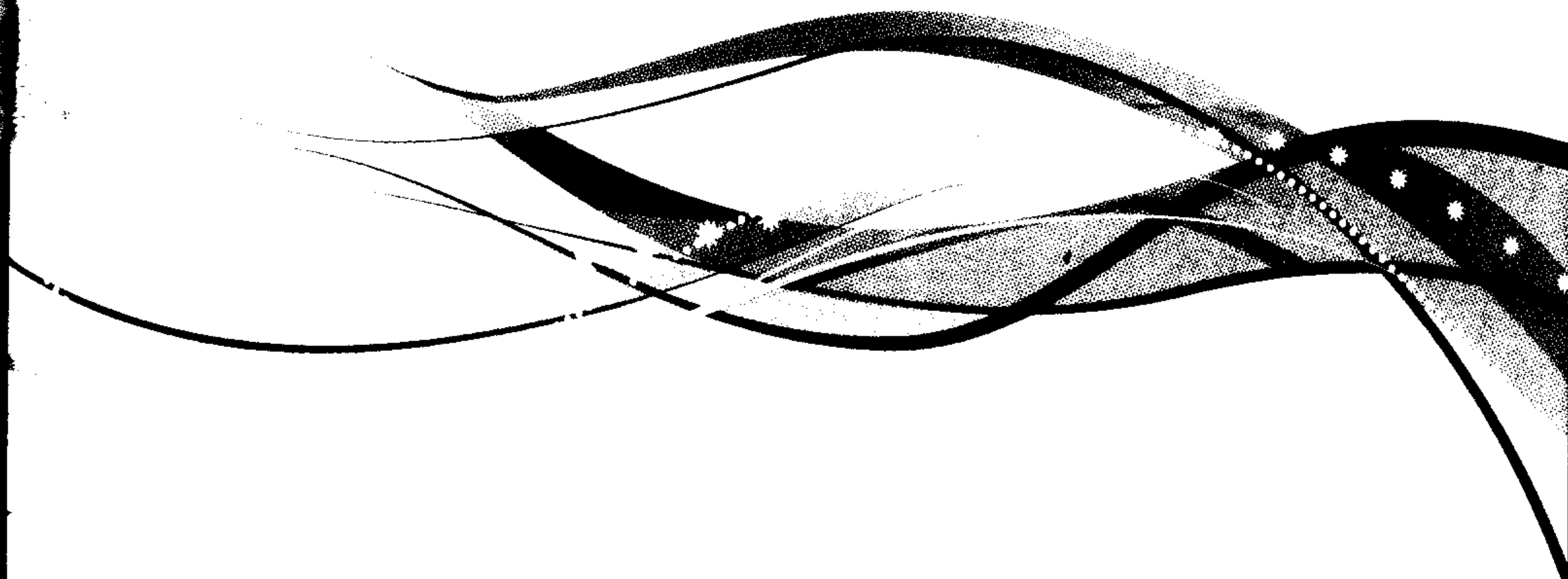




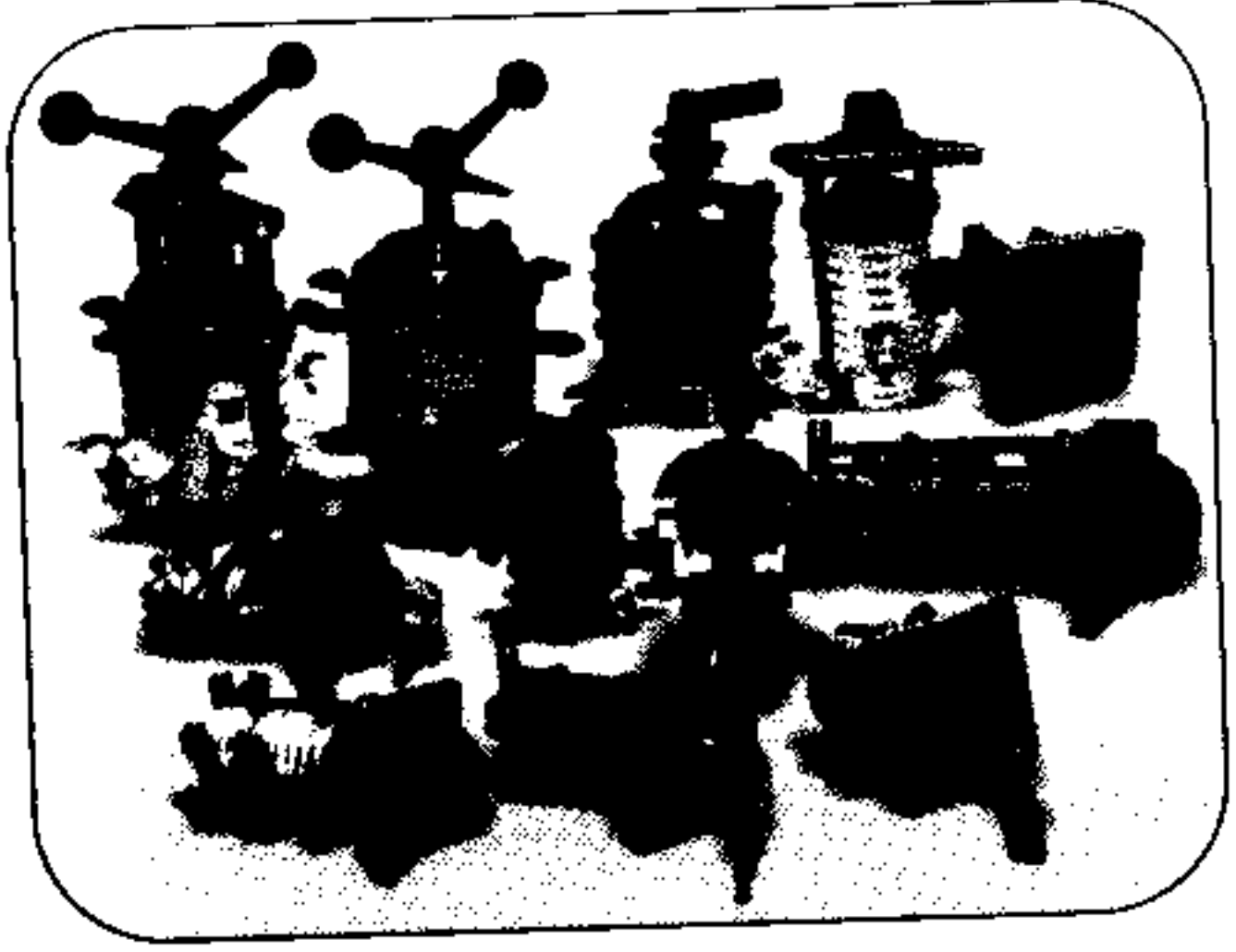
# KAYCEE INDUSTRIES LIMITED

Kaycee for Commitment...

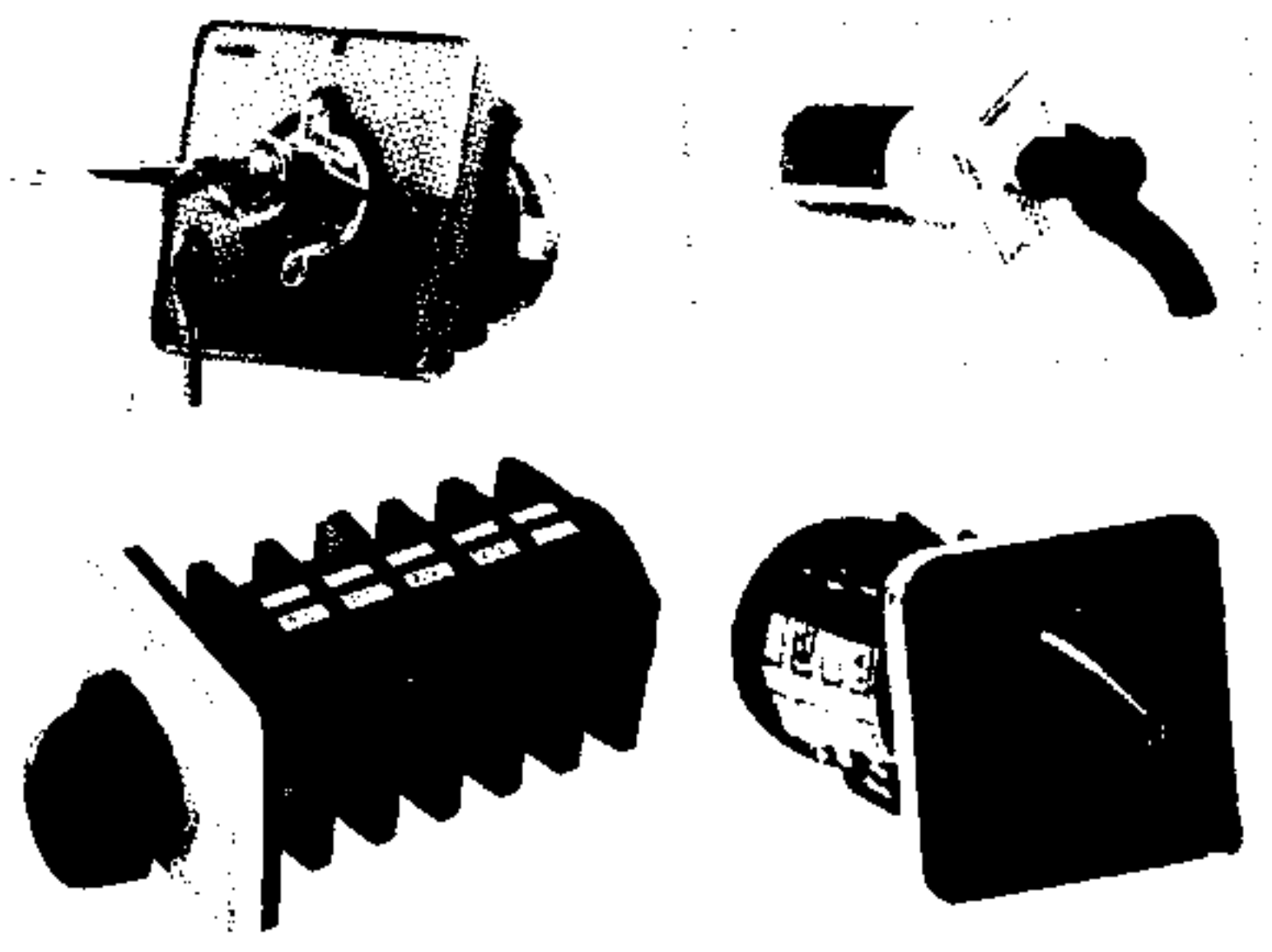
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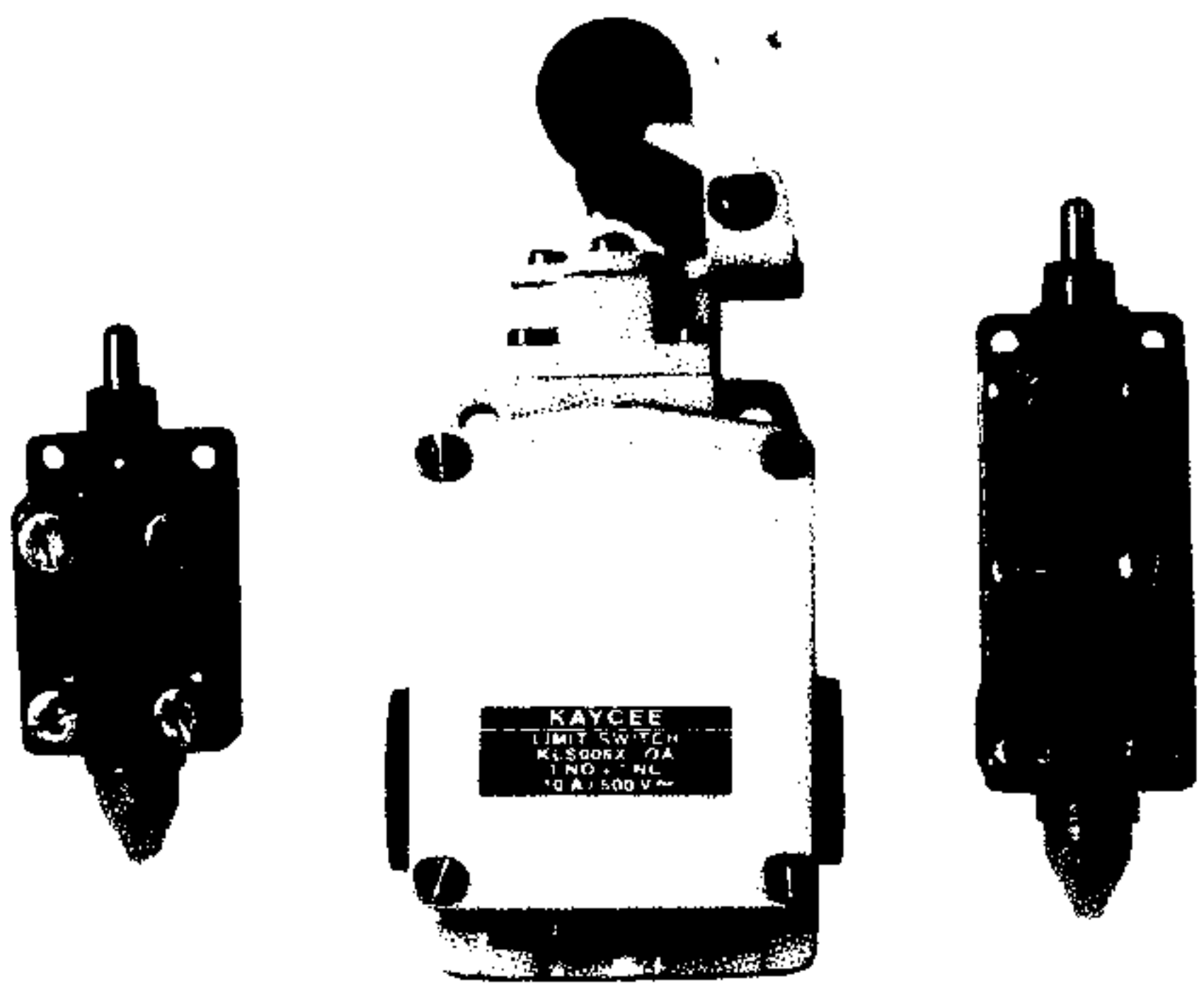
• ROTARY SWITCH •



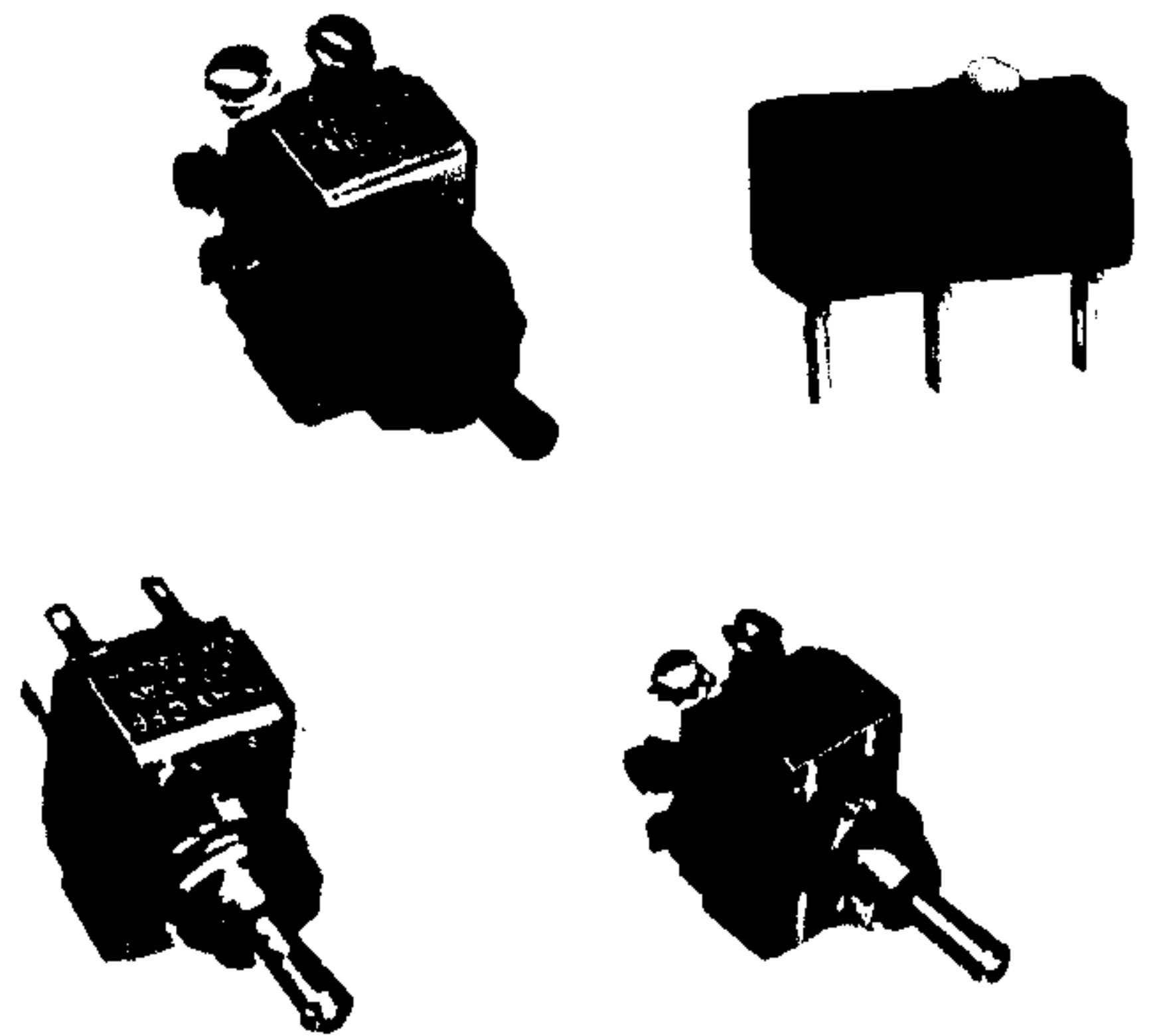
• CAM •



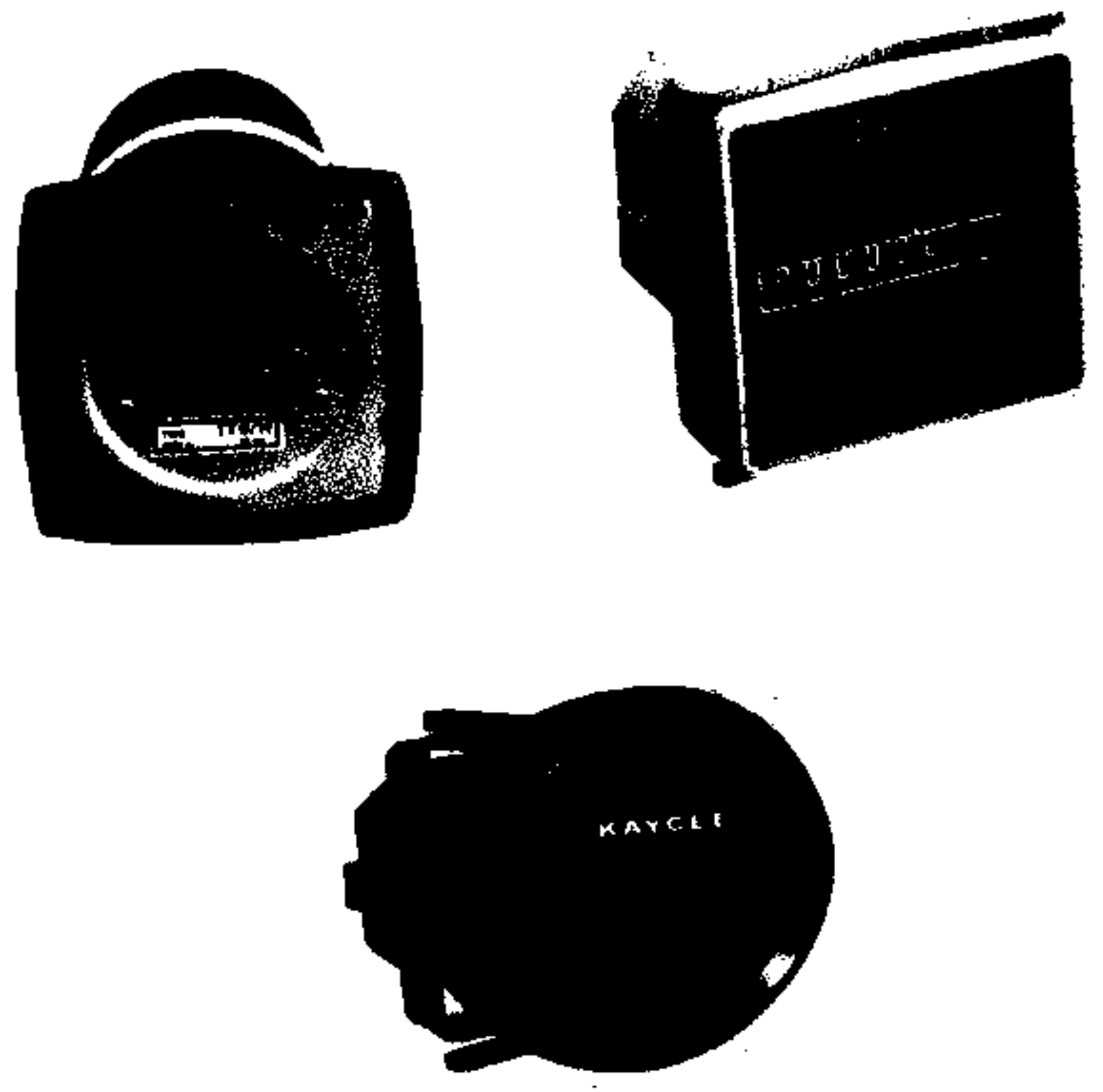
• LIMIT SWITCHES •



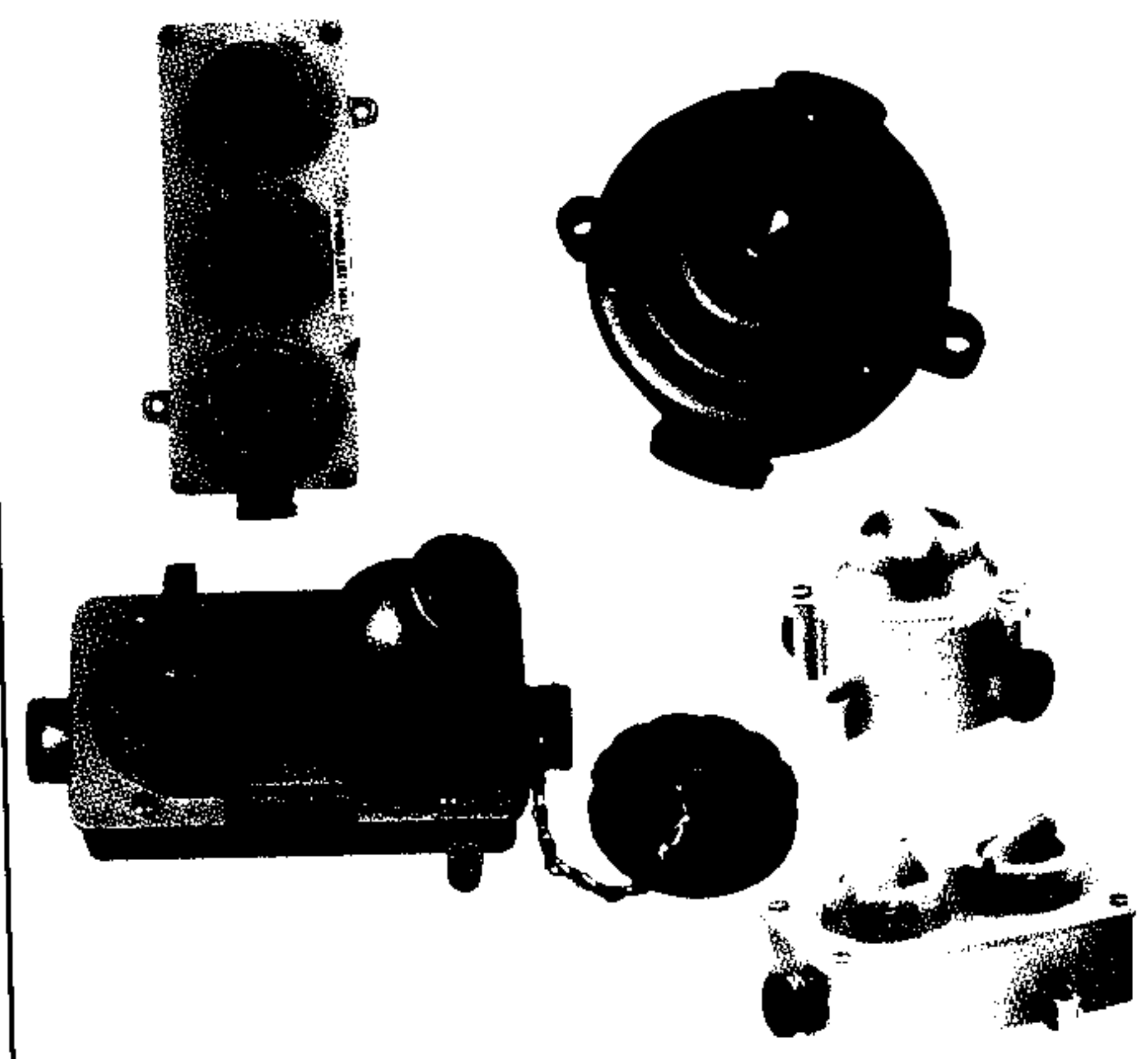
• TOGGLE SWITCHES •



• MINI TIME TOTALISERS •



• ROTARY TOGGLE SWITCHES •





**BOARD OF DIRECTORS**

Aarti R. Grover  
Raju Grover  
Aaloke Ghosh

Whole-Time Director  
Director  
Additional Director

**BANKERS**

Central Bank of India  
The Saraswat Co-operative Bank Ltd.

**AUDITORS**

N.D. Kapur & Co.  
Chartered Accountants  
65, Sonawala building, 2<sup>nd</sup> floor,  
Apollo street, Mumbai – 400 023.

**REGISTERAR AND SHARE TRANSFER AGENT**

Datamatics Financial Services Limited  
Plot No A-16 & 17 part 'B' cross lane, MIDC  
Andheri (E), Mumbai – 400 093.

**REGISTERED OFFICE**

32, Ramjibhai Kamani Marg,  
Ballard Estate, Mumbai – 400 001.

**FACTORY**

70, Lake Road, Bhandup(West),  
Mumbai – 400 078.

**OFFICES**

Bangalore, Kolkata, Delhi, Chennai,  
Indore, Nashik, Pune

**NOTE :**

68<sup>th</sup> Annual General Meeting will be held at  
Jainam Banquet Hall, Jainam Arcade, B.M.T. Compound,  
100, L.B.S. Marg, Bhandup (W),  
Mumbai - on Thursday 29<sup>th</sup> September, 2011 at 1.30 P.M



## NOTICE

NOTICE is hereby given that the SIXTY-EIGHTTH ANNUAL GENERAL MEETING OF THE MEMBERS OF KAYCEE INDUSTRIES LIMITED will be held at *Jainam Banquet Hall, Jainam Arcade, B.M.T Compound, 100, L.B.S. Marg, Bhandup (W), Mumbai-400078*, on Thursday, the 29<sup>th</sup> September, 2011 at 1.30 p.m to transact the following businesses:

### ORDINARY BUSINESS:

1. To receive, consider and adopt Balance Sheet as at 31<sup>st</sup> March, 2011 and the Profit and Loss Account for the year ended on that date together with reports of Directors' and Auditors' thereon.
2. To declare a dividend @ Rs. 10 per share on paid up Equity Shares of the Company
3. To appoint a Director in place of Mrs. Raju Grover, Director who retires by rotation and being eligible, offers herself for reappointment.
4. To appoint Auditors to hold office from conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorize the Board to fix their remuneration.

### SPECIAL BUSINESS:

1. To consider and pass with or without modification the following resolution as an ORDINARY RESOLUTION :

RESOLVED THAT Mr. Aaloke Ghosh, who was appointed as an additional director of company under section 260 of the Companies Act, 1956 be and is hereby appointed as a Director of the company whose office will be determined by the retirement of Directors by rotation pursuant to section 255 of the companies Act, 1956.

For and on behalf of the Board

Aarti . Grover  
Director

Place: Mumbai

Date: 30<sup>th</sup> August 2011

### NOTE:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies in order to be effective must be deposited with the Company not less than 48 hours before the meeting.



2. The Register of Members and Share Transfer Books of the Company will remain closed from 20<sup>th</sup> September 2011 to 29<sup>th</sup> September 2011 (both days inclusive).
3. The dividend on shares, as recommended by the Board, if sanctioned at the meeting will be paid to the shareholders, whose name appears on the Register of Members on 20<sup>th</sup> September 2011
4. Members are requested to promptly notify any change of address to the Registered Office of the Company.
5. Members desiring any information about Accounts at the Meeting are requested to write to the Company at least seven days in advance of the Annual General Meeting.
6. All documents referred to in the Notice are open for inspection at the Registered Office of the Company during office hours on all days between 11:00 a.m. to 1.00 p.m., except Saturday, Sunday and Public holidays, up to the date of the Annual General Meeting.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF  
THE COMPANIES ACT, 1956**

**Appointment of Aaloke Ghosh as a Director of the Company**

Mr. Aaloke Ghosh, in respect of whom the company has received a notice from its Shareholders proposing his candidature for the position of Directorship in the company. The Directors considered this matter and approved his appointment as an Additional Director and recommended for the shareholders' approval in the forthcoming AGM.

Aaloke Ghosh holds B.com (H), AICWA, ACS Degree in and has very rich experience in heading the business operations in the area of IT and IT enabled services. he has worked with SYSTIME and handled a special charge for a last two and a half year Currently he is heading the business operations in CMS Group of companies and contributing to its growth rate consistently and improving specific service area with sophisticated management processes.

The Directors of the Company have considered and approved his appointment and recommends for the shareholders' approval in this AGM

For and on behalf of the Board

Aarti Grover  
Director

Mumbai  
30th August, 2011



## DIRECTORS' REPORT

1. The Directors' have pleasure in presenting the 68<sup>th</sup> Annual Report and Audited Statement of Accounts for the year ended 31<sup>st</sup> March 2011.

2. **Financial Results:** (Rupees in Lakhs)

	2010-2011	2009-2010
Turnover (Net )	2687.73	2552.10
Operating Profit	189.64	163.76
Depreciation	23.80	22.33
Profit Before Taxation	165.83	141.43
Provision for taxation	54.50	48.00
Profit after Tax	100.86	104.85
Retained profit Brought forward	257.18	178.17
Transferred to General reserve	20.00	20.00
Proposed Dividend & Dividend Tax	5.96	5.97
Balance Retained In profit and loss account	332.07	257.06

3. **Dividend**

Considering the overall performance of the company your Directors are pleased to recommend equity dividend @ 10% (Rs. 10/- Per Share) for the year subject to approval of members in the ensuing Annual General Meeting.

4. **Performance of the Company:**

The company registered an overall improvement in production, sales volume and turnover during the year under review.

Turnover increased by 5% i.e. from Rs.2552.10 Lacs to Rs.2687.73 Lacs. The company has shown a Net profit after tax Rs.100.86 and in the previous year it was Rs.104.96 With greater focus on Power Generation and more capacities being added in, we see a potential for good growth for the Companies Products. The company expects good demand for it's product in the year 2011-12.

5. **Pakistan Unit:**

Pakistan Unit continues to be under the control and management of Pakistan Government. A statement of assets and liabilities of the Factory as on 30th June, 1964 has been annexed to the Balance Sheet. Since 30th June, 1964 no further statement of accounts have been received from the unit.

6. **Deposits:**

The Company has not accepted any Deposits. Further no amount as deposit or interest was outstanding as of the balance sheet date.



**7. Board of Directors:**

The Board of Directors expresses its condolences on very sad and sudden demise of Mr. Ramesh D. Grover, our Chairman and Director on 5<sup>th</sup> March 2011. He had been the guiding force for the management as well as all the business operations of the company.

Mrs Raju Grover retires at the ensuing annual general meeting in accordance with the Companies Act, 1956 and Articles of association of the company. she being eligible, offer herself for reappointment.

Mr. Aaloke Ghosh, who was appointed as an additional director of company under section 260 of the Companies Act, 1956 be and is hereby appointed as a Director of the company whose office will be determined by the retirement of Directors by rotation pursuant to section 255 of the companies Act, 1956.

**8. Directors' Responsibility Statement:**

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) That in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2011 the applicable accounting standards had been followed along with proper explanation relating to material departures, if any.
- (ii) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of the company at the end of the financial year and of the profit for the year under review;
- (iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) That the directors had prepared the accounts for the financial year ended 31<sup>st</sup> March, 2011 on a 'going concern' basis.

**9. Secretarial Compliance Certificate:**

As required under the provision of section 383A of the Companies Act, 1956, the secretarial compliance certificate is attached as per annexure-I

**10. Auditor's report:**

Auditors have referred to para (7) & (9) as appearing in the Auditors report and in the opinion of the director these notes are self explanatory and require no further explanations.

**11. Auditors:**

M/s.N.D.Kapur & Co, Chartered Accountants, auditors of the company, hold office until the Conclusion of the ensuing Annual General Meeting and are eligible for re-appointment and have confirm that if appointed,their appointment will be with in the limits prescribed under section



224(1B) of The Companies Act, 1956. Members are requested to appoint the Auditors of the company for the current year and fix their remuneration.

**12. Particulars of Employees:**

As none of the employees are in receipt of remuneration in aggregate of Rs. 24 lacs p.a. or more during the year and hence the particulars required under Section 217(2-A) of the Companies Act, 1956 is not furnished.

The company continues to lay emphasis on Human Resource Development, to make its employees attain high standards in efficiency and productivity. A number of training programs have been conducted for constantly upgrading their knowledge to ensure significant improvements in their performance and to equip them to deal with the ever changing comparative environment.

**13. Environment safety and energy conservation:**

As required by the companies (Disclosure of the Particulars in the Report of Board of Directors) Rules 1988 the relevant data pertaining to conservation of energy and technology absorption are given in the prescribed format as an Annexure-II to this report.

**14. Acknowledgement:**

Your Directors wish to place on record their sincere thanks to the Bankers and the Government Agencies for their support and look forward to their continued support in the future. Your Director also wishes to thank their business constituents for their continued co-operation given by them to the Company.

Your Directors express their deep appreciation for the devoted contribution made by employees at all levels. Who through competence, hard work, solidarity, co-operation and support have contributed their best efforts for continued progress of the Company. Employees relation continued to remain happy and cordial during the year.

And finally, the Directors acknowledge their gratitude the confidence which the share holders reposed in them.

For and On behalf of the Board of Directors

Aarti Grover  
Director

MUMBAI  
DATED: 30<sup>th</sup> August 2011





**M Siroya and Company**  
**Company Secretaries**

C-1, First Floor, Everest Building, Opp. BMC School, Dattapada Road, Borivali (E), Mumbai - 400 066  
Telefax: +91 22 28706523; Mobile: 93243 10151; E-mail: siroyam@rediffmail.com

**SECRETARIAL COMPLIANCE CERTIFICATE**  
**Registration No. of the Company: 11 - 6482**  
**Authorised Share Capital: Rs. 97,50,000/-**  
**Paid-up Share Capital: Rs. 50,97,000/-**

To,  
The Members  
**Kaycee Industries Limited**  
32, Nicol Road, Ramjibhai Kamani Road  
Ballard Estate, Mumbai - 400 001

We have examined the registers, books and papers of M/s Kaycee Industries Limited (the Company) as required to be maintained under The Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum & Articles of Association of the Company for the financial year ended **31st March, 2011**. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year: -

1. the Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and rules made there under and all entries therein have been duly recorded.
2. the Company has not duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. the Company being a public limited Company, has a paid-up Capital of Rs. 50,97,000/-.
4. the Board of Directors duly met 10 times on 29.04.2010, 15.07.2010, 31.07.2010, 30.08.2010, 01.10.2010, 30.10.2010, 24.11.2010, 31.01.2011, 23.02.2011 and 25.03.2011 in respect of which meetings proper notices were given and signed in the minutes book maintained for the purpose.
5. the Company had closed its Register of Members from 20th September, 2010 to 29th September, 2010 (both days inclusive) in order to comply with the provisions of Section 154 of the Act.
6. the Annual General Meeting for the financial year ended on 31.03.2010 was held on 29.09.2010 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the minutes book maintained for the purpose.
7. no extra-ordinary general meeting was held during the year though postal Ballot Process was carried out for appointment of Ms. Aarti Grover as a Whole Time Director, the results whereof were declared on 23rd February, 2011 in accordance with Section 192A of the Companies Act, 1956 read with Companies (Passing of the Resolution by Postal Ballot) Rules, 2001.



8. the Company has not advanced any loans or given any guarantees or provided any securities to its directors or persons or firms or Companies referred to under Section 295 of the Act.
9. the Company has complied with the provisions of Section 297 of the Act in respect of Contracts specified in that Section.
10. the Company has made necessary entries in the register maintained under Section 301 of the Act.
11. as there were no instances during the year falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government.
12. the Company has not issued duplicate share certificates during the financial year.
13. the Company has: -
  - i) Delivered all the certificates on lodgment thereof for transfer in accordance with the provisions of the Act.
  - ii) Declared dividend during the year and complied with the provisions of the Act.
  - iii) Has not paid any interim dividend during the year.
  - iv) Duly complied with the requirements of Section 217 of the Act.
14. the Board of Directors of the Company is duly constituted and Ms. Aarti Grover was appointed as an Additional Director on 8th September, 2010 and vacated office u/s. 260 on 29th September, 2010 (AGM) and was again appointed as an Additional Director and Whole Time Director ("WTD") of the company w.e.f. 1st October, 2010. Mr. Aaloke Ghose was appointed as an additional director of the Company w.e.f. 25th March, 2011. The Company has duly filed all forms except form - 32 for the change in designation of Ms. Aarti Grover for appointment as WTD .
15. the Company has appointed Ms. Aarti Grover as the Whole Time Director of the Company w.e.f. 1st October, 2010 for a period of 3 years and yet to file Form - 32 as Whole Time Director and Form - 25A for the approval of the Central Government.
16. the Company has not appointed any sole-selling agents during the financial year.
17. the Company was not required to obtain any approvals of the Company Law Board, Regional Director, Registrar of Companies and/or such authorities prescribed under the various provisions of the Act during the financial year except the approval of Central Government for the appointment of Ms. Aarti Grover as Whole Time Director of the Company, which is yet to be applied to MCA in requisite form 25A.
18. the Directors have disclosed their interest in other firms, Companies to the Board of Directors pursuant to the provisions of the Act and rules made there under.
19. the Company has not allotted any Shares/debentures or other securities during the financial year.
20. the Company has not bought back any Shares during the financial year.



21. there was no redemption of preference shares or debentures outstanding during the financial year.
22. there were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. the Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. the Company has borrowed amount from its Banks during the financial year ended 31st March, 2011 under the provisions of Section 293 (1) (d) of the Act, within the borrowing limits as approved by the members of the Company in their meeting.
25. the Company has made investment(s) in other bodies corporate and complied with the provisions of the Act. However, the Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate.
26. the Company has not altered the provisions of the Memorandum with respect to the situation of the Company's registered office from one state to another during the year under scrutiny.
27. the Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. the Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. the Company has not altered the provisions of the Memorandum with respect to share capital of the Company for the year under scrutiny.
30. the Company has not altered its Articles of Association during the financial year.
31. as informed to us, there was no prosecution initiated against the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year for offence under the Act.
32. the Company has not received any money as security from its employees during the financial year.
33. the Company is generally regular in depositing both the employees' and employer's contribution to Provident Fund with the prescribed authorities pursuant to Section 418 of the Act.

**For M Siroya and Company**  
Company Secretaries

**Mukesh Siroya**  
Proprietor  
CP No.: 4157

Place: Mumbai  
Date: 30th August, 2011



**Annexure A - Secretarial Compliance Certificate**

Name of the Company : Kaycee Industries Limited  
 Registration Number : 11 - 6482

Registers as maintained by the Company  
**Statutory Register**

Sr. No.	Under Section	Name of Register
1	143	Register of Charges
2	150	Register of Members
3	193	Minutes of all meetings of Board of Directors
4	193(1)	Minutes of General Body Meetings
5	209	Books of Accounts
6	301	Register of Particulars of Contracts in which Directors are interested
7	303	Register of Directors
8	307	Register of Directors' Shareholding
9	-	Register of Deposits

**Other Registers**

1	-	Board Meeting Attendance Register
2	-	General Meeting Attendance Register
3	-	Share Transfer Register



**Annexure B - Secretarial Compliance Certificate**

Name of the Company : Kaycee Industries Limited  
 Registration Number : 11 - 6482

Returns / Documents / Forms filed with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ended March 31st, 2011

FOR THE YEAR 2010-2011 (01.04.2010 TO 31.03.2011)  
 REGISTRAR OF COMPANIES

Sl. No.	Form No.	Relevant Section	Description	Date of Filing	Whether filed Within prescribed time Yes / No	If delay in filing, whether requisite additional fee paid Yes / No
1	32	260	Appointment of Ms. Aarti Grover as an Additional Director w.e.f.08/09/2010	10.09.2010	Yes	
2	32	260	Cessation of the office by Ms. Aarti Grover as an additional director at the AGM held on 29.09.2010	04.10.2010	Yes	NA
3	32	260	Appointment of Ms. Aarti Grover as an Additional Director w.e.f.01/10/2010	12.10.2010	Yes	N.A
4	66	383A	Secretarial Compliance Certificate for the year ended on 31 <sup>st</sup> March, 2010	01.12.2010	No	Yes
5	23AC & 23ACA	220(1)	Balance Sheet and Profit & Loss Account as on 31.03.2010	10.12.2010	No	Yes
6	20B	159(1)	Annual Return (Schedule V) made up to 29.09.2010	16.12.2010	No	Yes
7	62	192A	Intimation and submission at RoC documents relating to Postal Ballot	19.01.2011	Yes	N.A
8	23	192A	Appointment of Ms. Aarti Grover as the Whole Time Director through Postal Ballot, the results whereof were declared on 23 <sup>rd</sup> February, 2011	03.03.2011	Yes	N.A
9	8	135	Modification of Charges	15.03.2011	Yes	N.A
10	32	260	Appointment of Mr. Aaloke Ghose as an Additional Director w.e.f.25.03.2011	30.05.2011	No	Yes



## ANNEXURE II OF DIRECTORS' REPORT

Information as per Section 217 (1) (e) read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March 2011.

### A Conservation of energy

- A Energy conservation measure taken : The requirement of power is not large and the position does not warrant any special conservation measures
- B Additional investments and proposals if any, being implemented for reduction of consumption of energy : NIL
- C Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods : NIL
- D Total energy consumption and energy consumption per unit of production. : NIL

### B. Technology Absorption

- Efforts made in technology absorption as per Form B : Form B attached

### C. Foreign Exchange Earning and Outgo

- a. Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services, and export plans. The company is continuously making efforts to increase the exports and during the year exports amounted to Rs. 57,76,010/-.(F.O.B Value)
- b. Total foreign exchange used and earned Foreign Exchange used equivalent to Rs.1,96,41,639 /- Foreign Exchange earned Rs. 57,76,010/-.(F.O.B Value)



## FORM - B

Disclosure of particulars with respect to Absorption.  
Research and Development (R & D)

- |    |   |   |   |
|----|---|---|---|
| 1. | Specific areas in which R & D   | : | Micro Switches, Rotary Switches, and development carried out by the company of new products like Breaker control Switch, push Buttons.  |
| 2. | Benefits derived as a result of the above R&D   | : | Improvements in existing products in quality & performance  |
| 3. | Future plan of action   | : | Efforts will be continued to introduce new products and to improve existing products.   |
| 4. | Expenditure on R & D  |   |   |
|    | a. Capital  | : | Rs. NIL   |
|    | b. Recurring  | : | Rs. NIL   |
|    | c. Total  | : | Rs. NIL   |
|    | d. Total R & D expenditure as a percentage of total turn over   | : | Rs. NIL   |
|    | Technology absorption, adaptation & innovation.   |   |   |
| 1. | Efforts, in brief, made towards technology absorption, adaptation and innovation  | : | No technology has been imported by the Company over the last five years reckoned from the beginning of the financial year under reference. The Company is updating the existing technology. The Scope of innovation with existing range of products is limited. |
| 2. | Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import, substitution etc.                  | : | NIL   |
| 3. | In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished | : | Not Applicable  |
| 4. | a. Technology imported  | : | Not Applicable  |
|    | b. Year of Import   | : | Not Applicable  |
|    | c. Has technology been fully absorbed   | : | Not Applicable  |
|    | d. If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.   | : | Not Applicable  |



## AUDITORS' REPORT

To the Members,  
Kaycee Industries Limited

We have audited the attached Balance Sheet of Kaycee Industries Limited ("the Company") as at 31<sup>st</sup> March 2011, the Profit and Loss Account for the year ended on that date and the Cash Flow Statement for the year ended on that date annexed thereto (together referred to as the "financial statements"). These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order 2003, [ as amended by Companies ( Auditor's Report ) ( Amendment ) Order, 2004 ] (together the 'Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, ("the Act") and on the basis of such checks as we considered appropriate, and according to the information and explanations given to us, we give in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable to the Company.
3. Further to our comments in the annexure referred to in paragraph 2 above, we report that :
  - a) We have 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 accounts as required by law, have been kept by the Company, so far as appears from our examination of those books,
  - c) The Balance Sheet, Profit and Loss Account and Cash Flow statement dealt with by this report are in agreement with the books of account,
  - d) In our opinion the Balance Sheet, Profit and Loss Account and Cash Flow statement dealt with by this report comply with the mandatory accounting standards referred in sub-section (3C) of section 211 of the Companies Act, 1956.
  - e) On the basis of written representations received from the directors, as on March 31, 2011, and taken on record by the Board of Directors, we report that none of the directors of the Company is disqualified as on 31<sup>st</sup> March 2011 from being appointed as director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956,





- 4 In our opinion, and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto, give in the prescribed manner, the information required by the Act, and also give a true and fair view, in conformity with the accounting principles generally accepted in India,
- i) In so far as it relates to Balance Sheet, of the state of affairs of the Company as at 31ST March, 2011,
  - ii) In so far as it relates to the Profit and Loss Account, of the profit of the company for the year ended on that date, and
  - iii) In so far as it relates to the Cash Flow Statement of the cash flows of the company for the year ended on that date.

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

Mumbai  
Dated : 30TH August 2011

**S. K. AGRAWAL**  
Partner  
M. No. 13968



**Annexure referred to in paragraph 2 of Auditors' Report of even date to the members of Kaycee Industries Limited on the Financial Statements for the year ended 31st March ,2011**

1. In respect of its fixed assets:
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation, of its fixed assets. As explained to us, the fixed assets have been physically verified by the Management during the year in a phased periodical manner, which in our opinion is reasonable, having regards to the size of the Company and nature of its assets. According to the information and explanation given to us, discrepancies noticed on physical verification have been adjusted in the books of account.
  - b) The fixed assets, which were disposed off during the year, do not form substantial part of the fixed assets owned by the company.
  - c) In our opinion, the Company has not disposed off any substantial part of fixed assets during the year to affect its going concern.
  
2. In respect of its inventories:
  - a) As explained to us, inventories have been physically verified by the management at regular intervals during the year, in our opinion the frequency of verification is reasonable, except stocks lying with third parties for which no confirmation have been obtained in respect of such inventory.
  - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) The Company has maintained proper records of inventories. As explained to us, there was no material discrepancies noticed on physical verification of inventory as compared to the book records.
  
3. The Company has not granted any loans, secured or unsecured, to companies, firm or other parties covered in the register maintained under section 301 of the companies act, 1956, (except trade advances ) and hence clause 4 (3) (a) to (g) of the Companies (Auditor's Report) order 2003, are not applicable to the company.
  
4. The Company has not taken unsecured loans, from companies, firm or other parties covered in the register maintained under section 301 of the companies act, 1956 and hence clause 4 (3) (a) to (g) of the companies (auditor's Report) order 2003, are not applicable to the company.
  
5. In our opinion and according to the information and explanations given to us, there is an ad-



equate internal control system commensurate with the size of the Company and the nature of its business with regard to the purchase of inventory, fixed assets and also for the sale of goods. Further, on the basis of our examination of the books and records of the company, and according to the information and explanation given to us, we neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.

6. In respect of transactions covered under Section 301 of the Companies Act, 1956:
- a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered into in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
  - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1946 aggregating to Rs. 5, 00,000/- (Rupees Five Lacs only) or more in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

The Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Act and the rules framed there under.

7. **The Company has an internal audit system, which required to be strengthened to commensurate with its size and nature of its business.**
8. As informed to us, the maintenance of Cost Records has not been prescribed by Central Government under Section 209 (1) (d) of the Companies Act, 1956 for any of the products manufactured by the company.
9. In respect of statutory dues:
- a. According to the books and records as produced before us and in accordance with generally accepted auditing practices in India and also based on management representations, undisputed statutory dues in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Wealth Tax, Customs Duty, Excise Duty, Cess, Service Tax and other statutory dues have generally been regularly deposited, by the Company during the year with the appropriate authorities in India, **except TDS payments where delay is observed.** According to the information and explanations given to us, no undisputed amounts payables in respect of the aforesaid dues were outstanding as at 31st March 2011 for a period of more than six months from the date of becoming payable

- b. The disputed statutory dues aggregating to Rs 16.84 lacs (P.Y. Rs 16.84 lacs) have not been deposited on account of matters pending before appropriate authorities are as under:

Sr. No.	Name of the Statute	Nature of the Dues	Year	Forum where dispute is pending	Amount (Rs in Lacs)
1	Central Sales Tax	Sales Tax	2000-01	Appellate Tribunal	12.88
2	Central Excise	Excise	2007-08	Supretend of Excise	3.96

10. The company does not have accumulated losses as at 31st March, 2011 and has not incurred any cash losses either during the current financial year or in the immediately preceding financial year.
11. Based on our audit procedures and according to the records, information and explanation given to us, by the Company there is no default in repayment of dues to financial institutions, banks. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
12. according to information and explanation given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, considering the nature of activities carried on by the Company during the year, the provisions of any special statue applicable to chit fund nidhi /mutual benefit fund / societies, are not applicable to it.
14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments.
- According to the information and explanations given to us and the representations made by the management, the Company has not given any guarantee for loans taken by others from any bank or financial institutions during the year.
15. The Company has not raised any term loans.
16. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that the Company has utilised Rs. 26.03 lacs (P.Y. Rs 66.17 lacs) from internal accruals and right issue funds towards acquisition of fixed assets and extension of building. No funds raised on short-term basis have been used for long term investment.
17. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Act.



18. The Company has not issued any debentures.
19. We have verified the end use of money raised by public issue from the draft prospectus filed with SEBI, the offer document and as disclosed in the notes to accounts.
20. On the basis of examination of books of accounts and other records of the Company, we have not come across any fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

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

Mumbai  
Dated : 30TH August 2011

**S. K. AGRAWAL**  
Partner  
M.No. 13968



## BALANCE SHEET AS AT 31st MARCH, 2011

	Schedule	Rupees	Rupees	Previous Year Rupees	Rupees
<b>I. SOURCES OF FUNDS :</b>					
1 SHAREHOLDERS' FUND :					
a) Share Capital	1	5,097,000		5,097,000	
b) Reserves & Surplus	2	67,452,733		57,962,990	
			72,549,733		63,059,990
2 LOAN FUNDS :	3				
a) Secured Loans		17,033,925		19,683,423	
b) Unsecured Loans		2,000,000		2,000,000	
			19,033,925		21,683,423
<b>TOTAL</b>			<b>91,583,659</b>		<b>84,743,414</b>
<b>II. APPLICATION OF FUNDS :</b>					
1 FIXED ASSETS :	4				
a) Gross Block		39,972,126		37,659,763	
b) Less: Depreciation		26,006,337		23,878,971	
c) Net Block		13,965,788		13,780,791	
d) Building under Construction		14,766,844		14,766,843	
			28,732,632		28,547,634
2 INVESTMENT :					
(Other than Trade- Unquoted at Cost)					
(1000 fully paid shares of Rs. 10/- each of Saraswat Co.op. Bank Ltd.)			10,000		10,000
(9990 fully paid shares of Rs. 10/- each of RDJ Constructions Pvt. Ltd.)			99,900		-
3 DEFERRED TAX ASSETS (NET)			778,658		2,046,434
4 CURRENT ASSETS, LOANS AND ADVANCES :	5				
a) Inventories		39,608,341		33,475,871	
b) Sundry Debtors		85,229,860		77,885,632	
c) Cash and Bank Balances		3,229,780		2,967,599	
d) Loans & Advances		5,607,703		9,176,456	
		133,675,683		123,505,558	
Less: CURRENT LIABILITIES AND PROVISIONS	6	72,589,534		70,242,535	
<b>NET CURRENT ASSETS</b>			<b>61,086,149</b>		<b>53,263,023</b>
4 PAKISTAN BRANCH (NET)	7		876,320		876,320
<b>TOTAL</b>			<b>91,583,659</b>		<b>84,743,414</b>

NOTES FORMING PART OF THE ACCOUNTS 14  
As per our report of even date attached

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

S. K. AGRAWAL  
Partner  
MUMBAI  
Date : 30th August, 2011

Director  
(Aarti Grover)

Director  
(Raju R. Grover)



## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011

	Schedule	Rupees	Previous Year Rupees	Rupees
<b>INCOME :</b>				
Sales	8	268,773,737		255,210,214
Other Income	9	5,450,654		1,935,095
Increase/(Decrease) in stock	10	(4,326,993)		1,634,586
			<b>269,897,398</b>	<b>258,779,895</b>
<b>EXPENDITURE :</b>				
Raw Material & Stores Consumed	11	138,037,575		138,799,485
Cost of Traded Goods Purchased	12	17,981,434		15,196,057
Other Expenses	13	95,259,157		89,627,912
Depreciation	4	2,380,925		2,233,246
		<b>253,659,090</b>		<b>245,856,700</b>
Less : Expenses Included in Above Items, Capitalised		<b>345,000</b>		<b>1,220,000</b>
			<b>253,314,090</b>	<b>244,636,700</b>
Profit / (Loss) Before Taxation			<b>16,583,308</b>	<b>14,143,194</b>
Less Prior Period Expenses (Net)			<b>33,987</b>	<b>22,939</b>
Short/Excess Provision For Taxation for earlier year			<b>(254,523)</b>	<b>-</b>
<b>Provision for Taxation</b>			<b>5,450,000</b>	<b>4,800,000</b>
Current Tax				
Fringe Benefit Tax			<b>1,267,776</b>	<b>(1,176,344)</b>
Deferred Tax (Asset)/Liabilities			<b>10,086,068</b>	<b>10,496,599</b>
Profit / (Loss) for the Year			<b>25,718,079</b>	<b>17,817,829</b>
Profit Brought Forward			<b>2,000,000</b>	<b>2,000,000</b>
Transfer to General Reserve			<b>509,700</b>	<b>509,700</b>
Dividend payable			<b>86,624</b>	<b>86,649</b>
Dividend Tax				
Profit and Loss Account Balance Carried Forward			<b>33,207,822</b>	<b>25,718,079</b>
To Balance Sheet				
Earning per Share -( Basic & Diluted) (Before Tax) *			<b>325.35</b>	<b>277.48</b>
Earning per Share -( Basic & Diluted) (After Tax) *			<b>197.88</b>	<b>205.94</b>
* Weighted Average No's				

Accounting Policies and Notes  
Forming Part of the Accounts

14

As per our report of even date attached

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

**S. K. AGRAWAL**  
Partner  
MUMBAI  
Date : 30th August, 2011

**Director**  
(Aarti Grover)

**Director**  
(Raju R. Grover)



SCHEDULE NOS. 1 TO 11 ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010 AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011.

**SCHEDULES TO THE BALANCE SHEET**

**SCHEDULE 1 : SHARE CAPITAL :**

	Rupees	Previous Year Rupees
<b>AUTHORISED :</b>		
97,500 Ordinary Shares of Rs. 100/- each	<u>97,50,000</u>	<u>97,50,000</u>
<b>ISSUED, SUBSCRIBED AND PAID UP :</b>		
* 50,970 Ordinary Shares of Rs. 100/- each	<u>5,097,000</u>	<u>5,097,000</u>
* Includes 3125 Shares issued to erstwhile Deferred Shareholders pursuant to scheme of conversion sanctioned by Hon'ble Bombay High Court on 10th July, 1985.		

**SCHEDULE 2 : RESERVES AND SURPLUS :**

	Rupees	Rupees	Previous Year Rupees	Rupees
<b>A. RESERVE SURPLUS :</b>				
Share Premium Account ( RS. 680/- per share on 25485 ordinary share )		16,741,324		16,741,324
General Reserve As per Last Account	15,503,587		13,503,587	
Add Transfer From P/L	<u>2,000,000</u>	17,503,587	<u>2,000,000</u>	15,503,587
 Profit & Loss Account Balance		<u>33,207,822</u>		<u>25,718,079</u>
		<u>67,452,733</u>		<u>57,962,990</u>

**SCHEDULE 3 : LOANS :**

	Rupees	Rupees	Rupees
<b>SECURED :</b>			
The Saraswat Co- Op Bank Ltd			
Cash Credit	(4,323,543)		(4,244,173)
ODBD	<u>522,551</u>	(3,800,992)	<u>908,308</u>
Central bank of India			
Cash Credit	18,917,548		1,918,897
ODBD	<u>1,917,369</u>	<u>20,834,917</u>	<u>3,830,310</u>
Cash Credits against hypothecation of Raw Materials, Finished Goods, Semi - Finished Goods and Book Debts, block of assets of the Company including Factory Land, Property at 70, Lake Road, Bhandup (w) & Existing Plant and Machinery, Moulds, Dies etc therein and to be Purchased in future.		17,033,925	19,683,423
<b>UNSECURED</b>		<u>2,000,000</u>	<u>2,000,000</u>
		<u>19,033,925</u>	<u>21,683,423</u>





KAYCEE INDUSTRIES LIMITED

SCHEDULE 4 : FIXED ASSETS IN INDIA

Description of Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	Cost as on	Additions	Deductions	As At	As At	Provided	Deductions	As At	As At	As At
	1.4.2010			31.03.2011	1.4.2010	for the year during the year	31.03.2011	31.03.2011	31.3.2010	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land	78,891	-	-	78,891	-	-	-	78,891	78,891	78,891
Building (Factory)	4,107,427	-	-	4,107,427	3,449,280	65,814	-	3,515,094	592,333	658,147
Plant & Machinery	23,411,801	1,718,666	-	25,130,467	14,329,415	1,342,663	-	15,672,078	9,458,389	9,082,386
Computers	3,185,513	540,100	161,654	3,563,959	2,763,437	319,649	140,391	2,942,695	621,264	422,076
Furniture, Fitting & Office Equipment	5,520,962	343,966	128,716	5,736,212	2,648,178	528,650	113,168	3,063,660	2,672,552	2,872,784
Motor Vehicles	210,813	-	-	210,813	165,718	11,675	-	177,393	33,420	45,095
Electrical Fitting	1,144,356	-	-	1,144,356	522,944	112,474	-	635,418	508,938	621,412
Building under Construction	37,659,763	2,602,732	290,370	39,972,125	23,878,972	2,380,925	253,559	26,006,338	13,965,787	13,780,791
	14,766,844	-	-	14,766,844	-	-	-	-	14,766,844	14,766,844
Previous Year	35,703,205	2,555,652	599,094	37,659,763	22,233,804	2,233,246	588,079	23,878,971	28,547,635	14,615,191
									28,732,631	28,547,635

Note :

Additional floor of the Building is completed and capitalisation is pending for Completion Certificate to be received from B.M.C.

## SCHEDULE 5 : CURRENT ASSETS, LOANS &amp; ADVANCES :

	Rupees	Rupees	Previous Year Rupees
<b>A INVENTORIES :</b>			
(At cost or Net realisable value which ever is less)			
Raw Materials & Stores	18,912,974		12,145,357
Materials in process	2,042,387		5,702,578
Finished Goods	10,797,812		11,464,614
Trading Goods	7,855,168		4,163,322
		<b>39,608,341</b>	<b>33,475,871</b>
<b>B SUNDRY DEBTORS :</b>			
(Unsecured and Considered Good)			
a) Debts outstanding for a period exceeding six months			
Considered Good	8,254,078		6,459,886
Considered Doubtful	1,692,501		1,097,678
	<b>9,946,579</b>		<b>7,557,563</b>
Less: Provision for Doubtful Debts	1,692,501		1,097,678
		<b>8,254,078</b>	<b>6,459,886</b>
b) Others: Considered Good		<b>76,975,782</b>	<b>71,425,746</b>
		<b>85,229,860</b>	<b>77,885,632</b>
<b>C CASH AND BANK BALANCES :</b>			
Cash in Hand	159,959		57,557
With Scheduled Banks :			
In Current Account	133,751		275,824
Bank Guarantee Margin	1,648,318		1,375,318
Fixed Deposits	170,732		1,168,450
Fixed Deposits against LC Margin	1,000,000		
In Dividend Account	117,020		90,450
		<b>3,229,780</b>	<b>2,967,599</b>
<b>D LOANS AND ADVANCES :</b>			
(Unsecured, Considered Good)			
Sales Tax receivable	1,623,694		1,288,180
Advances Recoverable in cash or in kind or for value to be received	1,871,340		1,686,387
Advances to suppliers for Capital Goods	429,790		66,000
Sundry Deposits	1,044,809		946,669
Advances to suppliers for Raw Material	281,359		4,382,509
Advance payment of FBT	356,711		806,711
		<b>5,607,703</b>	<b>9,176,456</b>
		<b>133,675,683</b>	<b>123,505,558</b>



SCHEDULE 6 : CURRENT LIABILITIES AND PROVISIONS :

	Rupees	Previous Year Rupees
<b>A. CURRENT LIABILITIES :</b>		
Outstanding Liabilities	4,593,337	4,222,224
Sundry Creditors for Goods	55,521,382	52,928,540
Advance from customers	1,221,359	2,300,624
Unclaimed Dividends	117,020	90,450
Interest accrued but not due	-	58,500
Unclaimed amount for fractional	664	664
	<u>61,453,762</u>	<u>59,601,002</u>
<b>B. DEPOSITS</b>	<b>2,007,000</b>	<b>1,622,000</b>
<b>C. PROVISION FOR</b>		
Income Tax	1,785,763	600,334
Fringe Benefit Tax	375,000	725,000
Provision for Excise duty	1,008,318	959,226
Proposed Dividend	509,700	509,700
Corporate Dividend tax	86,624	86,649
Leave Encashment	2,692,622	2,701,689
Gratuity	2,670,745	3,436,935
	<u>9,128,772</u>	<u>9,019,533</u>
	<u>72,589,534</u>	<u>70,242,535</u>



**SCHEDULE 7 : ASSETS & LIABILITIES IN PAKISTAN :**

Value as per Balance Sheet 30th June, 1964.

	Original Cost Rupees	Depreciation up to 30.06.1964 Rupees	Written down Value as on 30.06.1964 Rupees
<b>FIXED ASSETS :</b>			
Building (Factory, Office & Godown)	929,650	773,182	156,468
Machinery & Plant	1,179,717	996,517	183,200
Electric Installation	85,119	71,177	13,942
Furniture & Fixtures	56,494	36,868	19,626
Library	3,314	2,399	915
Motor Vehicles	15,313	11,300	4,013
	<u>2,269,607</u>	<u>1,891,443</u>	<u>378,164</u>
<b>SCURRENT ASSETS, LOANS &amp; ADVANCES :</b>			
Stores	82,230		
Instruments & Tools	31,648		
Raw Materials	700,000		
Finished Goods - Own manufacturing	403,178		
Finished Goods - Others	157		
Material in Process	159,250		
Packing Materials	4,345		
Goods in Transit	5,521		
Sundry Debtors	610,985		
Cash in Hand	3,126		
Cash in Bank	47,542		
Recoverable in cash or in kind or for value to be received	23,600		
Deposits	79,013		2,150,595
			<u>2,528,759</u>
<b>Less : LIABILITIES</b>			
Fixed Deposits - Due to Director of Works	150,000		
Others-Guaranteed by Director of Works	659,654		
Sundry Creditors	106,640		
Taxes Payable	444,039		
			1,360,333
			1,168,426
Less : Ad-hoc ex gratia payment received in the year 1973-74			292,106
<b>NET ASSETS IN PAKISTAN</b>			<u>876,320</u>

The above assets, based on the audited accounts of the unit for the year ended 30th June 1964 now vest with the custodian of Enemy Property in Pakistan for which a claim has been filed with the Custodian of the Enemy Property in India and are shown at the relative book value in Indian Rupees as at 30th June 1964 less the ad-hoc ex-gratia payment received from the Custodian of Enemy Property in India.

**KAYCEE INDUSTRIES LIMITED**  
**SCHEDULES TO THE PROFIT & LOSS ACCOUNT**



**SCHEDULE 8 : SALES :**

	Rupees	Previous Year Rupees
Sale of Manufactured Goods	265,578,168	255,517,324
Less : Excise Duty	<u>31,979,509</u>	<u>25,524,489</u>
	233,598,659	229,992,835
Export Sale	5,909,671	4,984,408
Sale of Trading Goods	29,265,406	20,232,970
	<u>268,773,737</u>	<u>255,210,213</u>

**SCHEDULE 9 : OTHER INCOME :**

	Rupees	Previous Year Rupees
Miscellaneous Income	2,933,576	1,229,806
Interest earned	115,078	68,889
Rent Received (gross, tax deducted at source : Rs.240,000/-previous year Rs 72,031/)	2,400,000	608,400
Dividend received on investment other than Trade	2,000	2,000
Profit on sale of Fixed Assets	-	26,000
	<u>5,450,654</u>	<u>1,935,095</u>



## SCHEDULES TO THE PROFIT &amp; LOSS ACCOUNT

## SCHEDULE 10 : MATERIALS : ( INCREASE / (DECREASE) IN STOCK )

		Rupees	Previous Year Rupees
Closing Stocks :			
Materials in Process	2,042,387		5,702,578
Finished Goods	<u>10,797,812</u>		<u>11,464,614</u>
		<b>12,840,199</b>	<b>17,167,192</b>
Less : Opening Stocks :			
Materials in Process	5,702,578		7,957,038
Finished Goods	<u>11,464,614</u>		<u>7,575,568</u>
		<b>17,167,192</b>	<b>15,532,606</b>
		<u><b>(4,326,993)</b></u>	<u><b>1,634,586</b></u>

## SCHEDULE 11: Raw Material &amp; Stores Consumed:

		Rupees	Previous Year Rupees
Opening Stocks Raw Materials & Stores:	12,145,357		11,003,331
Add: Raw Material & Stores Purchases	<u>144,805,192</u>		<u>139,941,511</u>
		<b>156,950,549</b>	<b>150,944,842</b>
Less : Closing Stocks Raw Material & Stores		<b>18,912,974</b>	<u>12,145,357</u>
		<u><b>138,037,575</b></u>	<u><b>138,799,485</b></u>

## SCHEDULE 12 : Cost of Traded Goods

		Rupees	Previous Year Rupees
Opening Stocks of Trading Goods	4,163,322		3,857,606
Add Purchases	<u>21,673,280</u>		<u>15,501,774</u>
		<b>25,836,602</b>	<b>19,359,380</b>
Less : Closing Stock		<b>7,855,168</b>	<u>4,163,322</u>
		<u><b>17,981,434</b></u>	<u><b>15,196,058</b></u>

**KAYCEE INDUSTRIES LIMITED**

**SCHEDULES TO THE PROFIT & LOSS ACCOUNT**
**SCHEDULE 13 : OTHER EXPENSES :**

	Rupees	Rupees	Previous Year Rupees
Component Processing and other charges		9,186,970	7,309,153
Power, Fuel & Water Charges		2,699,794	2,778,271
Octroi, Transportation & Forwarding, etc.		2,375,174	3,361,140
<b>Employees' Emoluments :</b>			
Salaries, Wages, Bonus & Gratuity	45,191,016		43,792,097
Contribution to Provident & other funds & schemes	2,964,745		2,491,134
Welfare Expenses	<u>3,501,928</u>		<u>3,311,022</u>
		51,657,689	49,594,253
Conveyance & Traveling		3,814,311	4,169,861
Reimbursement of corporate exps.		1,800,000	-
Printing & Stationery		802,447	1,059,700
Postage & Telephone		1,140,090	1,048,990
Cash Discount		2,117,944	1,867,891
<b>Maintenance &amp; Repairs :</b>			
Machinery	187,750		250,519
Building	1,568,847		1,687,460
General	<u>211,859</u>		<u>68,748</u>
		1,968,456	2,006,727
Insurance & Keyman Insurance		2,056,794	605,484
Rent, Rates & Taxes		2,115,328	480,048
Excise Duty Paid		647,421	382,537
Sales Tax Paid		402,290	1,487,984
<b>Financial Cost</b>			
Interest - Banks	2,019,124		1,645,760
Bank Charges	<u>618,770</u>		<u>1,105,290</u>
		2,637,894	2,751,050
Discounts		2,572,321	2,202,545
Bad Debts Written Off		1,018,019	117,543
Legal & Professional Charges		2,174,014	2,332,352
Advertisement & Publicity		103,848	84,804
Miscellaneous Expenses		3,968,353	5,987,578
		<u>95,259,157</u>	<u>89,627,911</u>



**SCHEDULE 14: SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS**

**1 Background**

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

**2 Significant accounting policies**

a) The financial statements are prepared under the historical cost convention, on an accrual basis, in conformity with the accounting principles generally accepted in India and in accordance with the accounting standards referred to in section 211 (3C) of the Companies Act, 1956 ('the Act'). The Company follows mercantile system of accounting and recognizes Income and Expenditure on an accrual basis except those with significant uncertainties.

b) Use of estimates

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

c) The Accounting policies applied by the company are consistent with those used in the previous year

**3 REVENUE RECOGNITION:**

Sales are recognized when goods leave from factory premises and are recorded net of returns, trade discounts, rebates, sales tax & excise duty where ever applicable.

**4 EMPLOYEE BENEFITS**

a) **Short Term Employees Benefits:**

All short term employee benefits such as salaries, wages, bonus, short term compensated absences, awards, exgratia, 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

b) **Defined Benefit Plan**

**Gratuity:**

The Company provides the gratuity benefit through annual contributions to a fund managed by the Life Insurance Corporation of India (LIC). Under this plan, the settlement obligation remains with the Company, although the Life Insurance Corporation of India administers





the plan and determines the contribution premium on Projected Unit Credit Method, which is required to be paid by the Company and is debited to the profit and loss account on an accrual basis. Actuarial gains or losses arising during the year are recognized in the profit and loss account.

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

#### **Defined Contribution Plan**

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

### **5 Inventories**

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

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

Company has used FIFO method for valuation. Finished goods are inclusive of excise duty.

### **6 Fixed Assets**

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

Depreciation is provided using the written down value method in accordance with the schedule XIV of the Companies Act, 1956. Fixed assets individually costing upto Rs.5,000 are fully depreciated in the year of acquisition. Depreciation on assets acquired or disposed off during the year is provided on a pro-rata basis from/up to the date of acquisition/disposal.

### **7 Impairment of Assets**

The carrying value of assets is reviewed for impairment, when events or changes in circumstances indicate that the carrying values may not be recoverable. In addition, at each balance sheet date, the company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the asset recoverable is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value on an appropriate discount factor.

- 8 Investments**  
Investments that are readily realizable and intend to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Long term investments are stated at cost less any diminution in their value, which is other than temporary. Current assets are stated at lower of cost and market value. Unquoted long term investments are valued at lower of cost or latest available break up value.
- 9 Research and Development**  
Revenue expenditure on research and development is charged against the profit of the year in which it is incurred. Capital expenditure on research and development is shown as an addition to Fixed Assets.
- 10 Foreign currency transaction**  
Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are restated at year-end rates. The exchange difference on restatement of monetary assets and liabilities and realized gains and losses on foreign exchange transactions other than those relating to fixed assets are recognized in the profit and loss account. Exchange difference in respect of liabilities incurred to acquire fixed assets is adjusted to the carrying amount of such. Fixed assets
- 11 RIGHT ISSUE**  
The Company has utilized remaining balance amount of Rs. Nil (P.Y. Rs 10.82 lacs) out of the right issue proceeds.
- 12 Segment Reporting Policies**  
Identification of segment is based on the major manufacturing products.
- 13 Earning per share**  
Basic and diluted earnings per share are calculated by dividing the net profit/ loss for the year by the weighted average number of equity shares outstanding during the period.
- 14 Provisions**  
A provision is recognized when the company has a present obligation resulting from past events and it is probable that an outflow of resources will be required to settle the obligation for which a reliable estimate can be made. Provisions are based on management's best estimate of the amount required to settle the obligation at the balance sheet date. Provisions are reviewed at each balance sheet date and adjusted to reflect revision in estimates. The company has decided to provide Bad and doubtful debts if debtors remain outstanding over and above one years
- 15 Income Tax**  
A tax expense comprises current and deferred taxes. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with The Income Tax Act, 1961. Deferred Income Tax Reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.



The differed tax asset and deferred tax liability is calculated by applying tax rate and tax laws that have been enacted or substantially enacted at the balance sheet date.

Deferred taxes assets are recognized and carried forward for all deductible timing differences only if there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The deferred tax liability is arising due to timing difference on depreciation charged where as deferred tax assets arising mainly on account of Leave encashment & Gratuity.

- 16 Estimated value of contracts (Net of Advances) to be executed on capital account and not provided for Rs. 4.29Lacs (Previous year Rs.0.66 Lacs).
- 17 Company has not provided contingent liability of Rs 12.88 Lacs against Sales Tax Assessment for year 2000-2001 and Rs. 3.96 Lacs against Central Excise assessment for year 2007- 2008.
- 18 Pakistan unit of the Company continues to be under the control of Pakistan Government. It has not been possible to establish any communication with the said unit so far. Therefore, statement of Assets and Liabilities as at 30th June 1964 based on the last reports received have been incorporated in the Balance sheet as pre devaluation rate of rate of exchange as per Schedule 7.

19 **PAYMENT TO THE AUDITORS :**

INCLUSIVE OF SERVICE TAX.

	2010-2011 Rupees	2009-2010 Rupees
a) As Audit Fee - Statutory	193025	110300
b) In other capacities:		
i) For Certification	199211	110714
ii) For Provident Fund & Gratuity Audit	11030	11030
iii) Tax Audit Fees	55150	54120
iv) Vat Audit Fees	71695	55150
c) Expenses reimbursed	6500	6500

20 **MANAGERIAL REMUNERATION :**

Salary and Allowances	900,300	Nil
Perquisites	Nil	Nil
Contribution to Statutory Funds	50,400	Nil
Commission	Nil	Nil

Ms. Aarti Grover is Appointed as Director During the Year.

Note : The Above Remuneration Paid is In Excess of Limits Prescribed U/S 309 of The Companies Act 1956 and is subject to necessary Subsequent approval.



21 Details of Licensed and Installed Capacity, Production, Stock and Turnover.

21 A Licensed And Installed Capacity And Production:

	Licensed Capacity Nos.	Installed Capacity Nos.	Actual Production Nos.
a) Rotary Switches	Not Specified	Not Applicable	946,550 (811,075)
b) Micro Switches	Not Specified	Not Applicable	620,891 (649,701)
c) Counters:	Not Specified	Not Applicable	87,699 (183,599)
d) Water Meters	Not Specified	Not Applicable	234 (107)
e) Others	Not Specified	Not Applicable	1,591,797 (940,546)

21 B TURNOVER:

	Unit Nos.	2010-2011 Amount Rs.	Unit Nos.	2009-2010 Amount Rs.
<b>MANUFACTURED GOODS.</b>				
a) Rotary Switch	946543	188,522,435	766479	167,496,950
b) Micro Switches	644985	35,288,884	631325	30,957,930
c) Counters	94079	22,598,009	179625	41,029,690
d) Water Meters	234	1,116,110	180	1,823,770
e) Others	1582774	23,962,401	949495	19,193,380
TRADED GOODS	93720	29,265,406	62119	20,232,970
<b>Total :-</b>	<b>3362335</b>	<b>300,753,246</b>	<b>1659231</b>	<b>280,734,700</b>



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

	Qty Nos.	Opening Stock Value Rs.	Qty Nos.	Closing Stock Value Rs.
a) Rotary Switch	83231 (38635)	6,235,507 (3,554,885)	83238 (83231)	8,792,473 (6,235,507)
b) Micro Switches	61796 (43420)	1,911,348 (1,615,424)	37702 (61796)	1,041,051 (1,911,348)
c) Counters	10882 (6908)	2,034,226 (1,056,359)	4502 (10882)	865,679 (2,034,226)
d) Water Meters	01 (74)	13,110 (408,842)	01 (01)	3,534 (13,110)
e) Others	15483 (26421)	1,270,423 (940,057)	24506 (15483)	95,075 (1,270,423)

**21 D DETAILS OF TRADING ITEM:**

	Unit Nos.	2010-2011 Amount Rs.	2009-2010 Unit Nos.	Amount Rs.
a) Opening Stock	62007	4,163,322	52440	3,857,605
b) Purchases	106977	19,240,531	71686	15,501,774
c) Turnover	93720	29,265,406	62119	20,232,970
d) Closing stock	75264	7,855,168	62007	4,163,322

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

	Qty	2010-2011 Value Rs.	2009-2010 Qty	Value Rs.
a) Bimetal Tips & Components	6410406	20,317,904	7386725	10,818,130
b) Copper & PB	10779	7,203,715	30108	12,912,139
c) Brass	3108	1,241,760	13388	4,222,597
d) Steel & aluminum	49472	2,825,615	101526	5,772,326
e) Plastic Powder & Moulding Component	661601	2,275,348	1271836	4,239,967
f) Motors	14858	2,922,590	66397	13,162,987
g) Others		101,250,643		87,671,339
		<u>138,037,575</u>		<u>138,799,485</u>



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

	<b>2010-2011 Rupees</b>	<b>2009-2010 Rupees</b>
a) Raw Materials	6,814,080	3,410,351
b) Finished Goods (Trading)	12,648,478	10,445,337

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

	<b>2010-2011</b>		<b>2009-2010</b>	
	Percentage Of Total Consumption	Amount Rupees	Percentage of Total Consumption	Amount Rupees
a) Imported	4.94	6,814,080	2.46	3,410,351
b) Indigenous	95.06	131,223,495	97.54	135,389,134

**22 EARNING IN FOREIGN CURRENCY:**

	<b>2010-2011 Rupees</b>	<b>2009-2010 Rupees</b>
a) F.O.B. Value of Exports	5,776,010	4,815,951

**23 EXPENDITURE IN FOREIGN CURRENCY:**

	<b>2010-2011 Rupees</b>	<b>2009-2010 Rupees</b>
a) Foreign bank charges	53,910	52,099
b) Brokerage & Commission	125,171	395,107

**24 DEFERRED TAX ASSETS / (LIABILITY) :**

	<b>2010-2011 Rupees</b>	<b>2009-2010 Rupees</b>
Timing Diff on account of:		
Diff between Book deprn & I. T. deprn	(444,430)	(553,946)
Prov. For Doubtful Debts	(197,541)	894,048
Gratuity & Leave Encashment	1,411,362	1,534,653
Others	9267	171,679
<b>Deferred Tax (Liability) / Assets (Net)</b>	<b><u>778,658</u></b>	<b><u>2,046,434</u></b>



25 The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amounts unpaid as at the year end together with interest paid/Payable under this act have not been given.

26 **Employee Benefits**

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

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

I **Defined Contribution Plan**

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

	2010-11 Rupees	2009-10 Rupees
Employer's Contribution to Provident Fund	1,210,919	1,151,099
Employer's Contribution to Pension Fund	1,002,357	1,106,521

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

II **Defined Benefit Plans**

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

PARTICULARS	AS AT 31.03.2011		AS AT 31.03.2010	
	Gratuity Funded	Leave Encashment Unfunded	Gratuity Funded	Leave Encashment Unfunded
<b>A. Changes in Present Value of Obligation</b>				
Present Value of Obligation	12798461	2701689	11721642	2394502
Interest Cost	1023877	222889	937731	197546
Current Service Cost	1877583	417623	2049853	419014
Benefit Paid	2229149	742023	2508718	759274
Actuarial Gain/Loss on Obligations	-971540	92444	597953	450901
Present Value of Obligation	12499232	2692622	12798461	2701689
<b>B. Fair Value of Plan Assets</b>				
Fair Value of the Plan Assets	9361526	N. A.	9045248	N. A.
Expected return on Plan Assets	858562	N. A.	769790	N. A.
Contributions	1952091	N. A.	2055206	N. A.
Benefits Paid	2229149	N. A.	2508718	N. A.
Actuarial Gain/Loss on Plan Assets	NIL	N. A.	NIL	N. A.
Fair Value of the Plan Assets	9943030	N. A.	9361526	N. A.
<b>C. Amount Recognized in the Balance Sheet.</b>				
Present Value of Obligation	12499232	2692622	12798461	2701689
Fair Value of the Plan Assets	9943030	N. A.	9361526	N. A.
<b>D. Reconciliation of Balance Sheet.</b>				
Present Value of Obligation	12798461	2701689	11721642	2394502
Total Expenses recognized in Profit & Loss A/c	1733810	732956	2860541	1066461
Actuarial Gain/Loss	-80948	N. A.	271484	N. A.
Employer's Contribution	1952091	742023	2055206	759274
Present Value of Obligation	12499232	2692622	12798461	2701689
<b>E. Assumptions</b>				
Actuarial Return on Plan Asset	858562	N. A.	769790	N. A.
Mortality Table	LIC (1994-96)	LIC (1994-96)	LIC (1994-96)	LIC (1994-96)
Discount Rate	Ultimate 8%	Ultimate 8.25%	Ultimate 8%	Ultimate 8.25%
Expected Rate of Return on Plan Assets	8%	N. A.	8%	N. A.
Salary Escalation	4%	6%	4%	6%

Fare value of plan assets at the end of period Rs 9943030/- is funded fully with Life Insurance Corporation of India





27 During the year, the company has taken physical verification of fixed assets and noted discrepancy of Rs 0.28 lacs (W.D.V.) (P. Y. 0.11 Lacs) of Fixed Assets and the same were adjusted and discarded in the books of accounts

28 Disclosure of Related Parties / Transactions With Related Parties:-

Relationship	Name of Related Party
Holding companies	Money Ease Capital Private Limited CMS Traffic Systems Limited
Subsidiary companies	RDJ Construction Private Limited
Group Company (Enterprise over which Director and/or his relatives has significant influence)	Jess Prasad Engg. And Metallurgical Services Pvt. Ltd. CMS Energy Systems Private Limited CMS Engineering Services Private Limited G.G. Constructions Private Limited Datacom Computer Services Private Limited CMS Computers Limited Systime Global Solutions Pvt. Ltd. CMS Info Systems Pvt. Ltd. CMS Securitas Limited Dynamic Hydro Machines Private Limited Mailtek Services (India) Limited Netprint Solution India Private Limited New Video Private Limited CMS – Ident Pvt. Ltd. Systime Computers Limited Computer Products and Services Pvt. Ltd. VersaPos Group Inc USA Dorminant Developers Pvt. Ltd. Acu-Soft Technologies Pvt. Ltd. Cable Network Systems Pvt. Ltd. CMS-DITL Ltd. CMS Netprint (Private) Limited Sri Lanka Suburbia Realtors Private Limited Systime Computer Corporation, USA Systime Global Systems Pte Ltd., Singapore Systime Global Systems Pte Ltd., Australia Systime Global Systems Japan Ltd., Japan Systime ME FZCO, Dubai. CSI Solutions Ltd., U.K. VersoPos INC., USA CMS Global Solutions Ltd., U.K. Leadline Security Systems Private Limited

Unmatched Systems Private Limited  
 Dominant Systems Private Limited  
 Radiant Security Services Private Limited  
 Computer Maintenance Service  
 Resergent Infoteck Private Limited  
 Royal Virgo Travels

## Key Management Personnel (KMP)

Mrs. Raju R. Grover  
 Ms. Aarti R. Grover  
 Mr. Aaloke Ghosh

Sr. No	Name of the Related Party	Relationship	Nature	Amount Rs.	O/S as on 31.03.2011
I	<b>Holding Companies</b>				
1	CMS Traffic Systems Ltd.	Holding Company	Sales	7012632.61 (6263750.55)	7256264.01 Dr. (6839342.28) Dr.
2	CMS Traffic Systems Ltd.	Holding Company	Reim.Of Elect. Chrgs	115131 (285396)	
3	CMS Traffic Systems Ltd.	Holding Company	Rent Received	NIL (213522.41)	
II	<b>Group Companies</b>				
4	CMS Computers Limited	Associate Co.	Reim.Of Elect. Chrgs	1596039 (1327383)	8130998.51 Cr. (4500465.85) Cr
5	CMS Computers Limited	Associate Co.	Rent Received	2647200 (633264)	
6	CMS Computers Limited	Associate Co.	Travelling Charges paid	NIL (4000)	
7	CMS Computers Limited	Associate Co.	Telephone Charges Paid	212864 (Nil)	
8	CMS Computers Limited	Associate Co.	Sales	4248153.95 (9772358.14)	
9	CMS Computers Limited	Associate Co.	Purchases	188080 (Nil)	
10	CMS Computers Limited	Associate Co	Reim of Corp. Exp.	1985400 (Nil)	
11	Systime Computer System Limited	Group Co.	Technical Chrgs. Paid	NIL (84932)	339657 Cr. (340815) Cr.
12	Royal Virgo Travels	Director's firm	Interest on Loan	263610 (262708)	2000000 Cr. (2000000) Cr.
III	<b>Relative of Key management Person</b>				
13	Ms. Aarti Grover	Director's Daughter	Salary & Perquisites	1500600 (1350600)	Nil (Nil)

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

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

29 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 2010-2011.

30 Balance Sheet Abstract and Company's Business Profile as per Annexure to Schedule No.14



- 31 During the year the Company has reviewed Accounts Receivable and decided to written off Rs. 9.95 Lacs (P.Y. 1.18 Lacs) as bad debts.
- 32 Segment wise Reporting as per Annexure to Schedule No. 14.
- 33 In the opinion of the Board Current Assets, Loans & Advances have a value on realization in the ordinary Course of Business at least to the amount at which they are stated and all current liabilities have been provided for.
- 34 Sundry Debtors and Creditors are subject to confirmation and reconciliation if any.
- 35 Previous Years figures have been regrouped / rearranged wherever necessary.

Signatures to Schedule 1 to 14.

As per our report of even date attached

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

**S. K. AGRAWAL**

Partner  
Mumbai  
Dated: 30<sup>TH</sup> August 2011

Director  
(Aarti Grover)

Director  
(Raju R. Grover)

ANNEXURE TO NOTE NO. 30 OF SCHEDULE NO. 14

Balance Sheet Abstract and Company's General Profile

<b>I. Registration Details</b>		<b>State Code</b>
Registration No.	6 4 8 2	1 1
Balance Sheet Date	3 1      0 3      2 0 1 1	
	Date      Month      Year	
<b>II. Capital raised during the year (Amount in Rs. Thousands)</b>		
Public Issue	N I L	Rights Issue N I L
Bonus Issue	N I L	Private Placements N I L
<b>III. Position of Mobilisation and Development of Funds (Amount in Thousands.)</b>		
Total Liabilities	9 1 5 8 3	Total Assets 9 1 5 8 3
<b>Sources of Funds</b>		<b>Reserves &amp; Surplus</b>
Paid up Capital	5 0 9 7	6 7 4 5 2
Secured Loans	1 7 0 3 4	Unsecured Loans 2 0 0 0
<b>Application of Funds</b>		<b>Investments</b>
Net Fixed Assets	2 8 7 3 2	1 0 9
Net Current Assets	6 1 0 8 6	Misc. Expenditure N I L
(Excluding Assets in Pakistan)		
Accumulated Losses	N I L	
<b>IV. Performance of Company (Amount in Thousand.)</b>		
Turnover (NET)	2 6 8 7 7 3	Total Expenditure 2 5 3 3 1 4
Profit / Loss before Tax	1 6 5 8 3	Profit / Loss after Tax 1 0 0 8 6
Basic Earnings per Share After Tax	3 2 5 3 5	Dividend Rate % 1 0
Diluted Earning Per Share After Tax	1 9 7 8 8	
<b>V. Generic Names of Three Principle Products / Services of Company</b>		
Item Code No. (ITC Code)		3 6 0 8 1 1 0 0 0
Product description		Rotary
Item Code No. (ITC Code)		3 6 3 9 0 5 0 0 6
Product description		Micro
Item Code No. (ITC Code)		3 8 0 5 1 0 0 0 6
Product description		Counters

Mumbai  
Dated: 30<sup>TH</sup> August 2011

Director  
(Aarti Grover)

Director  
(Raju R. Grover)

**KAYCEE INDUSTRIES LIMITED**

**CASH FLOW FOR THE YEAR ENDED 31 ST MARCH 2011**

	2010-2011		2009-2010	
	RS	RS	RS	RS
<b>A. Cash Flow From Operating Activities</b>				
Net Profit/(Loss) Before Tax and extra Ordinary Items		16,583,308		14,143,194
<b>Adjusted for</b>				
Provision for Doubtful Debts	594,823		(434,972)	
Depreciation	2,380,925		2,233,246	
Interest received	(115,078)		(68,889)	
Dividend received	(2,000)		(2,000)	
Profit on Sale of Assets	-		(26,000)	
Commission Received	-		-	
Loss on assets discarded	36,811		11,015	
Rent Received	(2,400,000)		(608,400)	
Interest Charged	2,019,124	2,514,605	1,645,760	2,749,760
<b>Operating profit before working capital changes</b>		<b>19,097,912</b>		<b>16,892,954</b>
<b>Changes in</b>				
Trade and other receivables	(4,370,297)		(21,028,575)	
Inventories	(6,132,470)		(3,082,329)	
Trade payable / Other Liabilities	1,161,595	(9,341,172)	12,377,664	(11,733,240)
<b>Cash generated from operations</b>		<b>9,756,740</b>		<b>5,159,715</b>
Deferred Tax (Liability)		(4,264,571)		(5,370,965)
Direct taxes Paid		5,492,169		(211,250)
<b>Net cash flow before extra ordinary items</b>				
Extra ordinary items		-		-
(Loss on Fixed Assets Discarded)				
Prior Period Expenses		220,536		(22,939)
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>		<b>5,712,705</b>		<b>(234,190)</b>
<b>B. Cash flow from investing activities</b>				
<b>Inflow</b>				
Interest received		115,078		68,889
Dividend received		2,000		2,000
Commission Received		-		-
Insurance Claim Received		-		-
Sale of fixed assets		-		26,000
Rent received		2,400,000		608,400
<b>Outflow</b>				
Purchase of fixed assets		(260,273)		(6,617,128)
Investment in Shares		(99,900)		
<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>		<b>(185,554)</b>		<b>(5,911,839)</b>
<b>C. Cash flow from financing activities</b>				
<b>Inflow</b>				
Increase in bank borrowing -NET			7,964,854	
Increase in borrowing from outsiders -NET			-	7,964,854
<b>Outflow</b>				
Decrease in bank borrowing -NET	(2,649,498)		-	
Repayment of intercorporate deposit				
dividend paid	(596,349)		(596,324)	
Deferred tax Liability				
Interest paid	(2,019,124)	(5,264,970)	(1,645,760)	(2,242,084)
<b>NET CASH USED IN FINANCING ACTIVITIES (C)</b>		<b>(5,264,970)</b>		<b>5,722,770</b>
<b>NET CHANGES IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>		<b>262,181</b>		<b>(423,259)</b>
CASH & CASH EQUIVALENTS-OPENING BALANCE		2,967,599		3,390,857
CASH & CASH EQUIVALENTS-CLOSING BALANCE		3,229,780		2,967,599

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

S.K.AGRAWAL  
PARTNER  
Firm's Registration No: 001196N  
MUMBAI  
Dated : 30th August 2011

DIRECTOR  
(AARTI GROVER)

DIRECTOR  
(RAJU R. GROVER)



## ANNEXURE TO NOTE NO. 32 OF SCHEDULE NO. 14

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

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

### SEGMENTWISE REPORTING

	2010-11	2009-10
1. Segment Reserve (Net Sale/ Income from)		
a. Segment - Switches	222,996,445	178,079,815
b. Segment - Counters	20,491,803	38,135,234
c. Segment - Others	25,285,489	38,995,165
TOTAL	<u>268,773,737</u>	<u>255,210,214</u>
Less : Intersegment Reserve	<u>268,773,737</u>	<u>255,210,214</u>
2. Segment Results (Profit)(+)/Loss(-) before tax and interest from segment		
a. Segment - Switches	50,202,364	65,651,246
b. Segment - Counters	9,336,692	18,724,901
c. Segment - Others	5,218,306	2,947,956
TOTAL	<u>64,757,362</u>	<u>87,324,103</u>
Less : (i) Interest	2,637,894	2,751,050
(ii) Other unallocable expenditure net off unallocable income	<u>45,536,161</u>	<u>70,429,850</u>
Total Profit before Tax (Loss)	<u><u>16,583,308</u></u>	<u><u>14,143,199</u></u>

For N. D. KAPUR & CO.  
Firm's Registration No: 001196N  
S.K. AGRAWAL

Partner  
Mumbai  
Dated : 30th August 2011

Director  
(Aarti Grover)

Director  
(Raju R. Grover)

**DIRECTOR'S REPORT OF SUBSIDIARY COMPANY**

**RDJ CONSTRUCTIONS PRIVATE LIMITED**

Regd. Office: 203, Arcadia, Nariman Point, Mumbai-400021

**DIRECTORS' REPORT**

To  
The Members,

Your Directors present herewith the ELEVENTH ANNUAL REPORT of the Company along with the Audited Statements of Accounts for the year ended 31st March 2011.

1. **FINANCIAL RESULTS AND REVIEW OF OPERATIONS:**

During the year under review, the Company has incurred expenditure of Rs 17,343/- and as a result of no income, the same has resulted in loss of Rs. 17,343/- which is carried forward to the balance sheet.

2. **DIVIDEND**

In view of loss, your Directors do not recommend any dividend for the year ended on 31st March, 2011.

3. **AUDITORS:**

The Auditors of the company, M/s. Basant Jain & Associates, Chartered Accountants, retire at the conclusion of Annual General Meeting and are eligible for re-appointment. Your directors recommend their appointment as Statutory Auditors of the Company.

4. **DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the requirement under section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- a) That in the preparation of the accounts for the financial year ended 31st March 2011, the applicable accounting standards have been followed along with proper explanations relating to material departures;
- b) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the Loss of the company for the year under review;
- c) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for



safeguarding the assets of the company and for preventing and detecting frauds and other irregularities;

- d) That the directors have prepared the accounts for the financial year ended 31st March 2011 on a going concern basis.

**5. FIXED DEPOSIT:**

The Company has not accepted any fixed deposits from the public as per provisions of the Companies Act, 1956 along with the relevant Deposit rules.

**6. PARTICULARS OF EMPLOYEES:**

The Company has no Employee on its rolls under Section 217(2-A) of the Companies Act, 1956 and therefore the provisions for disclosure of Employees particulars under above section of the Companies Act, 1956 is not applicable.

**7. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS/OUTGO:**

There is no operation in the company during the financial year. Therefore the details pertaining to conservation of energy and technology absorption are not applicable to the company.

There was no Foreign Exchange Earnings and Outgo during the financial year.

**8. ACKNOWLEDGEMENT:**

Your Directors wish to place on record their deep sense of appreciation for all those who were associated with the Company during the year under review.

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

Director  
(Aarti Grover)

Director  
(Raju R. Grover)

Place : Mumbai  
Date : August 30, 2011





## AUDITOR'S REPORT OF SUBSIDIARY COMPANY

### AUDITOR'S REPORT

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To,  
The Members of RDJ CONSTRUCTIONS PRIVATE LIMITED

We have audited the attached Balance Sheet of RDJ CONSTRUCTIONS PRIVATE LIMITED as at 31st March, 2011 and also the Profit & Loss Account for the year ended on that date annexed thereto.

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Provisions of Companies (Auditor's Report) Order, 2003 (the order), issued by the Central Government of India in terms of sub section (4A) of section 227 of the Companies Act, 1956 are not applicable to the company as none of the conditions specified in sub clause 2(iv) of the paragraph 1 of the order is applicable to company.

We further state that :

- i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii) In our opinion, proper books of accounts, as required by law, have been kept by the company so far as appears from our examination of those books.
- iii) The balance sheet and profit and loss account dealt with by report are in agreement with the books of account of the company.
- iv) In our opinion, the balance sheet and profit and loss account dealt with by this report comply with the accounting standards referred to in sub section (3C) of section 211 of the Companies Act, 1956.
- v) On the basis of written representation received from the directors, as on 31st March, 2011 and taken on record by the board of directors. We report that none of the directors is disqualified as

on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.

- vi) In our opinion and to the best of our information and according to the explanations given to us the said accounts give the information required by the Companies Act, 1956, in the manner specified and required and give a true and fair view in conformity with the accounting principles generally accepted in India.
- a) in the case of balance sheet, the state of affairs of the Company as at 31st March, 2011 and
- b) in case of the profit and loss account, of the loss for the year ended on that date.

**For Basant Jain & Associates**

(Chartered Accountants)

Place: Mumbai  
Date: 30.08.2011

(Basant K Jain)

Proprietor

Membership Number - 4379

Firm Regd. No. : 120131W



**BALANCE SHEET OF SUBSIDIARY COMPANY  
RDJ CONSTRUCTIONS PRIVATE LIMITED**

**BALANCE SHEET AS ON 31/03/2011**

Particular	Schedule	As at 31/03/2011 Rupees	As at 31/03/2010 Rupees
<b>Sources of Funds</b>			
<b>Shareholders Fund</b>			
Share Capital	1	100,000	100,000
<b>Loan Fund</b>			
Unsecured Loan	2	28,246,744	16,827,824
		<u>28,346,744</u>	<u>16,927,824</u>
<b>Application of Funds</b>			
<b>Fixed Assets</b>			
Gross Block	3	870,577.00	870,577.00
Less : Depreciation		-	-
Net Block		<u>870,577.00</u>	<u>870,577.00</u>
<b>Current Assets, Loans &amp; Advances</b>			
Current Assets	4	33,025,461	21,507,156
Less : Current Liabilities & Provisions	5	5,632,831	5,516,103
Net Current Assets		<u>27,392,630</u>	<u>15,991,053</u>
Miscellaneous expenditure		6,650	6,650
Profit & loss A/c		76,887	59,544
		<u>28,346,744</u>	<u>16,927,824</u>
As per our report of even date For Basant Jain & Associates ( Chartered Accountants )		<b>For RDJ Construction Pvt. Ltd.</b>	

Proprietor  
( Basant K. Jain )  
Membership No.43791  
Firm Registration No. 120131W  
Date: 30.08.2011  
Place:Mumbai

Aarti Grover  
Director

Raju Grover  
Director



**PROFIT & LOSS ACCOUNT OF SUBSIDIARY COMPANY  
RDJ CONSTRUCTIONS PRIVATE LIMITED**

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31/03/2011**

Particular	Schedule	As at 31/03/2011 Rupees	As at 31/03/2010 Rupees
<b>Income</b>		Nil	Nil
		<u>0</u>	<u>0</u>
<b>Expenditure</b>			
Administrative Expenses	6	17,343	34,375
		<u>17,343</u>	<u>34,375</u>
<b>Profit / Loss Before Tax</b>		(17,343)	(34,375)
<b>Provision for Tax</b>		-	-
<b>Profit After Tax</b>		(17,343)	(34,375)
<b>Net Profit/Loss B/F from Previous year</b>		(59,544)	(25,169)
<b>Balance C/F to Balance Sheet</b>		(76,887)	(59,544)

As per our report of even date  
For Basant Jain & Associates  
( Chartered Accountants )

For RDJ Construction Pvt. Ltd.

Proprietor  
( Basant K. Jain )  
Membership No.43791  
Firm Registration No. 120131W  
Date: 30.08.2011  
Place:Mumbai

Aarti Grover  
Director

Raju Grover  
Director



**SCHEDULE FORMING PART OF BALANCE SHEET OF SUBSIDIARY COMPANY  
RDJ CONSTRUCTIONS PRIVATE LIMITED**

**SCHEDULE FORMING PART OF BALANCE SHEET AS ON 31/03/2011**

Particular	As at 31/03/2011 Rupees	As at 31/03/2010 Rupees
<b>SCHEDULE 1- SHARE CAPITAL</b>		
<b>Authorised Share Capital</b>		
10000 Equity share of Rs. 10/- each	100,000	100,000
<b>Issued , subscribed and Paid-up</b>	100,000	100,000
10000 Equity share of Rs. 10/- each	100,000	100,000
<b>SCHEDULE 2- UNSECURED LOANS</b>		
From Members / Directors / Relatives		
CMS Computers Ltd	418,920	-
Computer Maintenance Services	24,912,824	15,912,824
R.D.Grover HUF	2,100,000	100,000
Dinesh Khurana	815,000	815,000
	<u>28,246,744</u>	<u>16,827,824</u>
<b>SCHEDULE 4 - CURRENT ASSETS, LOANS AND ADVANCE</b>		
<b>A) Current Assets</b>		
Cash in hand	34,902	34,022
Bank Account	349,015	30,510
	<u>383,917</u>	<u>64,532</u>
<b>B) Loans &amp; Advances</b>		
<b>Advance against Property</b>		
AshokKumar A Panjwani	2,250,000	-
Bharati Mahadev Shelar	1,000,000	250,000
Janardhan S Ghadge	2,250,000	-
Harishchandra Mnaik Shelar	620,000	100,000
Hitesh Tukaram Bhoir	60,000	60,000
ICICI Stamp Duty	1,077,400	1,077,400
Kabra Estate	400,000	400,000
Kailash Tukaram Bhoir	50,000	50,000
Ketan Narayan Shelar	1,000,000	250,000
Laxman Mahadev	1,000,000	1,000,000
Motiram Shankar Bhoir	160,000	160,000
Other advances	8,915,224	11,165,224
Pandurang Manik Shelar	620,000	100,000
P H Patil	100,000	100,000
Premkumar T Lahani	2,250,000	-
Prema Hemkant Patil	520,000	-
Raju S Chandwani	2,250,000	-
Ramesh Manik Shelar	620,000	100,000
Sanjay K Brije	2,250,000	1,750,000
Savitri Tukaram Bhoir	50,000	50,000
Shankar A Panjwani	2,250,000	-
Sharad Kumar Tiwari	300,000	300,000
Sitaram	80,000	80,000
Smt Manju	300,000	300,000
Other Advance against Property	330,000	-
Stamp Duty-Bhandup SRA	318,920	-
Yamuna Govind Mhatre	620,000	100,000
	<u>31,641,544</u>	<u>17,392,624</u>

B

**KAYCEE INDUSTRIES LIMITED**


Particular	As at 31/03/2011 Rupees	As at 31/03/2010 Rupees
<b>Other Advances</b>		
CMS Traffic Systems Ltd	1,000,000	4,000,000
G.G.Constructions P Ltd	-	50,000
<b>C</b>	<b>1,000,000</b>	<b>4,050,000</b>
<b>A+B+C</b>	<b>33,025,461</b>	<b>21,507,156</b>
<b>SCHEDULE 5 - CURRENT LIABILITIES AND PROVISION</b>		
<b>Current Liabilities &amp; Provision</b>		
Shanti Builders & Developers	5,500,000	5,500,000
Digambar Kini	97,000	-
Audit Fees Payable	21,618	16,103
TDS Payable	14,213	-
	<b>5,632,831</b>	<b>5,516,103</b>

**SCHEDULE FORMING PART OF PROFIT & LOSS A/C OF SUBSIDIARY COMPANY  
RDJ CONSTRUCTIONS PRIVATE LIMITED**
**SCHEDULE FORMING PART OF PROFIT AND LOSS A/C AS ON 31/03/2011**

Particular	As at 31/03/2011 Rupees	As at 31/03/2010 Rupees
<b>SCHEDULE 6- EXPENSES</b>		
<b>Administrative Expenses</b>		
Auditor's Remuneration	5515	5515
Bank Charges	228	732
Interest Paid	728	-
Legal Exp	800	-
Printing & Stationery Exp	430	-
Rates & Taxes	90	-
ROC Fees	9552	28128
<b>TOTAL</b>	<b>17,343</b>	<b>34,375</b>



DETAILS OF FIXED ASSETS OF SUBSIDIARY COMPANY  
M/S.RDJ CONSTRUCTIONS PRIVATE LIMITED

SCHEDULE -3 OF FIXED ASSETS AS ON 31ST MARCH,2011

PARTICULARS	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	AS ON 1.4.2010	ADDITION	SOLD	TOTAL	UPTO 31.3.2010	ADDITION	TOTAL	AS ON 31.03.11	31.03.10
PLOTAT KHOPARIKHARNE	870,577.00	-	-	870,577.00	-	-	-	870,577.00	870,577.00
TOTAL	870,577.00			870,577.00				870,577.00	870,577.00



NOTES TO ACCOUNTS OF SUBSIDIARY COMPANY

RDJ CONSTRUCTIONS PVT. LTD

**Significant accounting policies**

1. **Basis of Presentation**

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

2. **Fixed Assets**

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

3. **Income Expenditure**

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

**Notes to Accounts**

1. Unsecured Loans & Advances are subject to confirmation & Reconciliation of balances.

2. Previous year figures have been re-grouped/re-classified, whenever necessary, to make them comparable to those of the current year.

3. Other items as required in Schedule VI of the Company Act are not applicable.

**For Basant Jain & Associates**  
( Chartered Accountants )

**For RDJ Construction Pvt. Ltd.**

Proprietor  
( Basant K. Jain )  
Membership No.43791  
Firm Registration No. 120131W  
Date:30.08.2011  
Place:Mumbai

**Aarti Grover**  
Director

**Raju Grover**  
Director





**KAYCEE INDUSTRIES LIMITED**

Registered Office: 32, Ramjibhai Kamani Marg, Ballard Estate, Mumbai - 400 001

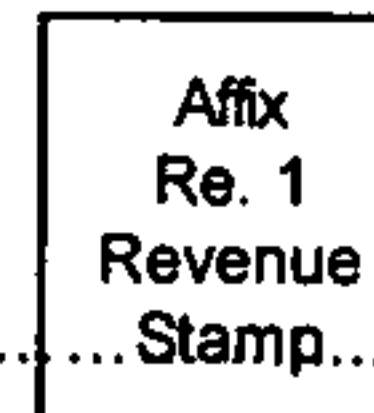
**PROXY FORM**

Regd. Folio No.....

I / We ..... of ..... being a member/ members of the above named Company hereby appoint ..... or failing him ..... as my / our proxy to vote for me/us on my/our behalf at the 68th ANNUAL GENERAL MEETING of the Company to be held on Thursday, the 29th day of September, 2011 at 01.30 p.m. and at any adjournment thereof.

Signed this.....day of .....2011

Signature.....



NOTE: This form in order to be effective should be duly stamped, completed and signed and must be deposited with the Company's Registered Office not less than 48 hours before the meeting.

**KAYCEE INDUSTRIES LIMITED**

Registered Office: 32, Ramjibhai Kamani Marg, Ballard Estate, Mumbai - 400 001

**ATTENDANCE SLIP**

Sixty Eight Annual General Meeting, Thursday, 29th September, 2011

Regd. Folio No.....

Mr./Mrs./Miss.....I hereby certify that I am a registered shareholder / proxy for the registered shareholder of the Company.

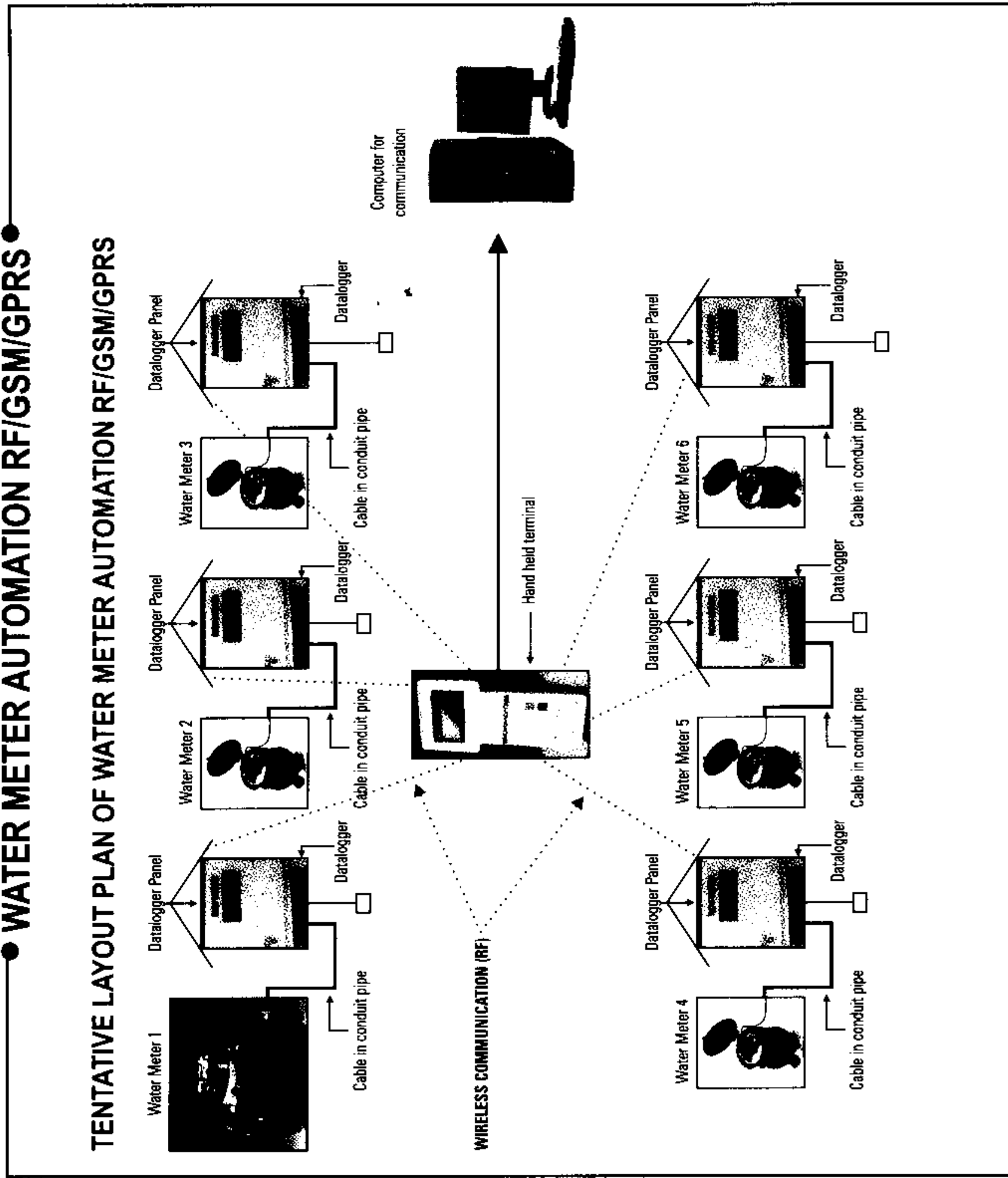
I hereby record my presence at the 68th ANNUAL GENERAL MEETING of the Company held at the Jainam Banquet Hall, Jainam Arcade, BTM Compound, 100, LBS Marg, Near SBI, Bhandup (W), Mumbai-400 078, on Thursday, the 29th September, 2011 at 01.30 p.m.

Member's/ Proxy Name in BLOCK letters

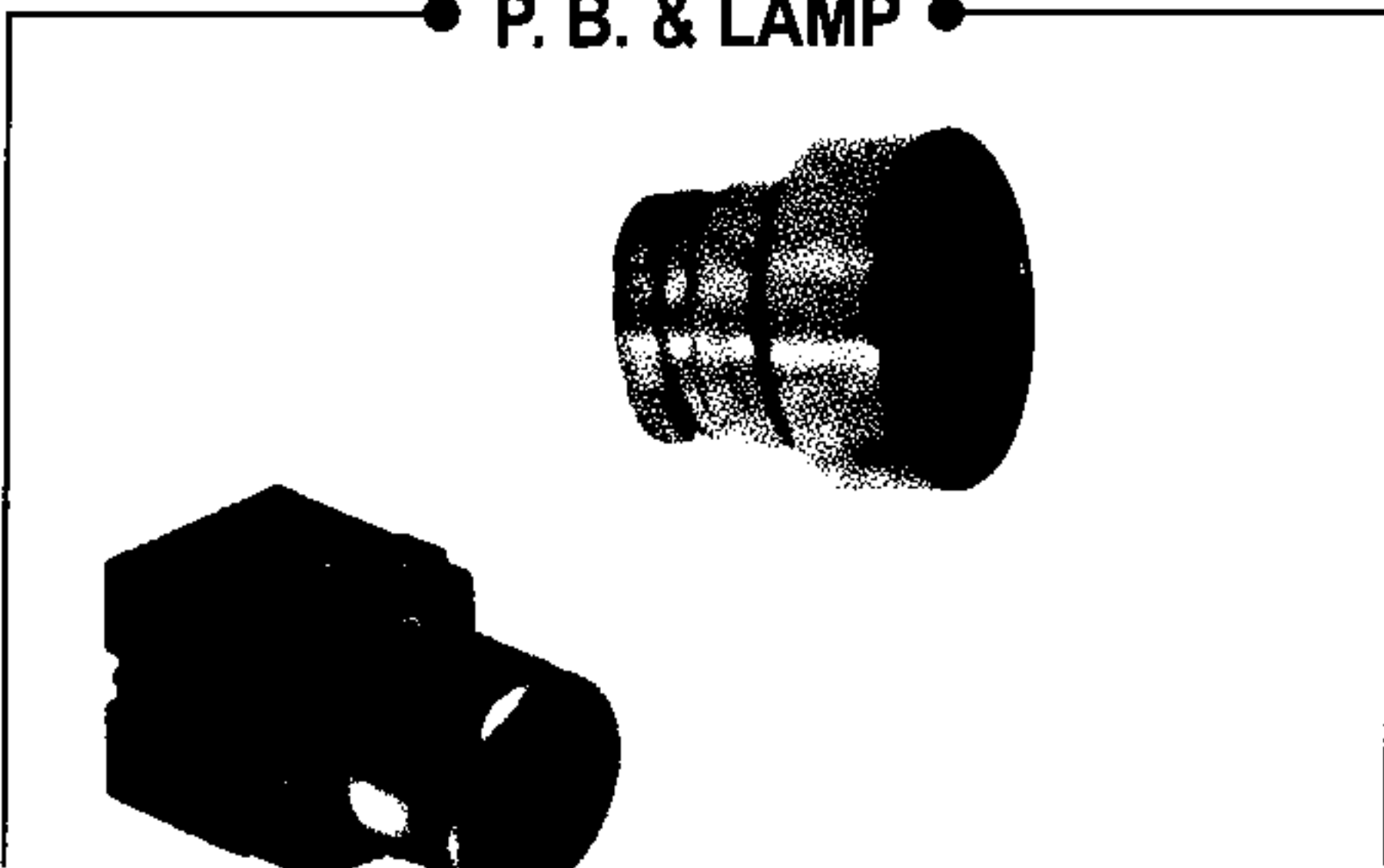
Member's/Proxy Signature

- Note: 1) Please fill in this attance slip and hand it over at the ENTRANCE OF THE HALL.
- 2) Please bring your copy of Annual Report at the meeting.

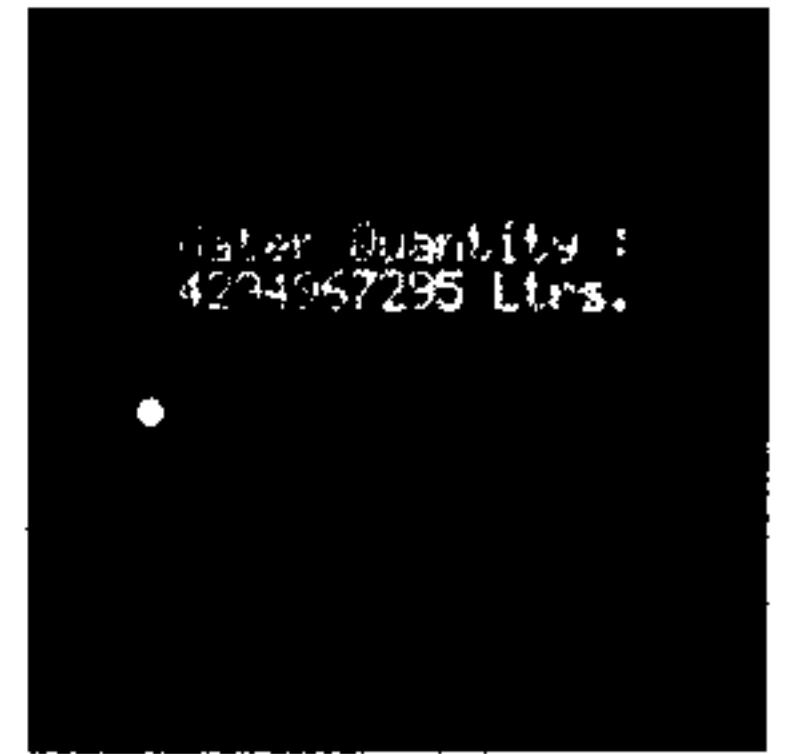
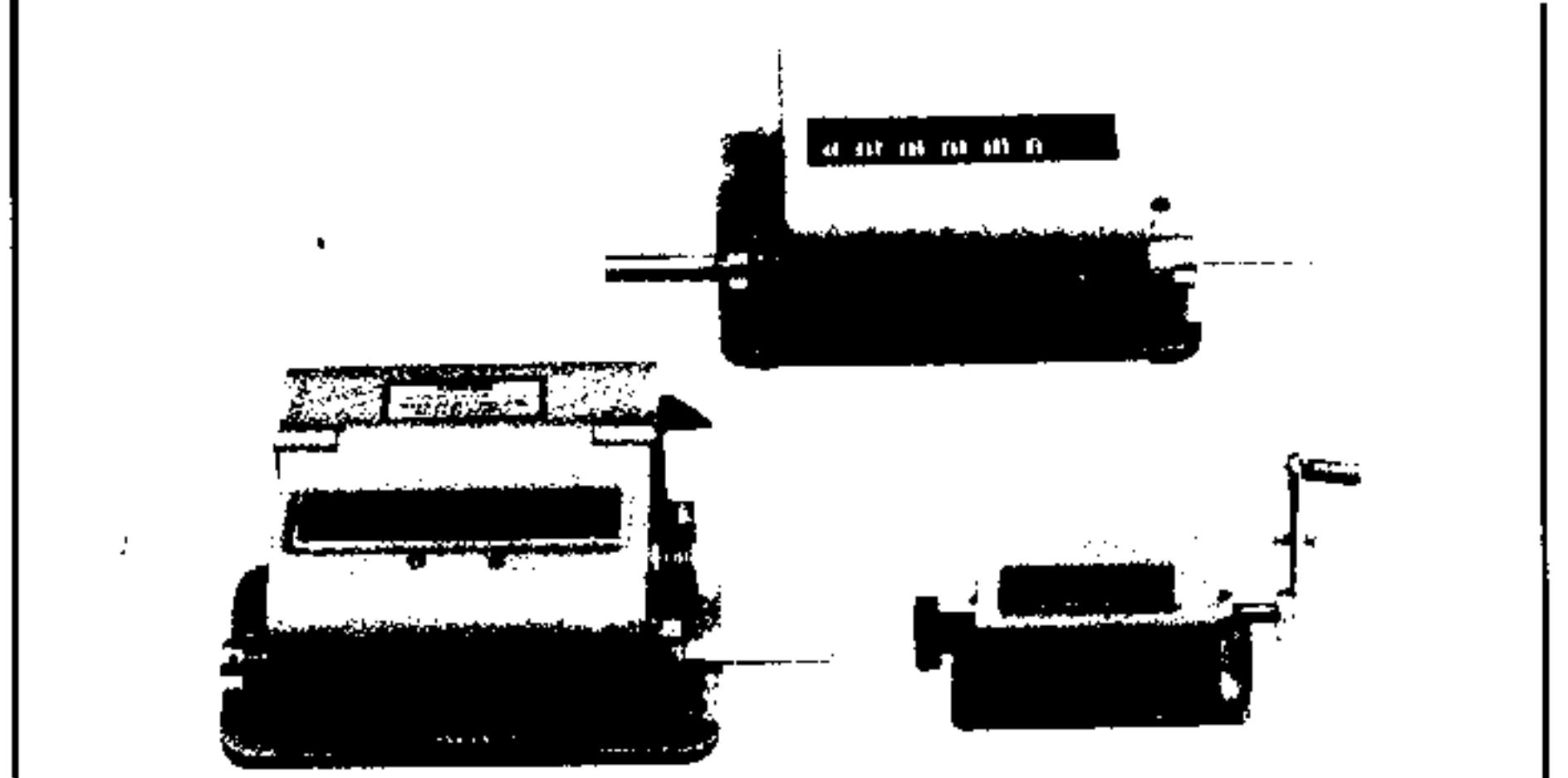
● WATER METER AUTOMATION RF/GSM/GPRS ●



● P. B. & LAMP ●



● STROKE & REVOLUTION COUNTER ●



● WATER METER ●

● LUGS ●

