.14)</b>		<b>(61.11)</b>
<b>NET CHANGES IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>		<b>24.84</b>		<b>23.46</b>
CASH & CASH EQUIVALENTS-OPENING BALANCE		36.52		13.06
CASH & CASH EQUIVALENTS-CLOSING BALANCE		61.36		36.52

Note : The Above Statement of Cash flow has been prepared under the 'Indirect Method' as set out in IND AS 7, Statement of Cash Flow Notes Forming Part of the Accounts 1 to 53

For **R. SUBRAMANIAN AND COMPANY LLP**

Firm Registration No.: 004137S/S200041

**Chartered Accountants**

**Kartik Subramanian (Membership No. 209698)**

Partner

MUMBAI,

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(DIN : 00047777)  
Mumbai

**Raman Krishnamoorthy**  
Manager cum COO

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2022**
**A. EQUITY SHARE CAPITAL**

(Rs. in lakhs)

Balance as at April 1, 2021	Changes in equity share capital due to prior period error	Restated balance as at April 1, 2021	Changes in equity share capital during the year	Balance as at March 31, 2022
63.47	-	63.47	-	63.47

Balance as at April 1, 2020	Changes in equity share capital due to prior period error	Restated balance as at April 1, 2020	Changes in equity share capital during the year	Balance as at March 31, 2021
63.47	-	63.47	-	63.47

**B. OTHER EQUITY**

Particulars	Other Equity				
	Reserve and Surplus			Other Comprehensive Income	Share Premium
	Share Premium	General Reserve	Retained Earnings		
<b>As at 1 April, 2021</b>	<b>410.26</b>	<b>214.69</b>	<b>815.59</b>	<b>-19.17</b>	<b>1,421.37</b>
Total Comprehensive Income for the year	0.00	0.00	186.61	4.93	191.54
Dividend on Equity Shares	0.00	0.00	-19.04	0.00	-19.04
Tax on Dividend on Equity Shares	0.00	0.00	0.00	0.00	0.00
<b>As at 31st March, 2022</b>	<b>410.26</b>	<b>214.69</b>	<b>983.16</b>	<b>-14.24</b>	<b>1,593.87</b>

Particulars	Other Equity				
	Reserve and Surplus			Other Comprehensive Income	Share Premium
	Share Premium	General Reserve	Retained Earnings		
<b>As at 1 April, 2020</b>	<b>410.26</b>	<b>214.69</b>	<b>749.82</b>	<b>-18.34</b>	<b>1,356.44</b>
Total Comprehensive Income for the year	0.00	0.00	84.81	-0.83	83.97
Dividend on Equity Shares	0.00	0.00	-19.04	0.00	-19.04
Tax on Dividend on Equity Shares	0.00	0.00	0.00	0.00	0.00
<b>As at 31st March, 2021</b>	<b>410.26</b>	<b>214.69</b>	<b>815.59</b>	<b>-19.17</b>	<b>1,421.37</b>

General reserve &amp; Retained earnings - This reserve represents undistributed accumulated earnings of the Company as on the balance sheet date

Notes Forming Part of the Accounts

1 to 53

**For R. SUBRAMANIAN AND COMPANY LLP**

Firm Registration No.: 004137S/S200041

**Chartered Accountants**
**Kartik Subramanian (Membership No. 209698)**

Partner

MUMBAI,

Date: 12th May 2022

**Deepak Potdar**  
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**For and on behalf of the Board**
**D Rajesh Kumar**  
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**Mohit Dubey**  
CS

**Raman Krishnamoorthy**  
Manager cum COO

**Notes to Financial Statements for the year ended 31 March 2022.****Note No 1****1.1. Corporate information**

The financial statements comprise financial statements of Kaycee Industries Limited for the year ended 31<sup>st</sup> March 2022. The company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on Bombay stock exchange in India. The registered office of the company is located at 32, Old Kamani Chambers, Ramjibhai Kamani Marg, Ballard Estate, Mumbai 400001.

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

The company is a subsidiary of Salzer Electronics Limited.

**1.2. Basis of Preparation****1.2.1 Statement of Compliance**

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

**1.2.2 Basis of Preparation and presentation**

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

The financial statements are presented in INR (Lakh). The financial statements are the Company's IND AS standalone financial statements. These financial statements of the Company are prepared on a going concern basis

**1.2.3 Functional and Presentation currency**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (i.e. the "functional currency"). The financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company

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

Property, plant and equipment are stated at original cost inclusive of incidental expenses related to acquisition net of tax/duty credit availed, net of accumulated depreciation and accumulated impairment losses, if any. Such Cost includes the cost of replacing part of the plant and equipment and borrowing cost for long-term construction project if the recognition criteria are met. When significant parts of plant





and equipment are required to be replaced at intervals, the company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance cost are recognized in profit or loss account as incurred.

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

Property, plant and equipment which are added/disposed off during the year, depreciation is provided on pro-rata basis with reference to the date of addition/deletion.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in profit or loss

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

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

The estimated useful lives and residual values are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.

### 1.3.2 Intangible Assets

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

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

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

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

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

Impairment of tangible and intangible assets:

The Company assesses at each reporting date whether there is an indication that an asset/cash generating unit may be impaired. If any indication exists the Company estimates the recoverable amount of such assets and if carrying amount exceeds the recoverable amount, impairment is recognized. The recoverable amount is the higher of the net selling price and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using an appropriate discount factor. When there is indication that previously recognized impairment loss no longer exists or may have decreased such reversal of impairment loss is recognized in the profit or loss

### **Research and development costs**

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

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

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

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



### 1.3.3 Borrowing Costs

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

### 1.3.4 Inventories

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

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

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

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

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

### 1.3.5 Cash and cash equivalents

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

### 1.3.6 Foreign currency transactions

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

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

value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

### 1.3.7 Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

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

Based on the nature of activities of the Company and the average time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current

### 1.3.8 Fair value measurement

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

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

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

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

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

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

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

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

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

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

### 1.3.9 Revenue recognition

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

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

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

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services. Generally, control is transferred upon shipment of goods to the customer or when the goods is



made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

• Revenue is measured at the fair value of consideration which the Company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding trade discounts or amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognised when it becomes unconditional. Generally, the credit period varies between 0-90 days from the shipment or delivery of goods or services as the case may be. The Company provides volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold.

#### **Rendering of services:**

Revenue from sale of service is recognised as per terms of the contract with customers over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

#### **Interest Income**

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

#### **Dividends**

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

#### **Rental income**

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

#### **1.3.10 Government Grants**

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

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



### 1.3.11 Earnings per share (EPS)

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

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

### 1.3.12 Taxes

#### Current income tax

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

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

The Company has opted to pay tax under section 115BAA at reduced rate of 22% plus applicable surcharge and cess from F.Y 2021-22 and accordingly current tax provision has been made and hence MAT is not applicable to the company and accordingly MAT credit no longer eligible is shown under Prior Period Tax adjustment.

#### Deferred tax

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

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

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

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





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

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

### **1.3.13 Segment Accounting**

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

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

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

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

### **1.3.14 Leases**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### **Company as a lessee**

The Company's lease asset classes primarily comprise of lease for land and building. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in



exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether :

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets as below :-

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 'Impairment of nonfinancial assets'.

ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate

used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) **Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

“Lease liability” and “Right of Use” asset are separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

### 1.3.15 Employee Benefits

I) **Short Term Employees Benefits:**

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

II) **Post Employment Benefit:**

a) **Defined Contribution Plan**

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

b) **Defined Benefit Plan**

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

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

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

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

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

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



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

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

### **1.3.16 Provisions and contingent liabilities**

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

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements. Contingent assets are neither recognized nor disclosed in the financial statements.

### **1.3.17 Exceptional Items**

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

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

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

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

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

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



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

Or

- ★ Is a subsidiary acquired exclusively with a view to resale

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

### 1.3.19 Financial Instrument

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

#### Financial assets

##### A) Initial recognition and measurement

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

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

##### B. Subsequent Measurement

###### a) Financial Assets measured at Amortised Cost (AC)

A Financial Asset is measured at Amortised Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise to cash flows on specified dates that represent solely payments of principal and interest on the principal amount outstanding.

###### b) Financial Assets measured at Fair Value Through Other Comprehensive Income (FVTOCI)

A Financial Asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling Financial Assets and the contractual terms of the Financial Asset give rise on specified dates to cash flows that represents solely payments of principal and interest on the principal amount outstanding.

###### c) Financial Assets measured at Fair Value Through Profit or Loss (FVTPL)

A Financial Asset which is not classified in any of the above categories are measured at FVTPL. Financial assets are reclassified subsequent to their recognition, if the Company changes its business model for managing those financial assets. Changes in business model are made and applied prospectively from the reclassification date which is the first day of immediately next reporting period following the changes in business model in accordance with principles laid down under Ind AS 109 – Financial Instruments.



#### D. Other Equity Investments

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'. However, dividend on such equity investments are recognised in Statement of Profit and loss when the Company's right to receive payment is established.

##### ***Derecognition***

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

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

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

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

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

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

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b) Financial assets that are debt instruments and are measured as at FVTOCI
- c) Lease receivables under Ind AS 116
- d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115
- e) Loan commitments which are not measured as at FVTPL
- f) Financial guarantee contracts which are not measured as at FVTPL

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

- ★ Trade receivables or contract revenue receivables; and
- ★ All lease receivables resulting from transactions within the scope of Ind AS 116

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

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

	Current (0- 1 year)	1 year to 2year	2 year to 3 Year	Above 3 Years
Default Rate	NIL	25%	50%	100%

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L.

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

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

## Financial liabilities

### Classification as debt or equity

Debt and equity instruments issued by a company are classified as either financial liabilities or aequity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

### Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company entity are recognised at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

## Financial liabilities

### *Initial recognition and measurement*

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

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

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

### **Subsequent measurement**

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

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

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

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

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

#### *Loans and borrowings*

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

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

#### *Financial guarantee contracts*

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment



when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

### ***Derecognition***

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

### **Offsetting of financial instruments**

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

### **Derivative financial instruments and hedge accounting**

#### **Initial recognition and subsequent measurement**

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

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

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

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

#### **1.3.20. Business Combination under common control**

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

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





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

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

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

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

##### **Judgements**

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

##### **Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

The Company based its assumptions and estimates on parameters available when the financial statements were prepared.

Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company.

Such changes are reflected in the assumptions when they occur.

The key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are given below :-



Items requiring significant estimate	Assumption and estimation uncertainty
Useful lives of property plant and equipment and intangible assets	The company reviews the estimated useful lives of property plant and equipment and the intangible assets at the end of each reporting period
Estimation of net realizable value of inventories	Inventories are stated at the lower of cost and net realizable value. In estimating the net realizable value of inventories, the company makes an estimate of future selling prices and costs necessary to make the sale
Provision for employee benefits	The company uses actuarial assumptions to determine the obligations for employee benefits at each reporting period. These assumptions including the discount rate, expected long term rate of return on plan assets, increment rate of compensation levels and mortality rates
Provision for taxes	Significant judgements are required in determining the provision for income taxes including the amount expected to be paid / recovered for uncertain tax provisions.

The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period.

**Defined benefit plans**

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

**Fair value measurement of financial instruments**

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



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

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

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

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

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

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

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

### **Employee benefit plans**

#### *Defined contribution plans*

Contribution paid/ payable to defined contribution plans comprises provident fund for certain employees governed under the scheme are recognised in the profit or loss each year when employees have rendered services entitling them to the contributions. Under this plan, the Company makes Provident Fund

contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company has recognised Rs.17.86 lakhs (Year ended 31 March, 2021 Rs.17.76 lakhs) for Provident Fund contributions (including Pension fund / EDLI contributions) in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

#### *Defined benefit plans*

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

i. **Gratuity**

The Company's Gratuity Scheme for its employees is a defined benefit retirement plan. The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of the year. Defined benefit costs are categorised as follows: 1) service cost (including current service cost), 2) past service cost, as well as gains and losses on curtailments and settlements, 3) net interest expense or income; 4) remeasurement

The Company presents the first 3 components of defined benefit costs in profit or loss in the line item Note No 26 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

ii. **Leave encashment**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under:

Short term employee benefits :- The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under: i) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and ii) in case of non-accumulating compensated absences, when the absences occur.

Long term employee benefits :- Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the obligation at the balance sheet date.

i. **Gratuity**

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

(Rs. in Lakhs)

PARTICULARS	Gratuity Funded 31.03.2022	Gratuity Funded 31.03.2021
<b>A. Changes in Present Value of Obligation</b>		
Present Value of Obligation at Beginning	82.39	80.39
Interest Cost	5.60	5.50
Current Service Cost	4.59	4.66
Benefit Paid	(19.38)	(5.47)
Actuarial (Gain)/Loss on Obligations	(0.60)	(2.69)
Present Value of Obligation as at end of the year	72.60	82.39
<b>B. Fair Value of Plan Assets</b>		
Fair Value of the Plan Assets	70.37	74.17
Expected return on Plan Assets	4.79	5.07
Contributions	7.85	0.41
Benefits Paid from the fund	(19.38)	(5.47)
Return on Plan Assets, Excluding Interest Income	5.98	(3.81)
Fair Value of the Plan Assets	69.61	70.37
<b>C. Amount Recognized in the Balance Sheet.</b>		
Present Value of Obligation	72.60	82.39
Fair Value of the Plan Assets	69.61	70.37
Net Liability/(Asset) Recognized	2.99	12.01
<b>D. Amount Recognized in Profit and Loss</b>		
Current Service Cost	4.59	4.66
Interest Cost	0.82	0.42
Expected Return on Plan assets	(5.98)	3.81
Actuarial (Gain)/Loss	(0.60)	(2.69)
<b>Total Expenses recognized in Profit &amp; Loss A/c and OCI</b>	<b>(1.17)</b>	<b>6.20</b>
<b>E. Assumptions</b>		
Mortality Table	Indian Assured Lives (2012-14) Urban	Indian Assured Lives (2006-08) Ultimate
Discount Rate	7.15%	6.80%
Expected Rate of Return on Plan Assets	7.15%	6.80%
Salary Escalation	5%	5%
Rate of Employee Turnover	4% for all service groups	2%

ii **Leave Encashment:**

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

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022**

Note No. : 2

**Property, Plant and Equipment**

Description of Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	Cost as on 01.04.2021	Additions During the Period	Deletion During the Period	As At 31.03.2022	As At 01.04.2021	Provided During the Period	Deletion During the Period	As At 31.03.2022	As At 31.03.2021
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
<b>Schedule 2A</b>									
<b>Property, Plant and Equipment :</b>									
Leasehold Building (refer note below)	220.25	-	-	220.25	49.77	7.65	-	162.82	170.47
Plant & Machinery	334.60	28.69	2.82	360.46	265.51	10.69	2.82	87.09	69.09
Computers	65.76	1.62	4.07	63.31	54.16	4.74	3.86	8.27	11.60
Furniture & Fitting	26.81	4.64	-	31.44	19.25	2.29	-	9.90	7.56
Office Equipment	36.64	2.52	1.07	38.09	29.49	2.58	1.07	7.10	7.16
Vehicles	10.57	-	-	10.57	5.79	1.13	-	3.65	4.78
Electrical Fitting	6.02	-	-	6.02	4.18	0.57	-	1.27	1.84
<b>SUB TOTAL (A)</b>	<b>700.65</b>	<b>37.46</b>	<b>7.96</b>	<b>730.15</b>	<b>428.14</b>	<b>29.65</b>	<b>7.75</b>	<b>280.11</b>	<b>272.50</b>
<b>Schedule 2B</b>									
<b>Intangible Assets :</b>									
Software	37.33	-	-	37.33	33.67	3.24	-	0.42	3.66
<b>SUB TOTAL (B)</b>	<b>37.33</b>	<b>-</b>	<b>-</b>	<b>37.33</b>	<b>33.67</b>	<b>3.24</b>	<b>-</b>	<b>0.42</b>	<b>3.66</b>
<b>SUB TOTAL A + B</b>	<b>737.98</b>	<b>37.46</b>	<b>7.96</b>	<b>767.48</b>	<b>461.81</b>	<b>32.89</b>	<b>7.75</b>	<b>280.53</b>	<b>276.16</b>

**Note - Leasehold building – right of use assets**

	Rs. in lakhs	Rs. in lakhs
Cost as of 1/4/2021	-	220.25
Additions / Deletions	-	0
Depreciation	-	-
As at 1/4/2021	49.77	-
Provided during the period	7.65	-
As at 31/3/2022	-	57.42
Net block as at 31/3/2022	-	162.83

Lease contract entered by the Company majorly pertains for buildings taken on lease to conduct its business in the ordinary course. The company's factory at Ambemath is currently on a long term lease, which is expiring on 1/10/2099. The Right of Use Asset has been capitalised as a Lease hold building as of 31/3/2022 and depreciation is charged on a straight-line basis over the estimated useful lives of the assets (i.e. 30 years). Since there are no incremental payments, in the form of lease rentals to be made to the lessor in future, corresponding lease liability has not been disclosed as of 31/3/2022. The Company does not have any lease restrictions and commitment towards variable rent as per the contract.

## NOTE NO. 3

	AS AT 31st March 2022 Rs. in Lakhs	AS AT 31st March 2021 Rs. in Lakhs
<b>FINANCIAL ASSETS - INVESTMENTS</b>		
<b>Saraswat Bank</b> (1000 Equity shares)	0.10	0.10
	<b>0.10</b>	0.10

## NOTE NO. 4

	AS AT 31st March 2022 Rs. in Lakhs	AS AT 31st March 2021 Rs. in Lakhs
<b>FINANCIAL ASSETS - OTHERS</b>		
Balance with bank held as Fixed Deposit	1.70	1.70
	<b>1.70</b>	1.70

## NOTE NO. 5

	AS AT 31st March 2022 Rs. in Lakhs	AS AT 31st March 2021 Rs. in Lakhs
<b>DEFERRED TAX ASSET/LIABILITY (NET)</b>		
<b>(a) Deferred Tax Liabilities</b>		
i) Difference in Book value of Fixed Assets	14.54	13.68
TOTAL	<b>14.54</b>	13.68
<b>(b) Deferred Tax Assets</b>		
i) on Provision for Gratuity & Leave encashment	4.89	7.13
ii) on Provision for doubtful debts and Others	8.32	15.59
iii) Brought Forward Loss of Previous Year	-	-
TOTAL	<b>13.20</b>	22.72
<b>TOTAL</b>	<b>(1.34)</b>	9.04

## NOTE NO. 6

	AS AT 31st March 2022 Rs. in Lakhs	AS AT 31st March 2021 Rs. in Lakhs
<b>OTHER NON CURRENT ASSETS</b> (Unsecured and Considered Good)		
Net Assets In Pakistan Unit (Considered Doubtful)	8.76	8.76
Less : Provision for above	(8.76)	(8.76)
	-	-
Sundry Deposits	16.90	16.65
Sales Tax Receivable	1.40	1.40
Income Tax refund receivable	0.54	11.79
	<b>18.84</b>	<b>29.84</b>

## NOTE NO. 7

	AS AT 31st March 2022 Rs. in Lakhs	AS AT 31st March 2021 Rs. in Lakhs
<b>INVENTORIES :</b> (At cost or Net realisable value which ever is less)		
Raw Materials & Stores	142.54	18.86
Materials in process	54.41	69.18
Finished Goods	131.09	167.77
Trading Goods	-	5.59
	<b>328.04</b>	<b>361.41</b>

## NOTE NO. 8

	AS AT 31st March 2022 Rs. in Lakhs	AS AT 31st March 2021 Rs. in Lakhs
<b>FINANCIAL ASSETS</b>		
<b>TRADE RECEIVABLES</b> (Unsecured)		
Debts outstanding for a period exceeding six months from the date they were due for payment.		
Considered Good	19.28	76.61
Considered Doubtful	51.23	90.74
	<b>70.51</b>	<b>167.35</b>
Less: allowance for expected credit losses	<b>33.05</b>	<b>61.96</b>
	<b>37.46</b>	<b>105.39</b>
Others: Considered Good	<b>1,075.47</b>	<b>918.94</b>
Refer Note 44 for Ageing schedule	<b>1,112.93</b>	<b>1,024.33</b>



## NOTE NO. 9

	AS AT 31st March 2022 Rs. in Lakhs	AS AT 31st March 2021 Rs. in Lakhs
<b>FINANCIAL ASSETS</b>		
<b>CASH AND CASH EQUIVALENTS :</b>		
Cash in Hand	1.30	2.01
Bank Balances :		
In Current Account	60.06	34.51
	<b>61.36</b>	36.52
<b>Other Bank Balances :</b>		
In Fixed Deposits	304.54	302.66
Unclaimed Dividend Account	4.23	4.19
	<b>308.77</b>	<b>306.85</b>
	<b>370.14</b>	<b>343.37</b>

## NOTE NO. 10

	AS AT 31st March 2022 Rs. in Lakhs	AS AT 31st March 2021 Rs. in Lakhs
<b>OTHER CURRENT ASSETS</b>		
<b>Unsecured, Considered Good</b>		
Advances		
a) Other than Capital Advance	6.63	3.11
b) Others		
Prepaid Expenses	8.33	4.61
Margin Receivable	4.52	2.28
GST Receivable	8.48	10.94
Accrued Interest on Fixed Deposit	2.96	2.33
	<b>30.93</b>	23.26

## NOTE NO. 11

	AS AT 31st March 2022 Rs. in Lakhs	AS AT 31st March 2021 Rs. in Lakhs
<b>EQUITY SHARE CAPITAL AUTHORISED</b> 97,500 Equity Shares of Rs. 100/- each	<b>97.50</b>	97.50
<b>ISSUED, SUBSCRIBED AND PAID UP:</b> 63,470 (P.Y 63,470) Equity Shares of Rs.100/- each Includes 3125 Shares issued to erstwhile Deferred Shareholders pursuant to scheme of conversion sanctioned by Hon'ble Bombay High Court on 10th July, 1985.	<b>63.47</b>	63.47
<b>a) Reconciliation</b> Issued, subscribed and fully paid up equity shares outstanding at beginning of the year Add : Shares Issued during the year  Issued, subscribed and fully paid up equity shares outstanding at end of the year outstanding at end of the year	63470 -  63470	63470 -  63470
<b>b) Details of Shareholder Holding more than 5% Shares</b>  <b>Name of the Shareholder</b>  No. of Shares Held % of Holding	Salzer Electronics Limited  <b>47,546</b>  <b>74.91%</b>	Salzer Electronics Limited  47,546 74.91%

Shares held by promoters at the end of the year				% Change during the year 2021-22
S.No	Promoter Name	No. of shares	% of total shares**	
1	SALZER ELECTRONICS LIMITED	47,546	74.91%	-
	<b>TOTAL</b>	47,546	74.91%	-

Shares held by promoters at the end of the year				% Change during the year 2020-21
S.No	Promoter Name	No. of shares	% of total shares**	
1	SALZER ELECTRONICS LIMITED	47,546	74.91%	-
	<b>TOTAL</b>	47,546	74.91%	

\*\*  
The Company has only one class of equity shares having face value of Rs. 100 each. The holder of the equity share is entitled to dividend right and voting right in the same proportion as the capital paid-up on such equity share bears to the total paid-up equity share capital of the Company. The final dividend proposed by Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company in the same proportion as the capital paid-up on the equity shares held by them bears to the total paid-up equity share capital of the Company

#### NOTE NO. 12

	AS AT 31st March 2022 Rs. in Lakhs	AS AT 31st March 2021 Rs. in Lakhs
<b>OTHER EQUITY</b>		
<b>Share Premium Account</b>		
Opening Balance	410.26	410.26
Less : Adjustment	-	-
Closing Balance	410.26	410.26
<b>General Reserve</b>		
Opening Balance	214.69	214.69
Less : Adjustment	-	-
Closing Balance	214.69	214.69
<b>Profit and Loss Account</b>		
Opening Balance	796.42	731.49
Add Profit/(Loss) for The year	191.54	83.97
	987.96	815.46
Less: Appropriations		
Transfer to General Reserve	-	-
Dividend Paid on equity shares	19.04	19.04
Dividend Distribution Tax Paid	-	-
Closing Balance	968.92	796.42
<b>TOTAL</b>	<b>1,593.87</b>	<b>1,421.37</b>

## NOTE NO. 13

	AS AT 31st March 2022 Rs. in Lakhs	AS AT 31st March 2021 Rs. in Lakhs
<b>NON CURRENT LIABILITIES</b>		
<b>FINANCIAL LIABILITIES - BORROWINGS</b>		
Secured	-	-
<b>TOTAL</b>	-	-

## NOTE NO. 14

	AS AT 31st March 2022 Rs. in Lakhs	AS AT 31st March 2021 Rs. in Lakhs
<b>NON CURRENT LIABILITIES</b>		
<b>PROVISIONS</b>		
Leave Encashment	14.56	14.66
Gratuity	-	1.66
<b>TOTAL</b>	14.56	16.32

## NOTE NO. 15

	AS AT 31st March 2022 Rs. in Lakhs	AS AT 31st March 2021 Rs. in Lakhs
<b>OTHER NON CURRENT LIABILITIES</b>		
<b>DEPOSITS</b>		
Dealer, Distributor & Stockist	24.54	24.09
<b>TOTAL</b>	24.54	24.09

## NOTE NO. 16

	AS AT 31st March 2022 Rs. in Lakhs	AS AT 31st March 2021 Rs. in Lakhs
<b>FINANCIAL LIABILITIES - BORROWINGS</b>		
<b>SECURED LOANS :</b>		
Working Capital loans from <b>ICICI Bank</b> ODCC	-	-
Secured against hypothecation of Raw Materials, Finished Goods, Semi-Finished Goods and Book Debts, block of assets of the Company including Factory Land, and Building at Ambernath		
<b>TOTAL</b>	-	-

## NOTE NO. 17

	AS AT 31st March 2022 Rs. in Lakhs	AS AT 31st March 2021 Rs. in Lakhs
<b>TRADE PAYABLES TO MSME</b>	<b>81.48</b>	71.79
<b>TRADE PAYABLES TO Others</b>	<b>290.62</b>	389.61
Refer Note 45 for Ageing schedule	<b>372.10</b>	461.41

There are no interest amounts paid / payable to Micro, Small and Medium enterprises. The information in relation to dues to Micro enterprises and Small enterprises have been determined to the extent such parties have been identified on the basis of information available with the company as mentioned in Note No.51 of Notes to Accounts.

## NOTE NO. 18

	AS AT 31st March 2022 Rs. in Lakhs	AS AT 31st March 2021 Rs. in Lakhs
<b>OTHER FINANCIAL LIABILITIES</b>		
Current Maturity of Long term Borrowings	-	-
Unclaimed Dividends	4.23	4.19
Unclaimed amount for fractional Share	0.01	0.01
<b>TOTAL</b>	<b>4.24</b>	<b>4.20</b>

## NOTE NO. 19

	AS AT 31st March 2022 Rs. in Lakhs	AS AT 31st March 2021 Rs. in Lakhs
<b>OTHER CURRENT LIABILITIES</b>		
Outstanding Liabilities	33.12	23.22
Statutory Dues	19.35	19.73
Advance From Customers	6.05	5.11
<b>TOTAL</b>	<b>58.52</b>	<b>48.06</b>

## NOTE NO. 20

	AS AT 31st March 2022 Rs. in Lakhs	AS AT 31st March 2021 Rs. in Lakhs
<b>CURRENT LIABILITIES</b>		
<b>PROVISIONS</b>		
Provision for Employee Benefit	8.78	9.61
Leave Encashment	1.87	1.65
Gratuity	2.99	10.36
<b>TOTAL</b>	<b>13.64</b>	<b>21.61</b>

## NOTE NO. 21

	AS AT 31st March 2022 Rs. in Lakhs (Yearly)	AS AT 31st March 2021 Rs. in Lakhs (Yearly)
<b>SALES :</b>		
Sale of Manufactured Goods	2,229.95	2,169.99
Export Sale	32.08	30.98
Sale of Trading Goods	666.76	52.40
Repair Charges	0.42	0.30
Sale of Scrap	11.65	17.94
<b>TOTAL</b>	<b>2,940.87</b>	<b>2,271.62</b>

## NOTE NO. 22

	AS AT 31st March 2022 Rs. in Lakhs (Yearly)	AS AT 31st March 2021 Rs. in Lakhs (Yearly)
<b>OTHER INCOME :</b>		
Interest from Bank on Fixed Deposit	15.26	16.86
Dividend Income From Shares	0.02	-
Other Non operating income Comprises :		
Interest From Income Tax Refund	1.12	2.69
Profit on Sale of Assets	1.63	0.99
Discount Received	23.67	9.38
Liabilities No Longer Exists Written Back	2.31	5.04
<b>TOTAL</b>	<b>44.01</b>	<b>34.95</b>

## NOTE NO. 23

	AS AT 31st March 2022 Rs. in Lakhs (Yearly)	AS AT 31st March 2021 Rs. in Lakhs (Yearly)
<b>Cost of Material Consumed:</b>		
Opening Stocks Raw Materials & Stores:	103.61	91.46
Add: Raw Material & Stores Purchases	1,147.85	1,305.77
	<b>1,251.46</b>	<b>1,397.23</b>
Closing Stocks Raw Material & Stores	131.86	118.86
<b>TOTAL</b>	<b>1,119.60</b>	<b>1,278.38</b>

## NOTE NO. 24

	AS AT 31st March 2022 Rs. in Lakhs (Yearly)	AS AT 31st March 2021 Rs. in Lakhs (Yearly)
<b>Cost of traded goods sold</b>		
Opening Stocks of Trading Goods	20.84	9.80
Add : Purchases	606.27	43.84
	627.11	53.64
Closing Stock	10.68	5.59
<b>TOTAL</b>	<b>616.43</b>	<b>48.05</b>

## NOTE NO. 25

	AS AT 31st March 2022 Rs. in Lakhs (Yearly)	AS AT 31st March 2021 Rs. in Lakhs (Yearly)
<b>Changes in Inventory of Finished goods, work-in-progress</b>		
Opening Stocks :		
Materials in Process	69.18	160.37
Finished Goods	167.77	83.64
	236.96	244.00
Less : Closing Stocks :		
Materials in Process	54.41	69.18
Finished Goods	131.09	167.77
	185.50	236.96
<b>TOTAL</b>	<b>51.46</b>	<b>7.04</b>

## NOTE NO. 26

	AS AT 31st March 2022 Rs. in Lakhs (Yearly)	AS AT 31st March 2021 Rs. in Lakhs (Yearly)
<b>EMPLOYEE BENEFIT EXPENSES :</b>		
Salaries, Wages, Bonus, Exgratia & Gratuity	371.70	320.43
Contribution to Provident & other funds & Schemes	18.23	18.25
Welfare Expenses	29.71	38.95
<b>TOTAL</b>	<b>419.64</b>	<b>377.64</b>



## NOTE NO. 27

	AS AT 31st March 2022 Rs. in Lakhs (Yearly)	AS AT 31st March 2021 Rs. in Lakhs (Yearly)
<b>FINANCE COST :</b>		
Interest - Banks	0.69	4.04
Bank Charges	6.41	3.03
<b>TOTAL</b>	<b>7.10</b>	<b>7.06</b>

## NOTE NO. 28

	AS AT 31st March 2022 Rs. in Lakhs (Yearly)	AS AT 31st March 2021 Rs. in Lakhs (Yearly)
<b>OTHER EXPENSES :</b>		
Component Processing and other charges	203.48	187.73
Power, Fuel & Water Charges	7.58	6.37
Octroi, Transportation & Forwarding, etc.	12.54	15.14
Conveyance & Traveling	51.38	43.01
Printing & Stationery	10.02	4.90
Postage & Telephone	10.83	9.21
Cash Discount	4.73	0.15
Maintenance & Repairs : Machinery	1.91	0.23
Maintenance & Repairs : Building	0.50	2.90
Maintenance & Repairs : Others	9.65	7.38
Insurance Charges	8.57	8.09
Rent, Rates & Taxes	9.58	8.56
Indirect Taxes Paid	20.21	2.24
Discounts	1.67	0.16
Bad debts Written off	32.80	9.10
Provision for Doubtful Debts	(28.91)	8.05
Legal & Professional Charges	64.96	66.34
Advertisement & Publicity	1.62	1.85
Member Subscription Fees	7.76	6.28
Sales & Other Commission	-	0.77
Sales Promotion & Seminar Expenses	2.70	11.70
Security Charges	21.86	18.29
Housekeeping Expenses	16.30	12.23
Miscellaneous Expenses	15.93	7.34
<b>TOTAL</b>	<b>487.65</b>	<b>438.03</b>

**Note No.29**

Disclosure of Related Parties / Transactions With Related Parties:-

<b>Relationship</b>	<b>Name of Related Party</b>
Holding Company	SALZER ELECTRONICS LIMITED
Key Management Personnel (KMP)	Mr. Raman Krishnamoorthy (COO) Mr. Deepak Potdar (CFO) Mr. Mohit Dubey (CS) (from 27/1/22) Mr. Harshal Patil (CS) (Till 27.01.2022) Mr. Jitendra K Vakharia (Non Executive and Non independent director)

Post Employment benefit: Kaycee Industries Limited Employees Indian Provident Fund  
Kaycee Industries Limited Employees Gratuity Fund

Transactions during F.Y 2021-22

(Rs. Lakhs)

Sr. No	Name of the Related Party	Nature	Amount Rs.	O/S as on 31.03.2022
<b>I</b>	<b>Holding Company</b>			
1	Salzer Electronics Limited	Sales	3.48 (0.59)	113.40 Cr. (27.85) Cr.
2	Salzer Electronics Limited	R & M – Machinery	1.04 (Nil)	
3	Salzer Electronics Limited	Purchase of Fixed Assets	33.53 (Nil)	
4	Salzer Electronics Limited	Purchases	854.45 (262.40)	
<b>II</b>	<b>Key management Personnel</b>			
5	Mr. Deepak Potdar	Salary & Perquisites	9.55 (7.84)	Nil (Nil)
6	Mr. Mohit Dubey (C.S) (Appointed on 27.01.2022)	Salary & Perquisites	1.17 (Nil)	Nil (Nil)
7	Mr. Harshal Patil (C.S) (Resigned on 27.01.2022)	Salary & Perquisites	4.43 (3.16)	Nil (Nil)
8	Mr. Raman Krishnamoorthy (COO)	Salary & Perquisites	15.80 (6.55)	Nil (Nil)

Sr. No	Name of the Related Party	Nature	Amount Rs.	O/S as on 31.03.2022
<b>III</b>	<b>Professional &amp; Sitting Fees paid to Directors</b>			
9	Mr. Chandraprakash Jain (Resigned on 12.05.2021)	Professional Fees	1.61 (12.19)	Nil (Nil)
10	Mr. Jitendra K Vakharia	Professional Fees	9.00 (Nil)	Nil (Nil)
11	MR.J.BALASUBRAMANIAN	Directors Sitting Fees	1.80 (1.50)	Nil (Nil)
12	MR.RAJESH KUMAR	Directors Sitting Fees	0.85 (0.70)	Nil (Nil)
13	MR.DILEEP K.GUPTA	Directors Sitting Fees	Nil (0.80)	Nil (Nil)
14	MR.JITENDRA K.VAKHARIA	Directors Sitting Fees	0.27 (0.80)	Nil (Nil)
15	MR.N.RANGACHARY	Directors Sitting Fees	1.85 (1.40)	Nil (Nil)
16	MR.R.DORAISWAMY	Directors Sitting Fees	0.40 (0.62)	Nil (Nil)
17	MRS.MANIMEGALAI ARUMUGAM	Directors Sitting Fees	0.40 (0.30)	Nil (Nil)
<b>IV</b>	<b>Contribution to employee benefit trusts</b>			
18	Kaycee Industries Limited Employees Indian Provident Fund	Member and Company Contribution	20.52 (20.89)	Nil (1.76)
19	Kaycee Industries Limited Employees Gratuity Fund	Employee Benefit Expense	(1.17) (7.44)	2.99 (12.01)

\*Including Goods and service tax

Notes:

- Related party relationship is as identified by the management and relied upon by the auditors.
- No amounts in respect of related parties have been written off/ written back during the year or has not made any provision for doubtful debts/ receivable.
- Related party transactions have been disclosed on basis of value of transactions in terms of the respective contracts.
- Terms and conditions of sales and purchases: the sales and purchases transactions among the related parties are in the ordinary course of business based on normal commercial terms, conditions, market rates and memorandum of understanding signed with the related parties. For the year ended 31st March, 2021 and 31<sup>st</sup> March 2022, the Company has not recorded any loss allowances for transactions between the related parties.

Transactions with entities in which directors are interested:

Director name	Entity name	FY 2021-22	FY 2020-21	Closing balance FY 2021-22	Closing balance FY 2020-21
Nil	Nil	Nil	Nil	Nil	Nil

**Note No. 30**

PAYMENT TO THE AUDITORS :

(Rs. in Lakhs)

		2021-2022	2020-2021
A	As Audit Fee – Statutory	3.00	3.00
B	In Other Capacities :		
I	Provident Fund Audit	Nil	Nil
II	Certification/Limited Review	2.00	1.25

\*excludes Goods and service tax

**Note No. 31**

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

Rs. In lakhs

		2021-2022	2020-2021
A	Raw Materials	Nil	Nil
B	Finished Goods (Trading)	14.05	13.99

**Note No. 32**

CONSUMPTION OF RAW MATERIALS &amp; STORES

Rs. In lakhs

		2021-2022		2020-2021	
		Percentage of Total Consumption	Amount (Rs.)	Percentage of Total Consumption	Amount (Rs.)
A	Imported	0.00	NIL	0.00	NIL
B	Indigenous	100.00	1,119.60	100.00	1,278.38

**Note No. 33**

EARNINGS IN FOREIGN CURRENCY:

	2021-22 Rupees in lakhs	2020-21 Rupees in lakhs
F.O.B. Value of Exports	31.36	30.98

**Note No. 34**

## EXPENDITURE IN FOREIGN CURRENCY:

	<b>2021-22</b> Rupees in lakhs	<b>2020-21</b> Rupees in lakhs
Foreign bank charges	0.13	0.13

**Note No.35**

The equity shares of the company are listed in Bombay Stock Exchange and company has paid annual listing fees to the stock exchange for the year 2021-22.

**Note No.36****SEGMENT REPORTING**

The Company is engaged in manufacture of Electrical Installation Products. Two segments viz Manufactured products and Trading products are the reportable business segments, identified as per Ind AS 108, 'Segment Reporting. Segment assets and liabilities. Most of the assets, liabilities of the aforesaid reportable segments are interchangeable or not practically allocable and any forced allocation would not result in any meaningful segregation. Accordingly, segment assets & liabilities have not been presented.

Rs. In Lakhs

<b>Year ended</b>	<b>2021-22</b>	<b>2020-21</b>
1) Segmental revenue		
(a) Manufactured products	2,274.11	2,219.22
(b) Trading products	666.76	52.40
<b>Net revenue from operations</b>	<b>2,940.87</b>	<b>2,271.62</b>
2) Segmental results		
(a) Manufactured products	1,103.05	933.81
(b) Trading products	50.33	4.34
<b>Total segmental profit before tax</b>	<b>1,153.38</b>	<b>938.15</b>
Less - Finance cost	7.10	7.06
Less - Unallocable expenditure	940.17	841.15
Add - Unallocable income	44.01	34.95
<b>Profit before tax</b>	<b>250.12</b>	<b>124.89</b>
Less Provision for tax	63.51	40.08
<b>Profit after tax</b>	<b>186.61</b>	<b>84.81</b>
Add - other comprehensive income (net of tax)	4.93	(0.84)
<b>Total comprehensive income</b>	<b>191.54</b>	<b>83.97</b>

Based on the "management approach" as defined in Ind-AS 108 - Operating Segments, the Decision Maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along with

these business segments. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments.

#### Note No.37

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

#### Note No. 38

##### Borrowings :

The Company has availed Cash Credit facility from Saraswat Bank (till October 2021)& with ICICI Bank subsequently from Nov 2021 onwards (Outstanding NIL as on 31.03.2022). The monthly statements of Stock, debtors and creditors which have been submitted to the Bank are in agreement with the books of accounts.

#### Note No. 39 Lease

The company pays monthly rentals for its corporate office at Mumbai in the form of a pagadi which is a legalized form of tenancy under the provisions of the Maharashtra Rent Control Act, 1999. Since the company can continue to occupy the premises as long as it desires, the tenancy does not carry a specific lease term as the non-cancellable period of a lease. Consequently, the lease liability under IND AS 116 has not been accounted or disclosed as of 31/3/2022.

#### Note No.40

##### Contingent Liability and Commitment

(to the extent not provided for)

(Rs. in Lakhs)

	Particulars	2021-22	2020-21
<b>I)</b>	<b>Contingent Liabilities</b>		
	(A) Disputed indirect tax liabilities not acknowledged as debts	3.91	3.91
	(B) Guarantees	-	-
	(C) Other Company money for which the Company is contingently liable	-	-
<b>II)</b>	<b>Commitments</b>		
	Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-

**Note No.41****Effects due to Covid 19 Pandemic**

The company has taken into account possible impact of COVID19-pandemic in preparation of this financial results. Due to the lockdown, while the sales volumes for the 1st half ended September 30, 2021 were adversely impacted, demand conditions showed an improvement in the 2nd half-year ended March 31, 2022. The company is continuously monitoring the situation and does not foresee any significant impact on the operations and the financial position of the company as at March 31, 2022. The Company will continue to closely monitor any material changes to future economic conditions.

**Note No. 42****Fair values**

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

Measured at amortised cost

(Rs. in Lakhs)

Particulars	Carrying Values		Fair Values	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
<b>Financial Assets</b>				
Investments	0.10	0.10	0.10	0.10
Others	1.70	1.70	1.70	1.70
Trade receivables	1,112.93	1,024.32	1,112.93	1,024.32
Cash and cash equivalents	61.36	36.52	61.36	36.52
Other bank balances	308.77	306.85	308.77	306.85
<b>Total</b>	<b>1,484.87</b>	<b>1,369.50</b>	<b>1,484.87</b>	<b>1,369.50</b>
<b>Financial Liabilities</b>				
Trade payables	372.10	461.41	372.10	461.41
Other financial liabilities	4.24	4.20	4.24	4.20
Borrowings	Nil	Nil	Nil	Nil
<b>Total</b>	<b>376.34</b>	<b>465.61</b>	<b>376.34</b>	<b>465.61</b>

The carrying amount reflected above represents the company's maximum exposure to credit risk for such financial assets. There have been no transfers among Level 1, Level 2 and Level 3 during the period. All the financial instruments are valued using level 3 valuation techniques.

**Fair value hierarchy**

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The Company has not disclosed the fair value of financial instruments measured at amortised cost as their carrying amounts are a reasonable approximation of fair value. There are no financial instruments measured at FVTPL as at 31 March 2022 (Previous year NIL)

**Note No. 43**

**Financial Risk management**

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

S.No	Risk	Exposure arising from	Measurement	Risk Management
A	Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of undrawn credit lines and cash equivalents
B	Market Risk – Interest rate risk	Short-term borrowings at variable rates	Sensitivity analysis, Interest rate %	Optimising utilization of credit limits as per need
C	Market Risk – Foreign currency risk	Imports not denominated in INR	Sensitivity analysis, P&L from exchange fluctuations	Large dependence on domestic procurement
D	Market Risk – Price risk	Purchase of Raw Material	Fluctuation of commodity prices	Procurement and inventory strategy
E	Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Ageing analysis Credit ratings	Credit limits, Deposits taken and Performance guarantees.

The key risks and mitigating actions are also placed before the Audit Committee of the Company.



## A Liquidity risk

The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended 31st March, 2021 and 31st March, 2020. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis. The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits and other highly marketable debt investments with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

## Financing arrangements

The Company had access to following undrawn Borrowing facilities at end of reporting period:

(Rs. in Lakhs)

	As at 31 March 2022	As at 31 March 2021
Working capital borrowings	405.00	405.00

The contractual maturity pattern of the above borrowings was less than 1 year, being facilities availed for financing working capital.

## Contractual maturity pattern of Financial liabilities

(Rs. in Lakhs)

As at 31/03/2022	Carrying Amount	Contractual cash flows	Less than one year	Between one to five years	More than five years
Trade payables	372.10	372.10	361.26	10.84	-
Other Financial liabilities	4.24	4.24	0.54	3.45	0.25
Borrowings	Nil	Nil	Nil	Nil	Nil
<b>Total</b>	<b>376.34</b>	<b>376.34</b>	<b>361.80</b>	<b>14.29</b>	<b>0.25</b>

## B Market Risk

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

### i) Interest Rate Risk

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

The Company availed issued working capital facility in INR based on ICICI Bank rates as a benchmark of Repo Rate 4% and Spread rate 3.25% (which is a variable interest rate debt). However, since there were no borrowings outstanding as of 31/3/2022, the impact of sensitivity to interest rates would not apply.

**ii) Foreign Currency Risk**

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

**iii) Price Risk**

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

**C Credit Risk**

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

The maximum exposure to credit risk was Rs. **1,484.87/-** Lakhs as at March 31, 2022 (primarily in the form of Receivables, Bank balances and FDs placed) being the carrying amount of Financial assets. The financial assets are measured at amortised cost and are considered to have low credit risk.

**i) Trade Receivables**

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

**ii) Other Financial Assets**

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

**D Excessive risk concentration**

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

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

## E) Capital management

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- manage its capital structure and makes adjustments in light of changes in economic condition and the requirements of the financial covenants
- Diversify sources of financing and spread the maturity across tenure buckets in order to manage liquidity risk.

For the purpose of capital management, capital includes issued equity capital, securities premium and all other reserves attributable to the equity shareholders of the Company. Net debt includes all long and short-term borrowings (including current maturities of long-term borrowings and interest accrued) as reduced by cash and cash equivalents

(Rs. in Lakhs)

Particulars	As at 31/03/2022	As at 31/3/2021
Debt	Nil	Nil
(-) Bank balances & Cash equivalents	370.13	343.37
<b>Net Debt</b>	<b>(370.13)</b>	<b>(343.37)</b>
Equity	1657.34	1484.84
Net Debt- Equity Ratio*	-ve	-ve

Since the company did not have any borrowings, net-debt & Debt-equity ratio was negative as at 31/3/2021 and 31/3/2022

**Note No. 44****Trade Receivables Ageing Schedule (Rs. In Lakhs)**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	1,075.47 (918.94)	19.28 (76.61)	14.83 (35.29)	10.24 (5.75)	- (30.64)	1,119.82 (1,067.23)
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	0.30 (-)	3.46 (-)	22.40 (19.05)	26.16 (19.05)
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	1,075.47 (918.94)	19.28 (76.61)	15.13 (35.29)	13.70 (5.75)	22.40 (49.69)	1,145.98 (1,086.28)
Less : Provision for doubtful receivables						33.05 (61.96)
Trade Receivable						1,112.93 (1,024.32)

\* Amount in Bracket are Previous year Figures

**Note No. 45****Trade Payables (Rs. In Lakhs)**

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
i) MSME	81.48 (71.56)	- (0.23)	- (-)	- (-)	81.48 (71.79)
(ii) Others	279.78 (382.70)	4.66 (-1.58)	-2.15 (2.41)	8.33 (6.09)	290.62 (389.62)
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-

\* Amount in Bracket are Previous year Figures

**Note No. 46****Details of unhedged foreign currency exposure**

There were no unhedged foreign currency exposures as of 31/3/2022 (Previous Year : NIL)

**Note No. 47****Details of loans given, investments made and guarantee given covered u/s 186(4) of the Companies Act 2013**

There were no loans given or guarantees provided us 186(4) of the Companies Act. Investments as of 31<sup>st</sup> March 2022 pertain to equity shares held in Saraswat Bank totalling to Rs. 0.1 lakhs, which is within the limit prescribed under Section 186(2) of the Act.

**Note No. 48****Earning per share is calculated as follows :-**

(Amount in Rs.)

Particulars	Financial year 2021-2022	Financial year 2020-21
Nominal value of equity shares (INR per share)	100	100
Profit/(loss) available to shareholders for calculation of basic and diluted earnings per share	1,86,61,117	84,80,611
Weighted average number of equity shares for calculation of basic earnings per share	63,470	63,470
Basic Earnings per share (in INR)	294.01	133.62
Weighted average number of equity shares for calculation of diluted earnings per share	63,470	63,470
Diluted earnings per share (in INR)	294.01	133.62

**Note No. 49****Impact of Code on Social Security 2020**

The Code on Social Security, 2020 (“the Code”) relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect.

**Note No. 50****Financial ratios**

Sl No	Ratio	Formula	As of 31/3/2022	As of 31/3/2021
1	Current ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	4.11	3.22
2	Debt-equity ratio	$\frac{\text{Total Debt}}{\text{Total Equity}}$	0.00	0.00
3	Debt service coverage ratio	$\frac{\text{Net Operating income}}{\text{Debt service}}$	34.65	17.34
4	Return on equity ratio	$\frac{\text{Net Income}}{\text{Shareholders equity}}$	11.30%	5.70%
5	Inventory turnover ratio	$\frac{\text{Cost of goods sold}}{\text{Average Inventory}}$	5.19	3.77
6	Trade receivables turnover ratio	$\frac{\text{Net Credit sales}}{\text{Average Accounts receivable}}$	2.75	2.30
7	Trade payables turnover ratio	$\frac{\text{Total purchases}}{\text{Average accounts payable}}$	4.21	3.18
8	Net capital turnover ratio	$\frac{\text{Total sales}}{\text{Working capital}}$	2.11	1.88
9	Net profit ratio	$\frac{\text{Net profit}}{\text{Total revenues}}$	6.30%	3.70%
10	Return on capital employed	$\frac{\text{Earnings before Interest \& Depreciation}}{\text{Capital employed}}$	14.00%	7.70%
11	Return on investment	$\frac{\text{Other income}}{\text{Average cash equivalents}}$	4.30%	5.30%

- Current ratio has increased due to higher receivables as a result of higher sales during FY'22 and lower payables (due to early payment of creditors for availing cash discount)
- Debt Service coverage ratio, Net profit ratio, Return on capital employed & Return on equity have improved owing to higher profitability during the year
- Return on investment has reduced due to lower interest rate on FDs placed with banks
- Trade payables turnover has increased due to lower Creditors (as of 31/3/22) due to early payment of creditors, so as to avail cash discount offered.
- Inventory turnover has increased due to lower inventory maintained as of 31/3/2022

**Note No. 51****Dues to Small / Micro enterprises**

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2022 has been made in the financial statements based on information received and available with the Company. The Company has not received any claim for interest from any supplier.

(Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
The amounts remaining unpaid to micro and small suppliers as at the end of the year / period		
– Principal	81.48	71.79
– Interest	Nil	Nil
The amount of interest paid by the buyer under MSMED Act	Nil	Nil
The amount of payments made to micro and small suppliers beyond the appointed day during the accounting year / period	Nil	Nil
The amount of interest due and payable for the period of delay in making payment	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year/period	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act	Nil	Nil

**Note No. 52****Dividend:**

The Board of Directors has recommended a final dividend @ 50% i.e Rs. 50/- per equity share on 63470 equity shares of Rs.100/- each for the year ended 31st March 2022 (Previous year @ 30% i.e Rs. 30 per equity share) which is subject to approval of shareholders at the Annual general meeting. If approved, the total outflow for dividend shall be a sum of Rs. 31.73 lakhs as against Rs.19.04 Lakhs in the previous year.

**Note No. 53**

Disclosure as required under Rule 11(e) and Rule 11(f) of the Companies (Audit and Auditors) Rules, 2014

1. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”) with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).
2. The Company has not received any fund from any party(s) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**For R. SUBRAMANIAN AND COMPANY LLP**

Firm Registration No.: 004137S/S200041

**Chartered Accountants**
**Kartik Subramanian**
**(Membership No. 209698)**

Partner

MUMBAI,

Date: 12th May 2022

**For and on behalf of the Board**
**D Rajesh Kumar**

Director

(DIN : 00003126)

Coimbatore

**Jitendra Vakharia**

Director

(DIN : 00047777)

Mumbai

**Deepak Potdar**

CFO

**Mohit Dubey**

CS

**Raman Krishnamoorthy**

Manager cum COO



**FORM FOR UPDATION OF EMAIL ADDRESS**

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

Dear Sir,

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

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

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

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

Name:

Address: