

Brand that sets
the Standard



KAYCEE INDUSTRIES LTD.

Regd. Off.: Old Kamani Chambers, 32, Ramjibhai Kamani Road, Ballard Estate, Mumbai-400 001.
Tel. : +91-22-2261 3521 / 22 / 23 • Fax : +91-22-2261 6106 • E-mail : sales@kayceeindustries.com
Web : www.kayceeindustries.com • CIN No. : L70102MH1942PLC006482

July 14, 2020

To

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai 400 001
Scrip Code : **504084**

Dear Sir,

We are forwarding pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Annual Report for the FY 2019-20.

The copy of the Annual Report is also available on the website of the company viz., www.kayceeindustries.com

Kindly acknowledge receipt

For Kaycee Industries Limited


Chandra Prakash Jain
Whole Time Director
(DIN: 07337778)

Encl : As above



**77th ANNUAL
REPORT / 2019-20**



KAYCEE INDUSTRIES LIMITED

Kaycee for Commitment...

Kaycee for Quality...

KAYCEE INDUSTRIES LIMITED

CIN: L70102MH1942PLC006482

Board Members

Mr. N Rangachary	Chairman - Independent Director (Appt. On 27-09-2019)
Mr. Chandra Prakash Jain	Whole Time Director
Mr. R Doraiswamy	Non Executive And Non Independent (Appt. On 27-09-2019)
Mr. D Rajeshkumar	Non Executive And Non Independent (Appt. On 29-07-2019)
Mr. Jayaraman Balasubramanian	Independent Director Addl. Director (Appt. On 27-09-2019)
Mr. Jitendra Kantilal Vakharia	Independent Director (Appt. On 29-07-2019)
Mr. Dileep Gupte Keshavrao	Independent Director (Appt. On 29-07-2019)
Mrs. Manimegalai Arumugam	Non Executive And Non Independent (Addl. Director, (Appt. On 21-01-2020)
Mrs. Aarti Grover	Managing Director (Resigned On 27-09-2019)
Mrs. Raju Grover	Non Executive And Non Independent (Resigned On 27-09-2019)
Mrs. Sona Ramchandani	Independent Director (Resigned On 27-09-2019)
Mrs. Savitri Butani	Independent Director (Resigned On 27-09-2019)
Mrs. Pramila Merani	Independent Director (Resigned On 21-01-2020)

Vice President (Finance And Administrations)

Mr. K Raman

Chief Financial Officer

Mr. Deepak Potdar

Registered Office

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

Factory Address

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

Bankers

Saraswat Bank, S M E Nariman Point, Mumbai.

Auditors

M/S A. R. Sodha & Co.
Chartered Accountants
101, "Ashiana", 11th Road,
T.P.S. III, Opp. B.M.C. Hospital,
Santacruz (East), Mumbai - 400 055.

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

Registrar and Share Transfer Agent

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

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NOTICE

NOTICE is hereby given that the **SEVENTY SEVENTH ANNUAL GENERAL MEETING** of the Members of **KAYCEE INDUSTRIES LIMITED** will be held on **Friday, August 07, 2020, at 11.30 A.M.** through Video Conferencing / Other Audio Visual Means (VC) to transact the following business:-

ORDINARY BUSINESS:

Item No. 1 – Adoption of financial statements

To consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2020 and the reports of the Board of Directors with its annexures and auditors thereon;

“RESOLVED THAT the Audited Financial Statement comprising of Balance Sheet as at March 31, 2020, Statement of Profit and Loss for the year ending on that date, Cash Flow statement and Statement of Changes in Equity as on that date and the Reports of the Board of Directors alongwith annexures and Auditors thereon, as circulated to the Shareholders, be and are hereby received, considered and adopted.”

Item No. 2 – Declaration of dividend

To declare a final dividend of Rs. 30 per equity share for the year ended March 31, 2020.

“RESOLVED THAT a dividend at the rate of Rs. 30 per equity share of Rs. 100/- each fully paid-up of the Company be and is hereby declared for the Financial year 2019–20 and the same be paid as recommended by the Board of Directors, out of the Profit of the Company for the financial year ended March 31, 2020.”

Item No. 3 – Appointment of Mr. D Rajeshkumar Doraiswamy as a director liable to retire by rotation

To appoint a director in place of Mr. D Rajeshkumar Doraiswamy (DIN: 00003126), who retires by rotation and, being eligible, seeks for re-appointment.

“RESOLVED THAT in pursuance of Section 152 of the Companies Act 2013, read with Article 178 of the Articles of Association of the Company, Mr. D Rajeshkumar Doraiswamy (DIN: 00003126), a retiring Director at this Annual General Meeting be and is hereby re-appointed as a Director of the Company, subjected to determination of his office by means of retirement by rotation at the Annual General Meeting.”

SPECIAL BUSINESS

Item No. 4 – Appointment of Mr. Balasubramanian Jayaraman as an independent director

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

“RESOLVED THAT Mr. Balasubramanian Jayaraman (DIN: 01525552), who was appointed as an additional and independent director by the Board at its meeting held on September 27, 2019 with



the term of office till the conclusion of this Annual General Meeting, pursuant to Sections 149, 152 and 161 and other relevant provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Articles of Association of the Company, approvals and recommendations of the Nomination and Remuneration Committee, and that of the Board, be and is hereby appointed as an independent director, not liable to retire by rotation, for a period of two years -up to September 26, 2021.”

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

Item No. 5 – Appointment of Mrs. Manimegalai Arumugam as Non-Executive Director liable to retire by Rotation.

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

“RESOLVED THAT Mrs. Manimegalai Arumugam (DIN **02536666**) who was appointed as an Additional Director of the Company by the Board at its meeting held on January 21, 2020 pursuant to the provisions of Section 161 of the Companies Act, 2013 and who holds office upto the date of this Annual General Meeting, as recommended by the Nomination and Remuneration Committee and that of the Board, be and is hereby appointed as Director of the Company, designated as Non Executive and Non Independent, with a term of office subject to retirement by rotation.”

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

Item No. 6 : Re-appointment of Mr. Chandra Prakash Jain as a Whole Time Director of the Company

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

“RESOLVED FURTHER THAT in view of his erstwhile term of office stands ceased on June 05, 2020 as a Defacto cessation due to non-confirmity of Provisions of Section 196 of the Companies Act 2013 (**“the Act”**), now pursuant to the provisions of Sections 196, 197, 203 read with schedule V and other applicable Provisions, if any, of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any Statutory modification from time to time or any enactment thereof for time being in force and based on the recommendation of Nomination and Remuneration Committee the consent of the Members be and is hereby accorded

to the re-appointment of Mr. Chandra Prakash Jain (DIN: 07337778) as Whole Time Director of the Company as made by the Board at its meeting held on June 09, 2020 for a period of three years with effect from June 09, 2020 on a remuneration and such other terms and conditions hereinafter mentioned:

- a) Salary: Rs. 15,00,000/- p.a.
- b) Allowances & Perquisites
 - i. Medical benefits for self and family;
 - ii. Reimbursement and/or abroad of all expenses actually incurred in India
 - iii. Leave travel concession for self, wife and minor children once a year.
 - iv. Premium on personal accident insurance policy as per the Company's Rules,
 - v. Premium on medical insurance for self and family as per the Company's Rules.
 - vi. Company Contribution towards Provident Fund as per the Rules of the Company but not exceeding 12% of the Salary
 - vii. Gratuity not exceeding one half month's salary for each completed year of service.
 - viii. Encashment of leave as per rules of the Company.
 - ix. Free use of car with driver for official use,
 - x. Free telephone facility at residence including mobile phone for official use."

"RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits in any financial year during his tenure, the Company shall pay Mr. Chandra Prakash Jain, Whole Time Director, the remuneration by way of salary, perquisites, commission or any other allowances as specified above in accordance with the limits specified under Schedule V of the Companies Act, 2013 or such other relevant provisions and limits as may be prescribed by the Government from time to time in this regard."

"RESOLVED FURTHER THAT the Board of Directors (which term shall always be deemed to include any Committee as constituted or to be constituted by the Board to exercise its powers including the powers conferred under this resolution) be and is hereby authorized to vary the remuneration specified above from time to time to the extent the Board of Directors may deem appropriate, provided that such variation is within the overall limits as specified under the relevant provisions of the Companies Act, 2013 and/or as approved by any competent authority prescribed in the Act and rules as are applicable from time to time and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable in the said regard."

"RESOLVED FURTHER THAT based on the recommendation of Nomination and Remuneration Committee and that of the Board, the consent of the Members be and is hereby accorded without any prejudice to the complete waiver the refund of the remuneration drawn by Mr. Chandra Prakash Jain in respect of his period from February 12, 2019 till June 08, 2020."

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

“RESOLVED FURTHER THAT aforesaid term of office of Mr. Chandra Prakash Jain be hereby subjected to determination by retirement by rotation in terms of Section 152 of the Companies Act, 2013.”

Item No. 7 : Material Related Party Transactions with Salzer Electronics Limited

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

“RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 (“the Act”) read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“the Listing Regulations”) (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and subject to such other approvals, consents, permissions and sanctions of other authorities as may be necessary, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board), to ratify/approve all existing contracts/arrangements/ agreements/ transactions and to enter into new/ further contracts/ arrangements/ agreements/ transactions (including any modifications, alterations, amendments or renewal thereto), in the ordinary course of business and on arm’s length basis with the Holding Company - Salzer Electronics Limited (“**SEL**”), being ‘Related Party’ within the meaning of the Act and the Listing Regulations, as more particularly enumerated hereunder on such terms and conditions as may be agreed between the Company and SEL.”

- | | | | |
|----|-----------------------------------------------------------|---|------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | Name of the related party | : | Salzer Electronics Limited |
| 2. | Name of the relationship | : | Holding Company |
| 3. | Duration of Contract / Arrangement | : | On Regular nature |
| 4. | Salient Features of Contract / Arrangement | : | Buying and selling of the products and Availing and Rendering of services in the ordinary course of business and pricing at arm’s length basis |
| 5. | Date of Approval of the Board / Audit Committee | : | October 24, 2019 |
| 6. | Value of Transaction for the year ended on March 31, 2020 | : | Rs. 24.89 Lakhs |
| 7. | Maximum Value / limit of Contract / Arrangement | : | Rs. 15 Crs per Annum |



“**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.”

By the order of the Board of Directors

Sd/-

Chandraprakash Jain

Whole Time Director

(DIN : 07337778)

Date : June 09, 2020

Place : Mumbai

Notes:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No. 17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, physical attendance of the Members to the Annual General Meeting (AGM) venue is not required and AGM be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing 77th AGM through VC/OAVM as organized.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
3. The Members can join the AGM in the VC/OAVM mode 30 minutes before and 15 Minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Members whose shareholding is in electronic mode are requested to direct notifications about change of address and updates about bank account details to their respective depository participants(s) (DP). Members whose shareholding is in physical mode are requested to opt for the Electronic Clearing System (ECS) mode to receive dividend on time in line with the Circulars. We urge members to utilize the ECS for receiving dividends.



6. Members may note that the Board of Directors, in its meeting held on June 09, 2020 has recommended a final dividend of Rs. 30 per Equity share of Rs. 100/- each. **The record date for the purpose of final dividend for fiscal 2020 will be on August 04, 2020.** The dividend, once approved by the members in the ensuing AGM will be paid within the stipulated time from the date of AGM, electronically through various online transfer modes to those members who have updated their bank account details. For members who have not updated their bank account details, dividend warrants / demand drafts / cheques will be sent out to their registered addresses once the postal facility is available. To avoid delay in receiving the dividend, members are requested to update their KYC with their depositories (where shares are held in dematerialized mode) and with the Company's Registrar and Transfer Agent ("RTA") – M/s. Datamatics Financial Services Ltd (where shares are held in physical mode) to receive the dividend directly into their bank account on the payout date.
7. Members may note that the Income Tax Act, 1961, ("the IT Act") as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a company after April 01, 2020 shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source (TDS) at the time of making the payment of dividend. In order to enable us TDS rate as applicable, members are requested to submit the following documents in accordance with the provisions of the IT Act.

- a) **For resident shareholders**, taxes shall be deducted at source under Section 194 of the IT Act as follows:

Members having valid PAN	7.5% or as notified by the Government of India
Members not having PAN / valid PAN	20% or as notified by the Government of India

However, no tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by them during Financial Year 2020-21 does not exceed Rs. 5,000 and also in cases where members provide Form 15G / Form 15H (applicable to individuals aged 60 years or more) subject to conditions specified in the IT Act. Resident shareholders may also submit any other document as prescribed under the IT Act to claim a lower / Nil withholding tax. Registered members may also submit any other document as prescribed under the IT Act to claim a lower / Nil withholding tax. PAN is mandatory for members providing Form 15G / 15H or any other document as mentioned above.

- b) **For non-resident shareholders**, taxes are required to be withheld in accordance with the provisions of Section 195 and other applicable sections of the IT Act, at the rates in force. The withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) or as notified by the Government of India on the amount of dividend payable. However, as per Section 90 of the IT Act, non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) between India and the country of tax residence of the member, if they are more beneficial to them.

For this purpose, i.e. to avail the benefits under the DTAA, non-resident shareholders will have to provide the following :

- i) Copy of the PAN card allotted by the Indian Income Tax authorities duly attested by the member
- ii) Copy of Tax Residency Certificate (TRC) for the FY 2020-21 obtained from the revenue authorities of the country of tax residence, duly attested by member
- iii) Self-declaration in Form 10F
- iv) Self-declaration by the shareholder of having no permanent establishment in India in accordance with the applicable tax treaty
- v) Self-declaration of beneficial ownership by the non-resident shareholder
- vi) Any other documents as prescribed under the IT Act for lower withholding of taxes if applicable, duly attested by member In case of Foreign Institutional Investors / Foreign Portfolio Investors, tax will be deducted under Section 196D of the IT Act @ 20% (plus applicable surcharge and cess)

The aforementioned documents are required to be uploaded on the shareholder portal at anand_bhilare@datamaticsbpm.com and Rajendra_Jadhav@datamaticsbpm.com.

8. Members wishing to claim dividends that remain unclaimed are requested to correspond with the RTA as mentioned above, or with the Company at the Company's registered office. Members are requested to note that dividends that are not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to the Investor Education and Protection Fund (IEPF). Shares on which dividend remains unclaimed for seven consecutive years shall be transferred to the IEPF as per Section 124 of the Act, read with applicable IEPF rules.
9. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.
10. The Board of Directors has appointed Mr. Aashit Doshi, Practicing Company Secretary as the Scrutinizer to scrutinize the voting at the meeting and remote e-voting process in a fair and transparent manner.



11. The facility for voting shall also be made available at the AGM and the Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the AGM.
12. The Members who have casted their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
13. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at <http://www.kayceeindustries.com/>. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
14. The e-voting period commences on August 04, 2020, Tuesday at 9:00 A.M. and ends on August 06, 2020, Thursday at 05 :00 P.M. During this period, members holding share either in physical or dematerialized form, as on cut-off date, i.e. as on July 31, 2020, Friday may cast their votes electronically. The e-voting module will be disabled by NSDL for voting thereafter. A member will not be allowed to vote again on any resolution on which vote has already been cast. The voting rights of members shall be proportionate to their share of the paid-up equity share capital of the Company as on the cut-off date, i.e. as on July 31, 2020.
15. Any person who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he / she is already registered with NSDL for remote e-voting then he / she can use his / her existing user ID and password for casting the vote
16. In compliance with the Circulars, the Annual Report 2019-20, the Notice of the 77th AGM, and instructions for e-voting are being sent only through electronic mode to those members whose email addresses are registered with the Company / depository participant(s)
17. Additional information, pursuant to Regulation 36 of the Listing Regulations, in respect of the directors seeking appointment / reappointment at the AGM, forms part of this Notice
18. SEBI has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participant(s). Members holding shares in physical form are required to submit their PAN details to the RTA.
19. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit these details to their DP in case the shares are held by them in electronic form, and to the RTA in case the shares are held in physical form.



20. The Scrutinizer will submit his report to the Chairman of the Company ('the Chairman') or to any other person authorized by the Chairman after the completion of the scrutiny of the e-voting (votes casted during the AGM and votes casted through remote e-voting), not later than 48 hours from the conclusion of the AGM. The result declared along with the Scrutinizer's report shall be communicated to the stock exchange, NSDL, and RTA and will also be displayed on the Company's website <http://www.kayceeindustries.com/>
21. AGM is being convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020
22. Since the AGM will be held through VC in accordance with the Circulars, the route map, proxy form and attendance slip are not attached to this Notice.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

The remote **e-voting period begins on August 04, 2020, Tuesday at 9:00 A.M. and ends on August 06, 2020, Thursday at 05 :00 P.M.** The remote e-voting module shall be disabled by NSDL for voting thereafter.

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

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

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

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

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

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



4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN 300*** and Client ID is 12***** then your user ID is IN 300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote;
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password
- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'
 - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.



- b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
 8. Now, you will have to click on “Login” button
 9. After you click on the “Login” button, Home page of e-Voting will open

Details on Step 2 is given below

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status
3. Select “EVEN” of company for which you wish to cast your vote
4. Now you are ready for e-Voting as the Voting page opens
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted
6. Upon confirmation, the message “Vote cast successfully” will be displayed,
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page;
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to aashit.doshi@gmail.com with a copy marked to evoting@nsdl.co.in

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to (Name of NSDL Official) at evoting@nsdl.co.in / raman_k@kayceeindustries.com / meghamnsdl@gmail.com

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to deepak_potdar@kayceeindustries.com, raman_k@kayceeindustries.com and anand_bhilare@datamatics bpm.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to deepak_potdar@kayceeindustries.com, raman_k@kayceeindustries.com and anand_bhilare@datamatics bpm.com.

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

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

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience. System requirements for best VC experience: Internet connection – broadband, wired or wireless (3G or 4G/LTE), with a speed of 5 Mbps or more Microphone and speakers – built-in or USB plug-in or wireless Bluetooth Browser: Google Chrome : Version 72 or latest Mozilla Firefox : Version 72 or latest Microsoft Edge Chromium : Version 72 or latest Safari : Version 11 or latest Internet Explorer: Not Supported
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders, who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (company email id). The same will be replied by the company suitably.
6. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at deepak_potdar@kayceeindustries.com and raman_k@kayceeindustries.com from August 03, 2020 (9:00 a.m. to August 5, 2020 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in/ 1800-222-990 or contact Mr. Amit Vishal, Senior Manager – NSDL at amitv@nsdl.co.in/ 022-24994360 or Megha Malviya | Assistant Manager ID-megham@nsdl.co.in, 022 49142500, +91 7987207516.



Explanatory Statement

As required by Section 102 of the Companies Act, 2013 (“Act”), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 4 to 7 of the accompanying Notice:

Item No. 4

The Board of Directors of your Company at their meeting held on September 27, 2019 appointed Mr. Balasubramanian Jayaraman (DIN: 01525552) on the Board as an additional Director, designated as Non-Executive and Independent for a term of two years effective September 27, 2019 in terms of Section 149 and 161 of the Companies Act 2013 (“the Act”), with the term of office till the Conclusion of 77th Annual General Meeting (“AGM”) of the Shareholders of the Company for the financial year 2019-20.

Considering the term of his office getting concluded with the date of 77th AGM, the Nomination and Remuneration Committee, at its meeting held on June 09, 2020, considered the subject and recommended the appointment of Mr. Balasubramanian Jayaraman on the Board for a term of two years as said above in compliance with Section 160 of the Act.

Mr. Balasubramanian Jayaraman has submitted necessary declarations to the effect that

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

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

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

The Board recommends the resolutions set forth in Item Number 4 for the approval of the Members.

Except Mr. Balasubramanian Jayaraman, none of the Directors, Key Managerial Personnel and relatives are in any way concerned or interested in the said resolutions.

Item No. 5

The Board of Directors of your Company at their meeting held on January 21, 2020 appointed Mrs. Manimegalai Arumugam (DIN02536666) on the Board as an additional Director, designated as Non-Executive and Non Independent in terms of Section 161 of the Companies Act 2013 (“the Act”), with the term of office till the Conclusion of 77th Annual General Meeting (“AGM”) for the financial year 2019-20.



Considering the term of her office getting concluded with the date of 77th AGM, the Nomination and Remuneration Committee, at its meeting held on June 09, 2020, considered the subject and recommended the appointment of Mrs. Manimegalai Arumugam on the Board in compliance with Section 160 of the Act with the term of office liable to retirement by rotation.

Mrs. Manimegalai Arumugam has submitted necessary declarations to the effect that she is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act 2013 &

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

The Board recommends the resolutions set forth in Item Number 5 for the approval of the Members.

Except Mrs. Manimegalai Arumugam, none of the Directors, Key Managerial Personnel and relatives are in any way concerned or interested in the said resolutions.

Item No. 6

Your Board has been completely re-constituted subsequent to the acquisition of major equity shares with voting rights in your Company by Salzer Electronics Limited (“**Holding Company/Salzer**”) on July 11, 2019 from erstwhile Promoters with the due process under SEBI (Substantial Acquisition and Takeover Code) Regulation 2011.

Mr. Chandra Prakash Jain (DIN: 07337778), who was re-appointed as Whole Time Director by erstwhile Board at their meeting held on February 13, 2019 for a term of five years effective February 12, 2019 and following the notice of some technical snag on June 05, 2020 in the compliance of Section 196 of the Companies Act 2013 on his above re-appointment, has vacated his office on June 05, 2020 as a defacto cessation. Your Board evaluated the merit of circumstances resulting in defacto cessation of Mr. Chandra Prakash Jain at its meeting held on June 09, 2020, and endorsed and confirmed to the effect that all the acts, deeds and things done by him in the capacity of the Whole Time Director from aforesaid date of re-appointment till June 05, 2020, hold good in all respect, as if he would have discharged his duties in the rightful circumstances, by applying Doctrine of De facto in conjunction with the Provisions of Section 176 of Act.

Consequent to above development, your Board at its meeting held on June 09, 2020, based on the recommendation of the Nomination and Remuneration Committee and with his consent, approved the re-appointment of Mr. Chandra Prakash Jain as a Whole Time Director for a term of three years effective June 09, 2020 in compliance with provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013, and the rules made thereunder read with Schedule-V of the Companies Act, 2013, upon such regulations as specified under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, in line with terms of Company’s policy for Nomination and Remuneration Committee and subject to approval by the Shareholders at their 77th Annual General Meeting, with a set of terms and conditions as more particularly given in the resolutions.



Besides, the Board also at the above said meeting, as recommended by Nomination and Remuneration Committee and subject to the approval of the shareholders at the forthcoming AGM, approved the complete waiver of the Remuneration drawn by Mr. Chandra Prakash Jain during the period of Office from February 12, 2020 till June 08, 2020 without any prejudice in respect of the acts done/performed by him in a rightful manner and circumstances

Mr. Chandra Prakash Jain has submitted necessary declarations to the effect that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act 2013 &

The Board recommends the resolutions set forth in Item Number 6 for the approval of the Members.

A brief profile of Mr. Chandra Prakash Jain is annexed (Annexure : 1) herewith pursuant to Regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015. Except Mr. Chandra Prakash Jain, none of the Directors, Key Managerial Personnel and relatives are in any way concerned or interested in the said resolution.

Item No. 7

Your Company has more frequently been effecting the Transactions with holding Company - Salzer Electronics Limited, related party, ("**Salzer**") in the normal course of business and at arm's length basis in compliance with Section 188 of the Companies Act 2013.

In pursuance of 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 :-

- a) A transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity
- b) All material related party transactions shall require approval of the shareholders through resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

Since your Company is foreseeing that the transactions with Salzer is likely to exceed 10% of the Turnover in the Current and following financial years which is to be treated as Material Related Party Transactions and required to seek for the Members approval in this Annual General Meeting in terms of aforesaid Regulations. Relevant terms of Transactions are set out in the Resolutions.

Accordingly, as recommended by the Board, your Board is placing before the Members requisite resolutions for their approval under Item No. 7. Except the Directors Mr. R Doraiswamy, being the Promoter and Managing Director of Salzer Electronics Limited (Holding Company), Mr. D Rajesh Kumar, being the Promoter and Jt. Managing Director and CFO of said Holding Company and Mrs. A Manimegalai, none of the Directors or KMP or their relatives are related or concerned or interested, financially or otherwise in the Resolution.

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

1	Name of the Director	Mr. Rajeshkumar Doraiswamy	Mr. Jayaraman Balasubramanian	Mrs. Manimegalai Arumugam	Mr. Chandra Prakash Jain
2	DIN	00003126	01525552	02536666	07337778
3	Category	Non Executive and Non Independent	Non Executive and Non Independent	Non Executive and Non Independent	Whole Time Director
4	Date of Birth	25/09/1971	27/03/1950	05/06/1957	08/03/1960
5	Date of Appointment on the Board	29/07/2019	27/09/2019	21/01/2020	14/11/2015
6	Qualification	BE and MBA (USA)	FCA. LLB	Commerce Graduate	Commerce Graduate with CA (Inter)
7	Brief profile and nature of their expertise in specific functional areas	Having strong entrepreneurial skills in running the affairs of Enterprises. Holding the Position of Jt MD & CFO for two decades in Salzer Electronics Ltd (Holding Company) a leading manufacturer of wide array of electrical installation products	Rich knowledge & experience in the field of Finance, Taxation, Insurance.	Strong knowledge in Finance and Banking System.	Wide knowledge in the administration, Finance and Accounts
8	Directorships held in other companies.	a) Salzer Electronics Ltd b) SRVE Industries Ltd c) Salzer Securities Holdings Ltd d) K R Health Care P Ltd e) Salzer Magnet Wires Ltd f) Salzer Exports Ltd g) Sri Ram Arts Centre Pvt Ltd	1. AML Financial Services Private Ltd 2. CDSL Commodity Repository Ltd 3. Canara Robeco Mutual Fund	1. Saradha Investments Ltd 2. K R Health Care Pvt Ltd 3. Sri Ram Arts Centre Pvt Ltd 4. S R V E Industries Ltd	-
9	Memberships / Chairmanships of committees across all companies	Member of Risk Management Committee, Stakeholders Relationship Committee and CSR Committee of Salzer Electronics Limited	-	-	Member of the Audit Committee
10	Shareholding in the Company	-	-	-	-
11	Inter se relationship, if any	Son of Mr. R Doraiswamy, Non executive Director	-	-	-

DIRECTORS' REPORT

To,
The Members,
Kaycee Industries Limited,
Mumbai.

Your Directors have great pleasure in presenting the 77th Annual Report and Financial Statements of the company for the Financial Year ended 31st March, 2020.

In line with the requirements of Section 134 of the Companies Act, 2013 ('the Act') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the SEBI Regulations'), the following information is furnished covering the financial Performance and other significant developments during the Financial Year starting from April 1, 2019 to March 31, 2020.

1) Financial Highlights

	<i>Particulars</i>	31st March 2020 In Rs.	31st March 2019 In Rs.
1	Revenue from operations	23,42,68,142	25,01,80,963
2	Operating Expenses		
a	Cost of materials consumed	11,37,79,692	13,38,55,665
b	Cost of traded goods sold	31,57,555	76,03,966
c	Changes in inventories of finished goods, work-in-progress	(79,66,910)	28,39,137
d	Employee Benefit Expenses	4,66,29,776	4,43,41,211
e	Other Expenses	5,40,02,355	5,21,70,724
3	Total Operating Expenses (a+b+c+d+e)	20,96,02,468	24,08,10,703
4	Operating Profit (1-3)	2,46,65,674	93,70,261
5	Other Income	17,64,588	1,53,66,164
6	Finance cost	6,74,736	15,60,307
7	Depreciation and Amortisation Expenses	41,99,221	38,06,215
8	Profit before Tax (4+5-6-7)	2,15,56,305	1,93,69,902
9	Provision - Covid 19 for Inventory and Receivable	19,46,033	-
10	Tax Expenses	54,37,994	58,51,213
11	Profit after Tax (8-9)	1,41,72,279	1,35,18,689
12	Other Comprehensive Income	(11,84,923)	(5,70,005)
13	Total Comprehensive Income (10+ 11)	1,29,87,355	1,29,48,683
14	Share Capital	63,47,000	63,47,000
15	Reserves and Surplus	13,56,44,170	12,34,49,495
16	Net Worth of the Company	14,19,91,170	12,97,96,495
17	Book Value of the shares	2237.14	2045.01
18	Earning per share	223.29	212.99



2) Financial Performance

Comparing to Corresponding period of last year, during the year under review,

- i) The revenue of the Company has de-grown by 6% due to adverse conditions of the Industry and Economy particularly the impact caused by the Covid 19 led lockdown in the last part of the financial year.
- ii) The Exports sales grew by 37% at Rs. 37,64,785/- with its contribution to Total Revenue increasing from 1% to 2%.
- iii) However, the Operating Profit increased by 163% in view of better control exercised on the Raw Material Consumption. As the result, the Operating profit margin elevated from 3.75% to 10.53% with increase by around 700 Basis Points (bps);
- iv) Around 75% of our revenue accrued from the sale of three products, viz - CAM Switches (34%), Rotary Switches (30%) and Micro Switches (11%)
- v) The Margin of the Profitability significantly improved by 100 pbs to 6%. This was after providing for Rs. 19,46,033/- on account of Covid -19 related issues.
- vi) The Total Net worth of the Company increased from Rs. 12,97,96,495 to Rs. 14,19,91,170/- with the corresponding increase in Book value per share from Rs. 2045.04/- to 2237.14/- by 9%.
- vii) The earning per share gone up from Rs. 212.99 to Rs. 223.29 during the year grew by 5%.

The above financial performance of your Company establishing fact that the fundamentals of the Company are stable and the application of modern and improved managements techniques by the present management, it is hoped that would add robust strength to the company in the coming years

3) Dividend

The improved performance of the company has enabled your board to propose and enhanced dividend @30% for the year – largest in the last 13 years. This will be payable on your adoption of the proposal to the members of the company on the recorded date 31st July 2020.

In order to maintain the consistency in rewarding the shareholders by means of Dividend payouts, the Directors recommended payment of Dividend of Rs. 30/- (i.e. 30%) Per equity share of Rs. 100 each on the total outstanding 63,470 equity shares with the Dividend outflow amounting to Rs. 19,04,100/- out of the available surplus of the Company for the financial year 2019-20. The Dividend, if declared by the Members at their 77th Annual General Meeting, shall be paid to all Members whose name appearing in the Register of Members on record date fixed as 31st July, 2020 and be paid within the stipulated time. The recommendation of 30% Dividend for 2019-20 stands highest since 2007.



4) Share Capital and other related matters

During the year under review, the Company has not issued any fresh capital or adopted any buy back arrangements. During the year under review, M/s. Salzer Electronics Limited (“SEL”) has acquired controlling equity stake with voting rights to the extent of 74.91% from the erstwhile Promoters under Share Purchase and Transfer of Control Agreement dated May 24, 2019, with due compliance of SEBI (Substantial Acquisition and Takeover) Regulations 2011 and thereby your company has become a subsidiary company to SEL within the meaning of section 2(87) of the Companies Act, 2013;

5) Corporate Governance

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

6) Reserves

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

7) Liquidity

As at March, 2020, the Company had adequate cash and cash equivalents in its books, taking care of all such current liabilities comfortably

8) Change in nature of business

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

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

Covid 19 induced Nationwide Lockdown commenced during the last week of the March 2020 and its continuation till date of this report has materially affected the business operation of your Company. The Factory and Office premises remained closed during Lockdown 1.0 and 2.0 (From March 24, 2020 to May 04, 2020) and factories resumed partial operations during Lock 3.0 and 4.0 with the limited manpower in accordance with the Guidelines and Standard Operating Procedures (SOP) issued by the State and Central Governments. As the date of this report, the Company expects the gradual increase in the business operations in the coming months following the commencement of Unlock 1.0 to 3.0 and anticipating to regain its full strength during the second quarter of this year. Hence the Operations of the Company during the current year are subjected to challenges caused by Covid 19 on multiple parameters under the prevailing background of economy slowdown both in national and international scenario during the better path of the financial year.

The Management of your Company has evaluated economic conditions prevailing as at the date of approval of financial statements and provided the provisions of Rs. 19,46,033/- observing any loss arising out Covid 19 related events.

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

No such Material Orders were made by any Regulators or Courts or Tribunals during the year under review impacting the On-going Concern status and Company's Operations in future.

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

The Company has put in place adequate internal financial controls over financial reporting. These are reviewed periodically and made part of work instructions or processes in the Company. The Company continuously tries to automate these controls to increase its reliability.

12) Details of Subsidiary/Joint Ventures/Associate Companies

Your company does not have any subsidiary company. Effect from 11th July 2019 it has become the subsidiary of Salzer Electronics Ltd.

13) Deposits

During the Financial year under the review, your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act 2013 read with Companies (Acceptance of Deposits) Rules, 2014. As such there was no deposits as at March 31, 2020.

14) Statutory Auditors

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

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

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

15) Cost Audit

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

**16) Investments Made By The Company**

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

17) Extract of the Annual Return

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

18) Compliance on Secretarial Standards

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

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

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

20) Corporate Responsibility Statement (CSR)

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

21) Changes in the Directorate

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

a) Board of Directors

- i) Mr. N Rangachary, Mr. Balasubramanian Jayaraman, Mr. Jitendra Kantilal Vakharia and Mr. Dileep Gupte have been inducted to the Board as the Independent Directors and
- ii) Mr. R Doraiswamy, Mr. D Rajesh Kumar and Mrs. A Manimegalai have been appointed to the Board as Non-Executive and Non Independent Directors.
- iii) Ms. Aarti Grover, Mrs. Raju Grover, Mrs. Sona Ramchandani, Mrs. Pramila Merani, Mrs. Savitri Butani, ceased to be the Directors.
- iv) Mr. Balasubramanian Jayaraman and Mrs. A Manimegalai, who have been inducted on the Board as the additional Directors on September 27,2019 and January 21,2020 respectively, are now seeking your consent to their appointment under Section 160 of the Companies Act 2013. The Board has recommended this proposal to you.

- v) Currently the Board has 8 Directors with One executive Director – Mr. Chandra Prakash Jain, three Non-Executive and Non Independent Directors – Mr. R Doraiswamy, Mr. D Rajesh Kumar and Mrs. A Manimegalai and Four Independent Directors - Mr. N Rangachary, Mr. Balasubramanian Jayaraman, Mr. Jitendra Kantilal Vakharia and Mr. Dileep Gupte

The Office of Whole Time Director - Mr. Chandra Prakash Jain, Whole Time Director stands vacated as a Defacto cessation due to non-conformity with the Provisions of the Companies Act 2013 in respect of the re-appointment made by the Board at its meeting held on February 13, 2019 for a term of three years with effect from February 12, 2019. Consequently, Your Board at its meeting held on June 09, 2020 re-appointed Mr. Chandra Prakash Jain as Whole Time Director for a term of three years effective from June 09,2020 subject to your approval at the forthcoming Annual General Meeting. Your Directors has recommended this to you.

vi) Sub-Committees of the Company

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

	Committee Name	Previous Composition	Present Composition
A]	Audit Committee	Mrs. Sona Ramchandani – Chairperson; Mrs. Raju Grover Mrs. Pramila Merani	Mr. Balasubramanian Jayaraman – Chairman; Mr. N Rangachary Mr. Dileep Gupte Mr. Jitendra Vakharia Mr. Chandra Prakash Jain Mr. D Rajesh Kumar
B]	Nomination & Remuneration Committee	Mrs. Sona Ramchandani – Chairperson; Mrs. Pramila Merani Mrs. Raju Grover	Mr. Jitendra Vakharia – Chairman; Mr. N Rangachary Mr. Dileep Gupte Mr. R. Doraiswamy
C]	Share Transfer - Cum - Stakeholder Grievance Committee	Mrs. Sona Ramchandani – Chairperson; Mrs. Raju Grover Mrs. Pramila Merani	Mr. N Rangachary – Chairman; Mr. Dileep Gupte Mr. Jitendra Vakharia

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

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

- a) There were Six Board Meetings held during the Period from April 01, 2019 to March 31, 2020 and details of the meetings are as under
- 1) 24/05/2019 2) 29/07/2019 3) 08/08/2019 4) 27/09/2019
5) 24/10/2019 6) 21/01/2020
- b) There were Four Audit Committees Meetings held during the Period from April 01, 2019 to March 31, 2020 and details of the meetings are as under
- 1) 24/05/2019 2) 08/08/2019 3) 24/10/2019 4) 21/01/2020
- c) There were Four Nomination and Remuneration Committee Meetings held during the Period from April 01, 2019 to March 31, 2020 and details of the meetings are as under
- 1) 29/07/2019 2) 08/08/2019 3) 24/10/2019 4) 21/01/2020
- d) There was only one Stakeholders Relationship Committee held on 11/03/2020 during the Period from April 01, 2019 to March 31, 2020

23) Board Evaluation

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

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

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

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

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

An Internal Complaints Committee (ICC) has been set up to redress the complaints received regarding the Sexual Harassment. All the employees (Permanent, Contractual and Temporary



Trainees) are covered under the policy. There were no complaints pending for the redressal at the beginning of the year and no complaints received during the Financial Year.

25) Listing Regulations

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

26) Listing

The Shares of the Company are listed on the Bombay Stock Exchange (BSE) at Mumbai. The Company has paid the Listing fees for the year 2019-20 to the Bombay Stock Exchange (BSE).

27) Depository Services

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

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

28) Vigil Mechanism

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

29) Directors Responsibility Statement

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

- that in the preparation of the annual financial statements for the year ended March 31, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- that such accounting policies have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit and loss of the company for that period;



➤ that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

➤ that the annual financial statements have been prepared on a going concern basis;

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

➤ that internal financial controls are being followed by the company and that such internal financial controls are adequate and were operating effectively.

➤ that systems to ensure compliance with the provisions of all applicable laws are in place and are adequate and operating effectively

30) Particulars of Contracts or Arrangements made with Related Parties

The Contracts or Arrangements with related parties done at on arm's length and in ordinary course of business which are detailed in Note 29 in Notes to Accounts of the Financial Statements for the year ended 31st March, 2020. Refer Annexure 3 in Form AoC-2 showing the details of the Related Party Transactions during the year in pursuance of Clause (h) of Sub Section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Your Board is anticipating more transactions with the Holding Company – Salzer Electronics Limited in the current and forthcoming financial years which may likely to constitute above 10% of total turnover of the Company, to be termed as Material related party transactions within the Meaning of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and to be carried out with the Prior Approval of the shareholders. Accordingly, necessary approvals have been placed before the Members for approval on proposed material related party transactions with the Holding Company.

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

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

32) Particulars of Employees and Related Disclosures

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

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

33) Secretarial Audit Report

The Board appointed Mr. Aashit Doshi, Practicing Company Secretary, to conduct Secretarial Audit for the Financial Year 2019-20. The Secretarial Audit Report for the Financial Year ended March 31, 2020 is annexed herewith marked as **(Annexure 5)** to this Report.

The Secretarial Auditor has made two observations in his report for the year FY 20 as annexed supra. Your Board of Directors clarified their position viz as under.

Observation of the Secretarial Auditor -1 :

The erstwhile Management of the Company has not transferred Equity shares to Investor Education and Protection Fund in pursuance to provisions of Section 124(6) of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Auditing, Transfer and Refund) Rules, 2016.

Management comments

This is default made by the erstwhile Management prior to present management take over. Requisite actions are underway to transfer the equity shares to Investor Education and Protection Fund at the earliest possible time

Observation of the Secretarial Auditor -2:

The re-appointment of Mr. Chandra Prakash Jain as a Whole-time Director was not placed before the Members of the Company for their approval on September 27, 2019 being the date of Annual General Meeting and hence he ceased to continue as the Whole-time Director of the Company from the said date. Subsequently, there was no Key Managerial Personnel as prescribed under section 203(1)(i) of the Companies Act, 2013.

Management comments

This issue is also a carry-over from the previous management time .The Management reported to the Board that Mr. Chandra Prakash Jain was appointed as Whole Time Director with effect from February 12,2019, by the erstwhile management at its Board Meeting held on February 1,2019, for a term of Five Years subject to the confirmation of the Shareholders at their meeting scheduled to be held during 2019. Inadvertently and unintentionally this has not been placed before the shareholder at their meeting held on September 27,2019, which has been a procedural omission and resulted in non-conformity with regulations. The Management has now only noticed such defect and accordingly action has been taken to rectify the defect on

the appointment of Mr. Chandra Prakash Jain as a Whole time Director in such a manner with due compliance of the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015.

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

Pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (“the IEPF Rules”), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF, established by the Government of India, after the completion of seven years. Further, according to the Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of the IEPF Authority.

The Company has been effectively taking measures to transfer all Un-claimed / Un-paid Dividend and its related shares to IEPF Account including the transfer of shares to notified Government Account under the Enemy Property Act

35) Management’s Discussion and Analysis Report

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

36) Industrial Relations

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

37) Cautionary Statement

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

38) Human Resources

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



39) Acknowledgement

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

For and on behalf of the Board

Chandra Prakash Jain
Whole Time Director
(DIN : 07337778)

D Rajesh Kumar
Non-Executive and
Non Independent Director
(DIN : 00003126)
Coimbatore

Place : Mumbai
Date : June 09, 2020



FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on Financial Year ended on 31/03/2020

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

I. REGISTRATION & OTHER DETAILS :

I.	REGISTRATION & OTHER DETAILS	
1.	CIN	L70102MH1942PLC006482
2.	Registration Date	15.12.1942
3.	Name of the Company	KAYCEE INDUSTRIES LIMITED
4.	Category/Sub-category of the Company	COMPANY LIMITED BY SHARE
5.	Address of the Registered Office & contact details	OLD KAMANI CHAMBERS, 32-RAMJIBHAI KAMANI MARG, BALLARD ESTATE, MUMBAI - 400 001. Contact : 022 - 22613521
6.	Whether listed Company	YES
7.	Name, Address & Contact details of the Registrar & Transfer Agent, if any.	Datamatics Financial Services Limited Plot No. A-16 & 17 Part 'B' Cross Lane, MIDC, Andheri (E), Mumbai 400 093. Contact : 022 - 66712188

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

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

III. SHAREHOLDING PATTERN (Equity Share Capital Break-Up as Percentage of Total Equity)

A) Category-wise Holding

Category code	Category of shareholder	Number of Shares held at the beginning of the year				Number of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(I)	(II)									
(A)	Promoters									
1	Indian									
(a)	Individuals/HUF	0	0	0	0.00	2	0	2	0.00	0.00
(b)	Central Government	0	0	0	0.00	0	0	0	0.00	0.00
(c)	State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Bodies Corporate	45899	0	45899	72.32	47546	0	47546	74.91	2.59
(e)	Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub Total (A)(1)	45899	0	45899	72.32	47548	0	47548	74.91	2.60
2	Foreign									
(a)	NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub Total (A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
	Total Shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2)	45899	0	45899	72.32	47548	0	47548	74.91	2.60
(B)	Public shareholding									
1	Institutions									
(a)	Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Banks / FI	8	158	166	0.26	8	158	166	0.26	0.00
(c)	Central Government	0	0	0	0.00	0	0	0	0.00	0.00
(d)	State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00

III. SHAREHOLDING PATTERN (Equity Share Capital Break-Up as Percentage of Total Equity)

A) Category-wise Holding (Contd.)

Category code	Category of shareholder	Number of Shares held at the beginning of the year				Number of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(I)	(II)									
(g)	FIs	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(j)	Alternate Investment Funds	0	0	0	0.00	0	0	0	0.00	0.00
(k)	Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub Total (B)(1)	8	158	166	0.26	8	158	166	0.26	0.00
2	Non-institutions									
(a)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(a)(i)	Indian	411	19	430	0.68	1366	19	1385	2.18	1.50
(a)(ii)	Overseas	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(b)(i)	Individuals - shareholders holding nominal share capital up to Rs 1 Lakh	10897	4176	15073	23.75	9324	4159	13483	21.24	2.51
(b)(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	1012	0	1012	1.59	0	0	0	0.00	1.59
(c)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
d-i	NRI Rep	40	644	684	1.08	38	644	682	1.07	0.00
d-ii	NRI Non -Rept	206	0	206	0.32	206	0	206	0.32	0.00
d-iii	Foreign Bodies	0	0	0	0.00	0	0	0	0.00	0.00
d-iv	Foreign National	0	0	0	0.00	0	0	0	0.00	0.00
	Sub Total (B)(2)	12566	4839	17405	27.42	10934	4822	15756	24.82	2.60
	Total Public Shareholding (B) = (B)(1) + (B)(2)	12574	4997	17571	27.68	10942	4980	15922	25.09	2.60
	Total (A+B)	58473	4997	63470	100.00	58490	4980	63470	100.00	0.00
(C)	Custodians for GDRs and ADRs	0	0	0	0.00	0	0	0	0.00	0.00
	GRAND TOTAL (A) + (B) + (C)	58473	4997	63470	100.00	58490	4980	63470	100.00	0.00



B) SHAREHOLDING OF PROMOTER

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change during the year
		No. of Shares	% of total shares	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total shares	% of Shares Pledged/encumbered to total shares	
1	SALZER ELECTRONICS LTD	0	0.0000	0.0000	47546	74.9110	0.0000	74.9110
2	R DORAISWAMY	2	0.0032	0.0000	2	0.0032	0.0000	0.0032
3	UNIVERSAL TRUSTEES PVT LTD	45899	72.3161	0.0000	0	0.0000	0.0000	-72.3161
		45899	72.3161	0.0000	47548	74.9142	0.0000	2.5981

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

i) UNIVERSAL TRUSTEES PVT LTD

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	At the beginning of the year	45899	72.3161	45899	72.3161
2	Sold on July 11, 2019 through Share Purchase agreement dt May 24, 2019	45899	72.3161	0	0
3	At the end of the year	0	0	0	0

ii) Salzer Electronics Limited

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	At the beginning of the year	0	0	0	0
2	Bought on July 11, 2019 through Share Purchase agreement dt May 24, 2019	45899	72.32	45899	72.32
3	Additional Purchase by means of Open Offer	2921	4.60	48820	76.92
4	Sale during the year	-1274	-2.01	47546	74.91
5	At the end of the year	0	0.00	47546	74.91

iii) R Doraiswamy

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	At the beginning of the year	2	0.003	2	0.003
2	Bought / Sold during the year	0	0.00	2	0.003
3	At the end of the year	2	0.003	2	0.003

D) Shareholding Pattern of top ten Shareholders:

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

Sr. No.	Name	Remarks	Date	Shareholding at the beginning of the year		Cumulative shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	SINGHI ADVISORS & FINANCIAL SERVICES LLP	At the beginning of the Year	01-APR-2019	0	0.000	0	0.000
		Purchase	20-DEC-2019	820	1.292	820	1.292
		Purchase	27-DEC-2019	349	0.550	1169	1.842
		At the END of the Year	31-MAR-2020	0	0.000	1169	1.842
2	CUSTODIAN OF ENEMY PROP FOR (I)	At the beginning of the Year	01-APR-2019	629	0.991	629	0.991
		At the END of the Year	31-MAR-2020	0	0.000	629	0.991
3	ARUNA P CHOKSHI	At the beginning of the Year	01-APR-2019	401	0.632	401	0.632
		At the END of the Year	31-MAR-2020	0	0.000	401	0.632
4	MR ASLAM QADAR KHAN	At the beginning of the Year	01-APR-2019	330	0.520	330	0.520
		At the END of the Year	31-MAR-2020	0	0.000	330	0.520
5	SHUBHAM SANJAY DAMANI	At the beginning of the Year	01-APR-2019	211	0.332	211	0.332
		At the END of the Year	31-MAR-2020	0	0.000	211	0.332

D) Shareholding Pattern of top ten Shareholders: (Contd.)

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

Sr. No.	Name	Remarks	Date	Shareholding at the beginning of the year		Cumulative shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
6	MR SANJIV KUMAR BATTA	At the beginning of the Year	01-APR-2019	171	0.269	171	0.269
		At the END of the Year	31-MAR-2020	0	0.000	171	0.269
7	MINAKSHI BAJAJ	At the beginning of the Year	01-APR-2019	150	0.236	150	0.236
		At the END of the Year	31-MAR-2020	0	0.000	150	0.236
8	PANSY DINSHAW MEHTA	At the beginning of the Year	01-APR-2019	141	0.222	141	0.222
		At the END of the Year	31-MAR-2020	0	0.000	141	0.222
9	RENU GUPTA	At the beginning of the Year	01-APR-2019	128	0.202	128	0.202
		At the END of the Year	31-MAR-2020	0	0.000	128	0.202
10	BHADRESHKUMAR BALKRISHNA PANCHAL	At the beginning of the Year	01-APR-2019	126	0.199	126	0.199
		At the END of the Year	31-MAR-2020	0	0.000	126	0.199

E) Shareholding of Directors and Key Managerial Personnel

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	Mr. Chandra Prakash Jain				
	At the beginning of the year	319	0.503	319	0.503
	Sold during the year	319	0.503	0	0
	At the end of the year	0	0	0	0

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year				
i) Principal Amount	1,06,75,716	Nil	Nil	1,06,75,716
ii) Interest due but not paid	0	Nil	Nil	Nil
iii) Interest accrued but not due	0		Nil	Nil
Total (i+ii+iii)	1,06,75,716		Nil	1,06,75,716
Change in Indebtedness during the Financial Year			Nil	Nil
* Addition	Nil	Nil	Nil	Nil
* Reduction	Nil	Nil	Nil	Nil
Net Change	Nil	Nil	Nil	Nil
Indebtedness at the end of the Financial Year	35,00,873	Nil	Nil	35,00,873
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	35,00,873	Nil	Nil	35,00,873

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		CHANDRA PRAKASH JAIN				
1	Gross Salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil				Nil
	(b) Value of perquisite u/s 17(2) Income-tax Act, 1961	Nil				Nil
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	Nil				Nil
2	Stock Option	Nil				Nil
3	Sweat Equity	Nil				Nil
4	Commission - as % of profit Others Specify	Nil				Nil
5	Others, please specify - Professional Fees Total (A) Ceiling as per the Act	15,00,000				15,00,000

B. Remuneration to other Directors (Non Executive Directors)

Sr. No.	Particulars of Remuneration	Name of Directors		
		MR. J. BALASUBRAMANIAN	MR. RAJESH KUMAR	MR. DILEEP GUPTE
1		Independent Director	Non Independent Director	Independent Director
	Fee for attending Board Committee meetings	70,000	—	17,500
	Commission	—	—	—
	Others, please specify	—	—	—
	Total (1)	70,000	—	17,500
2	Other Non-Executive Director	—	—	—
	Fee for attending board committee meetings	—	17,500	—
	Commission	—	—	—
	Others, please specify	—	—	—
	Total (2)	—	17,500	—
	Total (B)= (1+2)	70,000	17,500	17,500
	Total Managerial Remuneration	—	—	—
	Overall Ceiling as per the Act	—	—	—

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
		MR. JITENDRA K. VAKHARIA	MR. N. RANGACHARYA	MR. R. DORAISWAMI	
1		Independent Director	Independent Director	Non Independent Director	
	Fee for attending Board Committee meetings	35,000	65,000	—	1,87,500
	Commission	—	—	—	
	Others, please specify	—	—	—	
	Total (1)	35,000	65,000	—	1,87,500
2	Other Non-Executive Director	—	—	—	
	Fee for attending board committee meetings	—	—	17,500	35,000
	Commission	—	—	—	
	Others, please specify	—	—	—	
	Total (2)	—	—	17,500	
	Total (B)= (1+2)	35,000	65,000	17,500	2,22,500
	Total Managerial Remuneration	—	—	—	
	Overall Ceiling as per the Act	—	—	—	

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		VP	CS	CFO	Total
1	Gross Salary	4,64,944	2,04,258	9,64,431	16,33,633
	(a) Salary as per provisions contained in section 17(1) of the Income-Tax act, 1961				
	(b) Value of perquisite u/s 17(2) Income-Tax at, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-Tax Act, 1961				
2	Stock Option	—	—	—	—
3	Sweat Equity	—	—	—	—
4	Commission - as % of profit Others, specify	—	—	—	—
5	Others, please specify	—	—	—	—
	Total	4,64,944	2,04,258	9,64,431	16,33,633

VP – Vice President – Mr. Raman Krishnamoorthy

CS – Company Secretary – Ms. Almas Praveen

CFO – Chief Financial Officer – Mr. Deepak Potdar

VI. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

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

For and on behalf of the Board

Chandra Prakash Jain
 Whole Time Director
 (DIN : 07337778)

D Rajesh Kumar
 Non-Executive and
 Non Independent Director
 (DIN : 00003126)
 Coimbatore

 Place : Mumbai
 Date : June 09, 2020



ANNEXURE 2

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

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

CONSERVATION OF ENERGY

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

POWER AND FUEL CONSUMPTION	CURRENT YEAR 31.03.2020	PREVIOUS YEAR 31.03.2019
Ambarnath		
Unit (KWH)	47,763	54,086
Total Amount (Rs.)	4,76,390	5,30,260
Rate / KWH (Average) Rs.	9.97	9.80

TECHNOLOGY ABSORPTION

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

FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange Earning : Rs. 37, 16,038/-

Foreign Exchange Outgo : Rs. 44,809/-

For and on behalf of the Board

Chandra Prakash Jain
Whole Time Director
(DIN : 07337778)

D Rajesh Kumar
Non-Executive and
Non Independent Director
(DIN : 00003126)
Coimbatore

Place : Mumbai
Date : June 09, 2020

ANNEXURE 3

Form No. AOC-2

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

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

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

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

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

Particulars	Enterprises which are owned, or have significant influence of or are partner with Key Management Personnel and their relatives		Group Company
	Salzer Electronics Limited	CMS Computers Limited	
Purchase & Service Expenses	21,68,051	37,704	
Interest Paid			
Reimbursement of Expenses Received	78,400		
Service Charges			
Sales	2,44,926		
Commission			
Remuneration			
Rent Received			
Unsecured Loans Repaid			
Fixed Assets Purchased			
Amount Paid as Advances, if any			
Date of Approval by the Board, if any			

For and on behalf of the Board

Chandra Prakash Jain
Whole Time Director
(DIN : 07337778)

D Rajesh Kumar
Non-Executive and
Non Independent Director
(DIN : 00003126)
Coimbatore

Place : Mumbai

Date : June 09, 2020



ANNEXURE 4

DETAILS OF THE REMUNERATION OF DIRECTORS, KMP'S AND EMPLOYEES

[Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

1. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2019-20:

Sr. No.	Name of the Director	Remuneration	Median Remuneration of Employees	Ratio
1	NIL	NIL	NIL	NIL

2. Percentage increase in remuneration of each Director in the financial year 2019-20

Sr. No.	Name of the Director	Designation	Percentage Increase in Remuneration
1	NIL	NIL	NIL

3. Percentage increase in the median remuneration of employees in the Financial Year 2019-20 is **NIL**
4. The number of permanent employees on the rolls of the Company, as on 31st March, 2020 is 75.
5. There are no employees of the Company who received remuneration in excess of the highest paid Director during the Financial Year 2019-2020.
6. It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

For and on behalf of the Board

Chandra Prakash Jain
Whole Time Director
(DIN : 07337778)

D Rajesh Kumar
Non-Executive and
Non Independent Director
(DIN : 00003126)
Coimbatore

Place : Mumbai
Date : June 09, 2020



SECRETARIAL AUDIT REPORT

Form No. MR-3

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

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

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2020 according to the provisions of:

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



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

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

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

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

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

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

- (1) *The erstwhile Management of the Company has not transferred Equity shares to Investor Education and Protection Fund in pursuance to provisions of Section 124(6) of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Auditing, Transfer and Refund) Rules, 2016.*
- (2) *The re-appointment of Mr. Chandra Prakash Jain as a Whole-time Director was not placed before the Members of the Company for their approval on 27th September, 2019 being the date of*



Annual General Meeting and hence he ceased to continue as the Whole-time Director of the Company from the said date. Subsequently, there was no Key Managerial Personnel as prescribed under section 203(1)(i) of the Companies Act, 2013.

As per the representations made by the current management and relied upon by me, the Company is taking necessary measure to rectify the above two matters as soon as possible.

I further report that:

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

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

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

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

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

- 1) Pursuant to terms of Share Purchase and Transfer of Control Agreement dated 24th May, 2019; The Promoters of the Company i.e. 2015 Grover Family Trust (Universal Trustees Private Limited) sold their entire shareholding of 45,899 Equity Shares on 11th July, 2019 and the Acquirer i.e. Salzer Electronics Limited acquired 45,899 Equity Shares on 11th July, 2019 and became the new Promoters of the Company.
- 2) The Acquirer i.e. Salzer Electronics Limited acquired additional 4.60% i.e. 2,921 Equity Shares from the Public in the Open offer on 17th September, 2019 aggregating to total voting power in the Company to 76.92%. The minimum public shareholding in the Company reduced below 25%.
- 3) The Acquirer i.e. Salzer Electronics Limited sold 1,274 Equity Shares between 13th December, 2019 to 24th December, 2019 by which the total voting power in the Company reduced to 74.91% and subsequently the public shareholding in the Company increased above 25%.

- 4) There has been change in the Board of Directors of the Company as under:
- (a) Ms. Aarti Grover, Managing Director resigned w.e.f. 27th September, 2019
 - (b) Mrs. Raju Grover, Director resigned w.e.f. 27th September, 2019
 - (c) Mrs. Sona Ramchandani, Independent Director resigned w.e.f. 27th September, 2019
 - (d) Mrs. Savirti Bhutani, Independent Director resigned w.e.f. 27th September, 2019
 - (e) Mrs. Parmila Merani, Independent Director resigned w.e.f. 21st January, 2020
 - (f) Mr. Rajeshkumar Doraiswamy was appointed as Director w.e.f. 29th July, 2019
 - (g) Mr. Jitendra Vakharia was appointed as Director (Independent) w.e.f. 29th July, 2019
 - (h) Mr. Dileep Keshavrao was appointed as Director (Independent) w.e.f. 29th July, 2019
 - (i) Mr. Doraiswamy Rangaswamy was appointed as Director w.e.f. 27th September, 2019
 - (j) Mr. Nambi Rangachary was appointed as Director (Independent) w.e.f. 27th September, 2019
 - (k) Mr. Balasubramanian Jayaraman was appointed as Director (Independent) w.e.f. 27th September, 2019
 - (l) Mrs. Manimegalai Arumugam was appointed as Director w.e.f. 21st January, 2020

For **Aashit Doshi & Associates Company Secretaries**

Aashit Doshi

Proprietor

FCS : 9321 CP : 10190

UDIN : F009321B000328167

Date : June 09, 2020

Place : Mumbai

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



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

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

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.
7. I have not carried out the physical verification of any records due to prevailing conditions of COVID 2019 in the country. I have relied on the records as made available by the Company through digital mode as well as I have also relied on the Management representation made by the Company.

For **Aashit Doshi & Associates Company Secretaries**

Aashit Doshi
Proprietor
FCS : 9321 CP : 10190
UDIN : F009321B000328167

Date : June 09, 2020
Place : Mumbai

**MANAGEMENT DISCUSSION AND ANALYSIS**

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

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

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

The Company increased investments in process automation, helping optimize costs, strengthen efficiency and enhance transparency. Product efficiency: The Company's products are marked by higher fulfillment, enhancing the customer's price-value proposition.

Kaycee Industries Limited products are specially designed and developed using state of the art and indigenous technology to have high reliability and long life. Continual Improvements are being done based on current technology and customer feedback. Design and development centre is well equipped with required software, qualified engineers and latest national and international standards. The company is in the process of developing of variety of new product with the help of the promoter company and will be implemented in the coming years.

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



The Company is engaged in a number of business-reinforcing initiatives such as Offering quality products at competitive prices, Addressing a wider customer base, Entering uncharted territories, Enhancing brand awareness of the segment through marketing campaigns and Educating customers about advanced and upgraded product features.

COVID-19

In the last month of FY 2020, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock-downs of all economic activity. As the pandemic spread, our priority was to safeguard the health and well-being of our employees while continuing to support our customers' the lockdowns tested the agility, resilience and adaptability of our delivery model. We responded to the challenge with speed and agility, and have emerged stronger. The corporate office workforce enabled to work remotely. However, the factory operations started as per the strict government guidelines with less than 50% of work force with all precautionary measures.

OPPORTUNITIES AND THREATS

Global economic growth is projected to negative growth in 2020 due to this Covid 19 pandemic, and expected much worse than during the 2008-09 financial crisis. Rolling lockdowns and social distancing restrictions on account of the pandemic are expected to significantly impact economic activity in all major markets, and cause demand compression. In the immediate aftermath, enterprises are expected to downscale current investments, defer planned initiatives, cut costs and conserve cash. While this could inject volatility into Kaycee's revenue growth, the company expects to gain market share from resultant business consolidations. As economic recovery progresses, enterprises operating with pared down workforces are likely to increase outsourcing to build scale in operations to meet rising demand.

Your company mainly operates in the Domestic Market with wide range of Products for Industrial Segment and small portion of Exports mainly to Middle East countries. Businesses across China were disrupted early this year due to the novel Covid-19 outbreak. Many countries are looking for alternative source preferably India. This may give more opportunity for us to play important role in exporting our products different part of the world. Considering the vintage of 75 years presence in the market with reputation in electrical sector will give us additional comfort for business potential for the coming years both in the Domestic as well as in the International Market.

The Company has strong, well established distribution network. The Company has a wide range of products in electrical categories with new product variants with similar distribution channels being added regularly. The Company is deepening penetration into market for its products and continuing focus on products expansion targeting a very good and substantial business in the future. Barring unforeseen circumstances, the Company expects to increase its volume of business in the current year.

OUTLOOK

Electrical equipment/products manufacturing is a very important sector for a developing country like India. The demand for electrical products is expected to grow progressively. Keeping in view the above, the long term outlook for these sectors appears to be bright. There is ample scope and opportunity for companies having businesses in these sectors not to mention the potential of your Company and its large presence in these sectors for many years.



RISK MANAGEMENT

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

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

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

Internal Control Systems

The Company and the Management have adequate internal control systems in place to safeguard and shield the Company from losses and in ensuring proper use of its assets. This also ensures that the Company's assets and interests are carefully protected, and all the transactions are appropriately authorized, recorded and presented to the management. The Company always adheres to prescribed Guidelines and follows all Accounting Standards prescribed for maintenance of books of accounts and reporting of financial statements. The appointed independent internal auditors monitor and report on the effectiveness of the internal control systems of the various areas of operations. Key matters that are reported in the Internal Audit are brought to the notice of the Audit Committee of the Board of Directors and corrective measures are recommended and appropriate actions are taken. The Internal Control systems ensure the business operations function efficiently and the applicable laws, rules, regulations, policies of the Company are followed, in addition to safeguarding the reliability of financial reporting.

FINANCIAL PERFORMANCE AND OPERATIONAL EFFICIENCY

- i) The Company has achieved a turnover of Rs. 23.42 Crores for the FY ended 31st March 2020 and there was a drop of Rs. 1.59 Crores when comparing with FY 18-19 and this is mainly due to pandemic in the month of March 2020 and as well as recession during second half of last year;
- ii) The average raw material consumption has come down in the last quarter to 44.53% while comparing its normal average consumption of 48% due to better pricing and some changes in method of operations.
- iii) The Finance cost has come down in view of better realization of the Book Debts and decline in utilization of the working capital limits from the Banks; the interest for the financial year ended March 31, 2020 is Rs. 6.74 Lakhs as against Rs. 15.61 Lakhs for the corresponding previous period.



- iv) The operating profit of the company has increased due to the better control in the purchase pricing as well as some changes in the production process; The profit after tax for the financial year ended March 31st, 2020 is at Rs 141. 73 Lakhs as against Rs. 135.18 Lakhs for the corresponding previous period, an increase of 19.7%.
- v) The EPS (Earning per Share) for the financial year ended March 31st, 2020 is Rs. 223.39 for a face value of ₹ 100 per share, as against ₹ 212.99 for the corresponding previous period

Human Resources Development

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

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

Various internal as well as external development programs were organized to develop and motivate the employees. Relations with the employees remained cordial throughout the year. The work and jobs at all levels in the Company are designed, organized and managed effectively by interaction between the management and employees. The Company has a total manpower of 75 as on 31st March, 2020.

Cautionary Statement

The Management of Kaycee Industries Limited has prepared and is responsible for the financial statements that appear in this report. These are in conformity with accounting principles generally accepted in India and, therefore, may include amounts based on informed judgements and estimates. The Management also accepts responsibility for the preparation of other financial information that is included in this report. Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimation and expectations may be 'forward looking statements' within the meaning of applicable law and regulations. Management has based these forward-looking statements on its current expectations and projections about future events. Such statements involve known and unknown risks, significant changes in political and economic environment in India or key markets abroad, tax laws, litigation, labour relations, exchange rate fluctuations, interest and other costs and may cause actual results to differ materially.

For and on behalf of the Board

Chandra Prakash Jain
Whole Time Director
(DIN : 07337778)

D Rajesh Kumar
Non-Executive and
Non Independent Director
(DIN : 00003126)
Coimbatore

Place : Mumbai
Date : June 09, 2020



INDEPENDENT AUDITOR'S REPORT

To The Members

Kaycee Industries Limited

Opinion

We have audited the accompanying Ind AS financial statements of Kaycee Industries Limited (“the Company”), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, statement of changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (herein after referred to as “the Ind AS financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matter

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

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

Emphasis of Matter

We draw your attention to Note 40 to the IND AS financial statements which explains the uncertainties and the management’s assessment of the financial impact due to the lock-downs and other restrictions

and conditions related to the COVID-19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve. Further, our attendance at the physical inventory verification done by the management was impracticable under the current lock-down restrictions imposed by the government and we have therefore, relied on the related alternative audit procedures to obtain comfort over the existence and condition of inventory at year end. Our opinion is not modified in respect of this matter.

Management's Responsibilities for the Ind AS Financial Statements

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone IND AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for



our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the managements' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone IND AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone IND AS financial statements, including the disclosures, and whether the standalone IND AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those book.



- (c) The Balance Sheet, Statement of Profit & Loss including the statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid IND AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent applicable.
- (e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure B**”.
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company does not have any long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For A. R. Sodha & Co.
Chartered Accountants
FRN 110324W

A. R. Sodha
Partner
M No. : 031878

Place : Mumbai
Date : 09th June, 2020

UDIN: 20031878AAAAT6470



ANNEXURE A TO AUDITORS'S REPORT

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

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



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

For A. R. Sodha & Co.
Chartered Accountants
FRN 110324W

A. R. Sodha
Partner
M No. : 031878

Place : Mumbai
Date : 09th June, 2020

UDIN: 20031878AAAAT6470



ANNEXURE B TO AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the internal financial controls over financial reporting of Kaycee Industries Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone IND AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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



Meaning of Internal Financial Controls over Financial Reporting

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

A company's internal financial control over financial reporting includes those policies and procedures that

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020 based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For A. R. Sodha & Co.
Chartered Accountants
FRN 110324W

A. R. Sodha
Partner
M No. : 031878

Place : Mumbai
Date : 09th June, 2020

UDIN: 20031878AAAAT6470

BALANCE SHEET AS ON 31ST MARCH 2020

Particulars	Note No.	31st March 2020 Rupees	31st March 2019 Rupees
ASSETS			
1 Non-Current Assets			
(a) Property, Plant and Equipment	2	2,82,86,848	2,99,87,256
(b) Capital work-in-progress	2	-	-
(c) Intangible Assets	2	15,22,167	27,43,500
(d) Financial Assets			
(i) Investments	3	10,000	10,000
(ii) Others	4	1,70,205	3,18,261
(e) Deferred Tax Asset (Net)	5	13,82,931	10,37,011
(f) Other Non-current Assets	6	46,72,962	71,04,537
		3,60,45,113	4,12,00,565
2 Current Assets			
(a) Inventories	7	3,45,26,453	2,77,74,704
(b) Financial Assets			
i) Investments		-	-
ii) Trade Receivables	8	9,52,09,094	8,27,48,855
iii) Cash and Cash Equivalents	9	13,06,400	96,56,443
iv) Other Bank Balances	9	2,79,51,498	2,11,45,673
(c) Current Tax Assets (Net)		6,70,443	-
(d) Other Current Assets	10	38,78,860	38,27,185
		16,35,42,747	14,51,52,860
TOTAL ASSETS		19,95,87,860	18,63,53,425
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	11	63,47,000	63,47,000
(b) Other Equity	12	13,56,44,170	12,34,49,495
		14,19,91,170	12,97,96,495
LIABILITIES			
1 Non-Current Liabilities			
(a) Financial Liabilities			
i) Borrowings	13	-	-
(b) Provisions	14	23,71,220	20,20,997
(c) Deferred Tax Liabilities (Net)		-	-
(d) Other Non-current Liabilities	15	23,84,489	24,34,489
		47,55,709	44,55,486
2 Current Liabilities			
(a) Financial Liabilities			
i) Borrowings	16	35,00,873	1,06,18,049
ii) Trade Payable	17	3,87,28,032	3,16,71,566
iii) Other Financial Liabilities	18	4,42,186	5,78,793
(b) Other Current Liabilities	19	41,07,206	51,36,486
(c) Provisions	20	60,62,684	24,47,398
(d) Current Tax Liabilities (Net)		-	16,49,152
		5,28,40,982	5,21,01,444
TOTAL EQUITY AND LIABILITIES		19,95,87,860	18,63,53,425

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

For and on behalf of the Board

For A. R. SODHA & CO.
Firm Registration No.: 110324W
Chartered Accountants

A. R. Sodha
Partner
Membership No. 031878
MUMBAI, Date: 09/06/2020

D Rajesh Kumar
Non-Executive and
Non Independent Director
(DIN : 00003126)
Coimbatore

Deepak Potdar
Chief Financial Officer

C. P. Jain
Whole-time Director
(DIN : 07337778)

Jitendra Vakharia
Independent Director
(DIN : 0004777)

STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2020

Particulars	Note No.	31st March 2020 Rupees	31st March 2019 Rupees
1 Revenue from operations	21	23,42,68,142	25,01,80,963
2 Other Income	22	17,64,588	1,53,66,164
3 Total Revenue		23,60,32,730	26,55,47,127
4 Expenses			
Cost of materials consumed	23	11,37,79,692	13,38,55,665
Cost of traded goods sold	24	31,57,555	76,03,966
Changes in inventories of finished goods, work-in-progress	25	(79,66,910)	28,39,137
Employee Benefit Expenses	26	4,66,29,776	4,43,41,211
Finance cost	27	6,74,736	15,60,307
Depreciation and Amortisation Expenses	2	41,99,221	38,06,215
Other Expenses	28	5,40,02,355	5,21,70,724
Total Expenses		21,44,76,424	24,61,77,225
5 Profit / (Loss) before exceptional items and tax (3 - 4)		2,15,56,305	1,93,69,902
6 Less : Exceptional items (Provision on account of Covid 19 for Inventory and Receivable)		19,46,033	-
7 Profit / (Loss) before tax (5 - 6)		1,96,10,272	1,93,69,902
8 Tax Expenses			
(a) Current tax		41,38,672	41,09,506
(b) Prior Period		-	-
(c) Mat Credit Entitlement		16,45,241	13,13,614
(b) Deferred Tax		(3,45,919)	4,28,094
9 Profit / (Loss) After tax (7 - 8)		1,41,72,279	1,35,18,689
10 Other Comprehensive Income			
A Items that will not be reclassified to Statement of Profit and Loss			
(a) (i) Remeasurement benefit of defined benefit plans		(16,41,623)	(7,89,700)
(ii) Income tax expense on remeasurement benefit of defined benefit Plans		4,56,700	2,19,695
(b) Net fair value gain/(loss) on investments in equity instruments through OCI			
B Items that will be reclassified to Statement of Profit and Loss			
(i) Net fair value gain on investments in debt instruments through OCI		-	-
(ii) Income tax benefit on net fair value gain on Investments in debt instruments through OCI		-	-
11 Total Comprehensive Income (9 + 10)		1,29,87,355	1,29,48,683
12 Earning per equity share (Basic & Diluted)		223.29	212.99

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

For and on behalf of the Board

For A. R. SODHA & CO.
Firm Registration No.: 110324W
Chartered Accountants

A. R. Sodha
Partner
Membership No. 031878

MUMBAI, Date: 09/06/2020

D Rajesh Kumar
Non-Executive and
Non Independent Director
(DIN : 00003126)
Coimbatore

Deepak Potdar
Chief Financial Officer

C. P. Jain
Whole-time Director
(DIN : 07337778)

Jitendra Vakharia
Independent Director
(DIN : 0004777)

CASH FLOW FOR THE YEAR ENDED 31ST MARCH 2020

Particulars	2019-2020		2018-2019	
	Rs.	Rs.	Rs.	Rs.
A. Cash Flow From Operating Activities				
Net Profit/(Loss) Before Tax and extra Ordinary Items		1,96,10,272		1,93,69,902
Adjusted for				
Depreciation	41,99,221		38,06,215	
Interest received	(16,17,813)		(11,27,185)	
Dividend received	(1,750)		(1,750)	
Other Comprehensive Income/(Expenses)	(16,41,623)		(5,70,005)	
Insurance Claim Received	-		(1,41,33,440)	
(Profit)/Loss on Sale of Assets	(45,000)		(8,474)	
Interest Charged	6,74,736	15,67,771	15,60,307	(1,04,74,332)
Operating profit before working capital changes		2,11,78,043		88,95,570
Adjustments for:				
Trade and other receivables	(1,24,60,239)		2,46,61,347	
Inventories	(67,51,749)		1,30,93,840	
Other Non-current/Current assets	9,29,063		24,21,899	
Trade payable / Other Liabilities	98,06,088	(84,76,837)	(2,11,43,317)	1,90,33,769
Cash generated from operations		1,27,01,206		2,79,29,339
Direct taxes Paid		(60,47,915)		(19,53,642)
Net cash flow before extra ordinary items		66,53,291		2,59,75,697
Prior Period		-		58,652
NET CASH FROM OPERATING ACTIVITIES (A)		66,53,291		2,60,34,349
B. Cash flow from investing activities				
Inflow				
Interest received		16,17,813		11,27,185
Dividend received		1,750		1,750
(Profit)/Loss on Sale of Assets		45,000		8,474
Insurance Claim Received		-		1,41,33,440
Increase/(Decrease) in Other Bank Balance		(68,05,825)		(1,15,14,187)
Purchase of fixed assets		(12,77,480)		(1,37,83,244)
NET CASH USED IN INVESTING ACTIVITIES (B)		(64,18,742)		(1,00,26,582)
C. Cash flow from financing activities				
Inflow				
Increase/(Decrease) in bank borrowing - NET		(71,17,176)		(1,40,92,459)
Outflow				
Dividend and dividend tax paid		(7,92,680)		(7,37,649)
Interest paid		(6,74,736)		(15,60,307)
NET CASH USED IN FINANCING ACTIVITIES (C)		(85,84,592)		(1,63,90,415)
NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C)		(83,50,043)		(3,82,647)
CASH & CASH EQUIVALENTS-OPENING BALANCE		96,56,443		1,00,39,090
CASH & CASH EQUIVALENTS-CLOSING BALANCE		13,06,400		96,56,443

Note : The Above Statement of Cash flow has been prepared under the 'Indirect Method' as set out in IND AS 7, Statement of Cash Flow

For A. R. SODHA & CO.

Firm Registration No.: 110324W
Chartered Accountants

A. R. Sodha
 Partner

MUMBAI, Date: 09/06/2020

For and on behalf of the Board

D Rajesh Kumar
 Non-Executive and
 Non Independent Director
 (DIN : 00003126)
 Coimbatore

Deepak Potdar
 Chief Financial Officer

C. P. Jain
 Whole-time Director
 (DIN : 07337778)

Jitendra Vakharia
 Independent Director
 (DIN : 0004777)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020

A. EQUITY SHARE CAPITAL

Particulars	Amount (Rs.)
As at 1 April, 2019	6,347,000
Changes in equity share capital	-
As at 31 March, 2020	6,347,000

B. OTHER EQUITY

Particulars	Other Equity				
	Reserve and Surplus			Other Comprehensive Income	Total other Equity
	Share Premium	General Reserve	Retained Earnings		
As at 1 April, 2019	41,026,242	21,469,208	61,602,825	(648,780)	123,449,495
Total Comprehensive Income for the year	-	-	14,172,279	(1,184,923)	12,987,356
Dividend on Equity Shares	-	-	(634,700)	-	(634,700)
Tax on Dividend on Equity Shares	-	-	(157,980)	-	(157,980)
As at 31st March, 2020	41,026,242	21,469,208	74,982,424	(1,833,703)	135,644,171

As per our report of even date attached

For **A. R. SODHA & CO.**

Firm Registration No: 110324W

Chartered Accountants

A. R. Sodha

Partner

Membership No. 031878

Mumbai

Date : 09th June, 2020

For and on behalf of the Board

D Rajesh Kumar

Non-Executive and

Non Independent Director

(DIN : 00003126)

Coimbatore

Deepak Potdar

Chief Financial Officer

C. P. Jain

Whole-time Director

(DIN : 07337778)

Jitendra Vakharia

Independent Director

(DIN : 0004777)

**NOTE NO. 1****Notes to Financial Statements for the year ended 31 March 2020****1.1. Corporate information**

The financial statements comprise financial statements of Kaycee Industries Limited for the year ended 31 March 2020. The company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on Bombay stock exchanges in India. The registered office of the company is located at 32, Old Kamani Chambers, Ramjibhai Kamani Marg, Ballard Estate, Mumbai 400001.

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

1.2. Basis of Preparation

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

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

The financial statements are presented in INR.

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

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

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

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

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

1.3.2 Intangible Assets

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

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

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

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

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



Research and development costs

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

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

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

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

1.3.3 Borrowing Costs

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

1.3.4 Inventories

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

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

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

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

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

1.3.5 Cash and cash equivalents

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

1.3.6 Foreign currency transactions

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

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

1.3.7 Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

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



1.3.8 Fair value measurement

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

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

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

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

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

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

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

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

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

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

1.3.9 Revenue recognition

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



obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

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

Sale of goods:

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Company usually recognise revenue on dispatch of goods if there is no other uncertainty. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Rendering of services:

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

Interest Income

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

Dividends

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

Rental income

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

1.3.10 Government Grants

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

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



1.3.11 Earning per share (EPS)

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

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

1.3.12 Taxes

Current income tax

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

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

Deferred tax

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

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

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

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

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

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



1.3.13 Segment Accounting

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

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

Inter-Segment transfer pricing

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

1.3.14 Leases

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

Company as a lessee

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

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

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

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets (i.e. 30 and 60 years)

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

ii) Lease Liabilities

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

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

(iv) Short-term leases and leases of low-value assets

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

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

1.3.15 Employee Benefits

I) Short Term Employees Benefits:

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

II) Post Employment Benefit:

a) Defined Contribution Plan

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

b) Defined Benefit Plan

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

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

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

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

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

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

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

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



1.3.16 Provisions and contingent liabilities

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

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

1.3.17 Exceptional Items

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

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

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

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

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

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

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

Or

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

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

1.3.19 Financial Instrument

Financial assets

Initial recognition and measurement

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

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

Subsequent measurement

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

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

Debt instruments at amortised cost

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

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

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

Debt instrument at FVTOCI

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

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

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

**Debt instrument at FVTPL**

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

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

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

Equity investments

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

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

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

Derecognition

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

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

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



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

Impairment of financial assets

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

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b) Financial assets that are debt instruments and are measured as at FVTOCI
- c) Lease receivables under Ind AS 116
- d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18
- e) Loan commitments which are not measured as at FVTPL
- f) Financial guarantee contracts which are not measured as at FVTPL

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

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

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

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

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

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

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



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

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

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

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

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

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

Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

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

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

Loans and borrowings

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

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

Financial guarantee contracts

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

Derecognition

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



Offsetting of financial instruments

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

Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

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

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

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

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

1.3.20 Business Combination under common control

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

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

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

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

1.4. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities,



and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods

Judgements

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

Estimates and assumptions

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

Impairment of non-financial assets

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

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

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

Defined benefit plans

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

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques



including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Impairment of non-Financial Assets

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

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

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

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

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

Employee benefit plans

Defined contribution plans

The Company makes Provident Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised 5,97,321 (Year ended 31 March, 2019 6,38,971) for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

Defined benefit plans

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

i. Gratuity

ii. Leave encashment

i. Gratuity

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

PARTICULARS	Gratuity	Gratuity
	Funded 31.03.2020	Funded 31.03.2019
A. Changes in Present Value of Obligation		
Present Value of Obligation at Beginning	68,69,892	81,59,402
Interest Cost	5,21,187	6,52,752
Current Service Cost	4,75,584	4,50,269
Benefit Paid	(9,18,921)	(26,50,016)
Actuarial (Gain)/Loss on Obligations	10,91,530	2,57,485
Present Value of Obligation as at end of the year	80,39,272	68,69,892
B. Fair Value of Plan Assets	Gratuity Funded	Gratuity Funded
Fair Value of the Plan Assets	69,49,161	81,11,103
Expected return on Plan Assets	5,21,187	6,06,585
Contributions	9,00,369	8,81,489
Benefits Paid	(9,18,921)	(26,50,016)
Actuarial Gain/(Loss) on Obligations	(34,748)	-
Fair Value of the Plan Assets	74,17,048	69,49,161
C. Amount Recognized in the Balance Sheet.	Gratuity Funded	Gratuity Funded
Present Value of Obligation	80,39,272	68,69,892
Fair Value of the Plan Assets	74,17,048	69,49,161
Net Liability/(Asset) Recognized	6,22,224	(79,269)
D. Amount Recognized in Profit and Loss	Gratuity Funded	Gratuity Funded
Current Service Cost	4,75,584	4,50,269
Interest Cost	5,21,187	6,52,752
Expected Return on Plan assets	(5,21,187)	(6,06,585)
Actuarial (Gain)/Loss	11,26,278	2,57,485
Total Expenses recognized in Profit & Loss A/c and OCI	16,01,862	7,53,920
E. Assumptions	Gratuity Funded	Gratuity Funded
Actual Return on Plan Asset	4,86,439	6,06,585
Mortality Table	Indian Assured Lives (2006-08) Ultimate	LIC (2006-08) Ultimate
Discount Rate	6.84%	7.5%
Expected Rate of Return on Plan Assets	6.84%	7.5%
Salary Escalation	5%	4%
Rate of Employee Turnover	2%	1 to 3%

ii Leave Encashment:

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

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

NOTE NO. 2

Property, Plant and Equipment

Description of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as on 01.04.2019	Additions During the year	Deletion During the year	As At 31.03.2020	As At 01.04.2019	Provided During the year	Deletion During the year	As At 31.03.2020	As At 31.03.2020	As At 31.03.2019
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Tangible Assets :										
Building	2,20,24,848	-	-	2,20,24,848	34,47,677	7,64,890	-	42,12,567	1,78,12,281	1,85,77,171
Plant & Machinery	3,51,83,910	4,52,580	52,770	3,55,83,720	2,63,22,946	12,53,607	52,770	2,75,23,783	80,59,937	88,60,964
Computers	52,52,053	3,28,975	23,800	55,57,228	46,63,172	4,59,577	23,800	50,98,948	4,58,279	5,88,881
Furniture & Fitting	26,75,634	4,983	-	26,80,617	15,44,106	1,90,256	-	17,34,362	9,46,255	11,31,528
Office Equipment	28,97,767	4,90,943	-	33,88,710	25,90,416	1,56,941	-	27,47,357	6,41,353	3,07,350
Vehicles	5,71,193	-	-	5,71,193	3,49,061	95,199	-	4,44,261	1,26,932	2,22,132
Electrical Fitting	6,01,904	-	-	6,01,904	3,02,673	57,418	-	3,60,091	2,41,813	2,99,231
SUB TOTAL (A)	6,92,07,308	12,77,480	76,570	7,04,08,218	3,92,20,051	29,77,888	76,570	4,21,21,369	2,82,86,849	2,99,87,257
Intangible Assets :										
Software	36,64,000	-	-	36,64,000	9,20,500	12,21,333	-	21,41,833	15,22,167	27,43,500
SUB TOTAL (B)	36,64,000	-	-	36,64,000	9,20,500	12,21,333	-	21,41,833	15,22,167	27,43,500
Capital Work in Progress :										
Building under										
Construction	-	-	-	-	-	-	-	-	-	-
SUB TOTAL (C)	-	-	-	-	-	-	-	-	-	-
SUB TOTAL A + B + C	7,28,71,308	12,77,480	76,570	7,40,72,218	4,01,40,551	41,99,221	76,570	4,42,63,202	2,98,09,016	3,27,30,757
Previous Year	5,92,98,878	1,37,83,244	2,10,813	7,28,71,309	3,65,45,150	38,06,215	2,10,813	4,01,40,552	3,27,30,757	2,27,53,728

NOTE NO. 3

	AS AT 31st March 2020 In Rs.	AS AT 31st March 2019 In Rs.
FINANCIAL ASSETS - INVESTMENTS		
Saraswat Bank (1000 Equity shares)	10,000	10,000
	10,000	10,000

NOTE NO. 4

	AS AT 31st March 2020 In Rs.	AS AT 31st March 2019 In Rs.
FINANCIAL ASSETS - OTHERS		
Balance with bank held as Fixed Deposit	1,70,205	3,18,261
	1,70,205	3,18,261

NOTE NO. 5

	AS AT 31st March 2020 In Rs.	AS AT 31st March 2019 In Rs.
DEFERRED TAX ASSET/LIABILITY (NET)		
(a) Deferred Tax Liabilities		
i) Diff in Book value of Fixed Assets	16,26,450	16,62,027
TOTAL	16,26,450	16,62,027
(b) Deferred Tax Assets		
i) on Provision for Gratuity & Leave encashment	9,68,159	6,34,577
ii) on Provision for doubtful debts and Others	20,41,222	20,64,462
iii) Brought Forward Loss of Previous Year	-	-
TOTAL	30,09,381	26,99,039
TOTAL	13,82,931	10,37,011

NOTE NO. 6

	AS AT 31st March 2020 In Rs.	AS AT 31st March 2019 In Rs.
OTHER NON CURRENT ASSETS		
Capital Advances	-	-
Net Assets In Pakistan Unit (Considered Doubtful)	8,76,320	8,76,320
Less : Provision for above	(8,76,320)	(8,76,320)
	-	-
Sundry Deposits	23,70,110	30,24,119
Sales Tax Receivable	1,39,510	3,18,183
Income Tax refund receivable	15,46,896	15,00,548
MAT Credit Entitlement	6,16,446	22,61,687
	46,72,962	71,04,537

NOTE NO. 7

	AS AT 31st March 2020 In Rs.	AS AT 31st March 2019 In Rs.
INVENTORIES : (At cost or Net realisable value which ever is less)		
Raw Materials & Stores	91,46,159	1,02,26,653
Materials in process	1,60,36,546	46,57,570
Finished Goods	83,63,697	1,17,75,763
Trading Goods	9,80,051	11,14,718
	3,45,26,453	2,77,74,704

NOTE NO. 8

	AS AT 31st March 2020 In Rs.	AS AT 31st March 2019 In Rs.
FINANCIAL ASSETS		
TRADE RECEIVABLES (Unsecured)		
Debts outstanding for a period exceeding six months from the date they were due for payment.		
Considered Good	72,74,655	69,16,586
Considered Doubtful	64,45,235	74,20,784
	1,37,19,891	1,43,37,369
Less: Provision for Doubtful Debts	53,91,213	74,20,784
	83,28,678	69,16,586
Others: Considered Good	8,68,80,416	7,58,32,269
	9,52,09,094	8,27,48,855

NOTE NO. 9

	AS AT 31st March 2020 In Rs.	AS AT 31st March 2019 In Rs.
FINANCIAL ASSETS		
CASH AND CASH EQUIVALENTS :		
Cash in Hand	1,16,206	4,09,767
Bank Balances :		
In Current Account	11,90,194	92,46,676
	13,06,400	96,56,443
Other Bank Balances :		
In Fixed Deposits	2,75,09,976	2,06,25,211
Unclaimed Dividend Account	4,41,522	5,20,462
	2,79,51,498	2,11,45,673
	2,92,57,898	3,08,02,116

NOTE NO. 10

	AS AT 31st March 2020 In Rs.	AS AT 31st March 2019 In Rs.
OTHER CURRENT ASSETS		
Unsecured, Considered Good		
Advances to employees	14,057	27,000
Prepaid Expenses & Gratuity	33,50,727	4,05,766
Balances with Govt Authorities :		
Excise Receivable	-	5,25,628
Accrued Interest on Fixed Deposit	2,53,778	2,62,650
Advances to Suppliers	2,60,298	26,06,141
	38,78,860	38,27,185

NOTE NO. 11

	AS AT 31st March 2020 In Rs.	AS AT 31st March 2019 In Rs.
EQUITY SHARE CAPITAL		
AUTHORISED		
97,500 Equity Shares of Rs. 100/- each	97,50,000	97,50,000
ISSUED, SUBSCRIBED AND PAID UP:		
63,470 (P.Y 63,470) Equity Shares of Rs. 100/- each Includes 3125 Shares issued to erstwhile Deferred Shareholders pursuant to scheme of conversion sanctioned by Hon'ble Bombay High Court on 10th July, 1985.	63,47,000	63,47,000
a) Reconciliation of the number of equity shares and share capital:		
Issued, subscribed and fully paid up equity shares outstanding at beginning of the year	63470	63470
Add : Shares Issued during the year	-	-
Issued, subscribed and fully paid up equity shares outstanding at end of the year	63470	63470
b) Details of Shareholder Holding more than 5% Shares		
Name of the Shareholder	Salzer Electronics Limited	Cms Computers Limited
No. of Shares Held	47,546	45,899
% of Holding	74.91%	72.32%

NOTE NO. 12

	AS AT 31st March 2020 In Rs.	AS AT 31st March 2019 In Rs.
OTHER EQUITY		
Share Premium Account		
Opening Balance	4,10,26,242	4,10,26,242
Less : Adjustment	-	-
Closing Balance	4,10,26,242	4,10,26,242
General Reserve		
Opening Balance	2,14,69,208	2,14,69,208
Less : Adjustment	-	-
Closing Balance	2,14,69,208	2,14,69,208
Profit and Loss Account		
Opening Balance	6,09,54,044	4,87,43,010
Add Profit/(Loss) for The year	1,29,87,355	1,29,48,683
	7,39,41,399	6,16,91,693
Less: Appropriations		
Transfer to General Reserve	-	-
Dividend Paid on equity shares	6,34,700	6,34,700
Dividend Distribution Tax Paid	1,57,980	1,02,949
Closing Balance	7,31,48,719	6,09,54,044
TOTAL	13,56,44,170	12,34,49,495

NOTE NO. 13

	AS AT 31st March 2020 In Rs.	AS AT 31st March 2019 In Rs.
NON CURRENT LIABILITIES		
(A) FINANCIAL LIABILITIES - BORROWINGS		
Secured		
Vehicle Loan Mahindra & Mahindra Financial Services Ltd	-	57,667
Less : Current Maturity of Long term Borrowings	-	(57,667)
(Secured Against Mahindra Bolero Vehicle)	-	-
	-	-

The Company do not have Any long term borrowing In the form of Term loan , debentures and Bonds in the reported financials year.

NOTE NO. 14

	AS AT 31st March 2020 In Rs.	AS AT 31st March 2019 In Rs.
NON CURRENT LIABILITIES PROVISIONS		
Leave Encashment	23,71,220	20,20,997
TOTAL	23,71,220	20,20,997

NOTE NO. 15

	AS AT 31st March 2020 In Rs.	AS AT 31st March 2019 In Rs.
OTHER NON CURRENT LIABILITIES DEPOSITS		
Dealer, Distributor & Stockist	23,84,489	24,34,489
	23,84,489	24,34,489

NOTE NO. 16

	AS AT 31st March 2020 In Rs.	AS AT 31st March 2019 In Rs.
FINANCIAL LIABILITIES - BORROWINGS SECURED LOANS :		
Working Capital loans from The Saraswat Co- Op Bank Ltd ODCC Secured against hypothecation of Raw Materials, Finished Goods, Semi - Finished Goods and Book Debts, block of assets of the Company including Factory Land, and Building at Ambernath)	35,00,873	1,06,18,049
TOTAL	35,00,873	1,06,18,049

NOTE NO. 17

	AS AT 31st March 2020 In Rs.	AS AT 31st March 2019 In Rs.
TRADE PAYABLES TO MSME	63,57,764	3,16,71,566
TRADE PAYABLES TO Others	3,23,70,268	-
	3,87,28,032	3,16,71,566

Classification between Payables to MSME and Others has been made as per the information available with the Company till date. However Previous year figures have not been classified as information was not available last year.

NOTE NO. 18

	AS AT 31st March 2020 In Rs.	AS AT 31st March 2019 In Rs.
OTHER FINANCIAL LIABILITIES		
Current Maturity of Long term Borrowings	-	57,667
Unclaimed Dividends	4,41,522	5,20,462
Unclaimed amount for fractional Share	664	664
	4,42,186	5,78,793

NOTE NO. 19

	AS AT 31st March 2020 In Rs.	AS AT 31st March 2019 In Rs.
OTHER CURRENT LIABILITIES		
Outstanding Liabilities	28,44,656	17,99,744
Statutory Dues	8,87,946	28,21,950
Advance From Customers	3,74,605	5,14,792
	41,07,206	51,36,486

NOTE NO. 20

	AS AT 31st March 2020 In Rs.	AS AT 31st March 2019 In Rs.
CURRENT LIABILITIES PROVISIONS		
Provision for Employee Benefit	30,07,789	5,96,354
Provision for Sales Tax Dues	-	15,91,032
Provision on account of Covid 19 for Inventory and Receivable	19,46,033	-
Leave Encashment	4,86,638	2,60,012
Gratuity	6,22,224	-
	60,62,684	24,47,398

NOTE NO. 21

	AS AT 31st March 2020 In Rs.	AS AT 31st March 2019 In Rs.
SALES :		
Sale of Manufactured Goods	22,46,22,452	24,12,86,556
Export Sale	37,64,785	27,50,579
Sale of Trading Goods	41,43,560	35,83,807
Repair Charges	1,53,061	77,344
Sale of Scrap	15,84,284	24,82,678
	23,42,68,142	25,01,80,963

NOTE NO. 22

	AS AT 31st March 2020 In Rs.	AS AT 31st March 2019 In Rs.
OTHER INCOME :		
Interest from Bank on Fixed Deposit	16,17,813	11,27,185
Dividend Income From Shares	1,750	1,750
Other Non operating income Comprises :		
Interest From Customers	-	35,152
Insurance Claim Received	-	1,41,33,440
Profit on Sale of Assets	45,000	8,474
Discount Received	1,00,025	-
Prior Period Income	-	58,652
Provision for bad debts W/Back	-	-
Liabilities No Longer Exists Written Back	-	1,511
	17,64,588	1,53,66,164

NOTE NO. 23

	AS AT 31st March 2020 In Rs.	AS AT 31st March 2019 In Rs.
Cost of Material Consumed:		
Opening Stocks Raw Materials & Stores:	1,02,26,653	1,47,88,568
Add: Raw Material & Stores Purchases	11,26,99,198	12,92,93,750
	12,29,25,851	14,40,82,318
Closing Stocks Raw Material & Stores	91,46,159	1,02,26,653
	11,37,79,692	13,38,55,665

NOTE NO. 24

	AS AT 31st March 2020 In Rs.	AS AT 31st March 2019 In Rs.
Cost of traded goods sold		
Opening Stocks of Trading Goods	11,14,718	68,07,506
Add : Purchases	30,22,888	19,11,178
	41,37,606	87,18,684
Closing Stock	9,80,051	11,14,718
	31,57,555	76,03,966

NOTE NO. 25

	AS AT 31st March 2020 In Rs.	AS AT 31st March 2019 In Rs.
Changes in Inventory of Finished goods, work-in-progress		
Opening Stocks :		
Materials in Process	46,57,570	54,23,531
Finished Goods	1,17,75,763	1,38,48,939
	1,64,33,333	1,92,72,470
Less : Closing Stocks :		
Materials in Process	1,60,36,546	46,57,570
Finished Goods	83,63,697	1,17,75,763
	2,44,00,243	1,64,33,333
	(79,66,910)	28,39,137

NOTE NO. 26

	AS AT 31st March 2020 In Rs.	AS AT 31st March 2019 In Rs.
EMPLOYEE BENEFIT EXPENSES :		
Salaries, Wages, Bonus, Exgratia & Gratuity	4,20,51,614	3,98,50,646
Contribution to Provident & other funds & Schemes	19,09,534	19,94,639
Welfare Expenses	26,68,628	24,95,926
	4,66,29,776	4,43,41,211

NOTE NO. 27

	AS AT 31st March 2020 In Rs.	AS AT 31st March 2019 In Rs.
FINANCE COST :		
Interest - Banks	2,85,371	7,18,856
Interest - Others	1,798	4,73,291
Bank Charges	3,87,566	3,68,159
	6,74,736	15,60,307

NOTE NO. 28

	AS AT 31st March 2020 In Rs.	AS AT 31st March 2019 In Rs.
OTHER EXPENSES :		
Component Processing and other charges	2,26,10,813	2,34,02,409
Power, Fuel & Water Charges	7,37,209	7,29,235
Octroi, Transportation & Forwarding, etc.	18,17,715	20,24,799
Conveyance & Traveling	50,75,430	47,93,048
Printing & Stationery	7,60,201	5,79,025
Postage & Telephone	6,32,398	8,40,925
Cash Discount	49,495	9,637
Maintenance & Repairs : Machinery	13,689	70,694
Maintenance & Repairs : Building	5,36,820	5,40,000
Maintenance & Repairs : Others	8,21,632	8,30,666
Insurance & Keyman Insurance	8,76,028	11,46,210
Rent, Rates & Taxes	5,97,290	3,03,153
Indirect Taxes Paid	17,99,947	41,12,827
Bad debts & Misc Written off / Liquidated Damages	38,92,476	17,66,686
Provision for Doubtfull Debts/(Written Back)	(20,29,570)	(1,73,762)
Legal & Professional Charges	83,41,900	62,75,448
Advertisement & Publicity	2,32,105	1,61,673
Member Subscription Fees	6,62,718	5,61,810
Sales & Other Commission	62,780	7,320
Sales Promotion & Seminar Expenses	24,08,194	2,54,573
Miscellaneous Expenses	41,03,083	39,34,348
	5,40,02,355	5,21,70,724

Note No. 29

Disclosure of Related Parties / Transactions With Related Parties:-

Relationship	Name of Related Party
Holding Company	SALZER ELECTRONICS LIMITED (After 11th July 2020) CMS Computers Limited (Till 11th July 2020)
Key Management Personnel (KMP)	Mr. Chandraprakash Jain (Director) Mr. Raman Krishnamoorthy (Vice President) Mr. Deepak Potdar (CFO)
Relative of KMP	Mrs. Jyoti C. Jain (Spouse of Director)

Transactions during F.Y. 2019-20

	Sr. No.		Nature	Amount Rs.	O/S as on 31.03.2020
I		Name of the Related Party			
	1	Salzer Electronics Limited	Sales (Nil)	2,44,926	18,44,725 Cr. (Nil)
	2	Salzer Electronics Limited	Reimbursement Of Transport Charges Paid	78,400 (Nil)	
	3	Salzer Electronics Limited	Purchases	21,68,051 (Nil)	
	4	Cms Computers Limited	Purchases	37,704 (1,07,060)	2,73,610.76 Cr. (2,35,906.76) Cr.
II		Key management Personnel			
	5	Mr. Deepak Potdar	Salary & Perquisites	9,64,431 (8,26,793)	Nil (Nil)
	6	Ms. Almas Parveen (C.S.)	Salary & Perquisites	2,04,258 (73,080)	Nil (Nil)
	7	Mr. Raman Krishnamoorthy (Vice President)	Salary & Perquisites	4,64,944 (Nil)	Nil (Nil)
	8	Mr. Chandraprakash Jain	Professional Fees	15,00,000 (18,21,974)	Nil (Nil)
	9	Mr. J. Balasubramanian	Directors Sitting Fees	70,000 (Nil)	Nil

	Sr. No.		Nature	Amount Rs.	O/S as on 31.03.2020
	10	Mr. Rajesh Kumar	Directors Sitting Fees	17,500 (Nil)	Nil
	11	Mr. Dileep K. Gupte	Directors Sitting Fees	17,500 (Nil)	Nil
	12	Mr. Jitendra K. Vakharia	Directors Sitting Fees	35,000 (Nil)	Nil
	13	Mr. N. Rangachary	Directors Sitting Fees	65,000 (Nil)	Nil
	14	Mr. R. Doraiswamy	Directors Sitting Fees	17,500 (Nil)	Nil
III		Relative of KMP			
	15	Mrs. Jyoti C. Jain	Professional Fees (4,80,000)	2,00,000 (12,000) Cr.	Nil

Note No. 30

PAYMENT TO THE AUDITORS :

		2019-2020	2018-2019
A	As Audit Fee – Statutory	3,00,000	3,00,000
B	In Other Capacities :		
	I Provident Fund Audit	10,000	Nil
	II Certification/Limited Review	1,20,000	1,00,000

Note No. 31

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

		2019-2020	2018-2019
A	Raw Materials	0	79,807
B	Finished Goods (Trading)	9,05,483	8,70,352

Note No. 32

CONSUMPTION OF RAW MATERIALS & STORES

		2019-2020		2018-2019	
		Percentage of Total Consumption	Amount (Rs.)	Percentage of Total Consumption	Amount (Rs.)
A	Imported	0.00	Nil	0.06	79,807
B	Indegenous	100.00	10,89,70,377	99.94	14,42,18,961

Note No. 33

EARNINGS IN FOREIGN CURRENCY:

		2019-20 Rupees	2018-19 Rupees
a)	F.O.B. Value of Exports	37,16,038	26,42,393

Note No. 34

EXPENDITURE IN FOREIGN CURRENCY:

		2019-20 Rupees	2018-19 Rupees
a)	Foreign bank charges	44,809	33,775

Note No. 35

The equity shares of the company are listed in Bombay Stock Exchange and company has paid annual listing fees to the stock exchange for the year 2019-20.

Note No. 36

The Company is engaged in manufacture of Electrical Installation Products which is considered to be the only reportable business segment as per Ind AS 108, 'Segment Reporting'. The Company operates primarily in India and there is no other significant geographical segment. The Company has widespread customer base and hence the Company does not have any concentration risk.

Note No. 37

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

Note No. 38

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

Note No. 39**Contingent Liability and Commitment**

(to the extent not provided for)

	Particulars	2019-20	2018-19
I)	Contingent Liabilities		
	(A) Disputed indirect tax liabilities not acknowledged as debts	-	-
	(B) Guarantees	-	-
	(C) Other Company money for which the Company is contingently liable	-	-
II)	Commitments	-	-

Note No. 40**Effects due to Covid 19 Pandemic**

Due to Global Outbreak of Covid 19 pandemic and following the nationwide lock down by the Government of India, the company's manufacturing plant at Ambarnath have been closed since 23rd March 2020, which has impacted company's operation adversely in the quarter ended March 2020. Since then the operation at plant has partially resumed based on conditional permission by the relevant authorities in the last week of May 2020. However, uncertainty caused by the current situation has resulted in subdued performance in 2nd Fortnight of March and in the Month of April and May 2020. This situation is likely to continue for the next one or two months based on current assessment. The management has considered the possible effects that may impact the carrying amounts of Inventories and recoverability of trade receivables including stock dispatch but remained at transporter warehouse or in transit, non-confirmation/ non-reconciliation of balances and possible effects of the same on financials position. In making the assumption and estimates relating to the uncertainties as at the balance sheet date in relation to recoverable amounts, the management has interalia considered subsequent event, internal and external information and evaluated economic conditions prevailing as at the date of approval of these financial results and has decided to make the provision of Rs.19,46,033/- on account of pandemic for the above. The management expects no significant impairment to the carrying amounts of other assets.

In the case of Inventory, Management has performed inventory verification at a date subsequent to the year end to obtain comfort over the existence and condition of inventories as at March 31, 2020 including roll-back procedures, etc.

The management will continue to closely monitor any changes to the future economic conditions and assess its impact on the operations.

Further Management made detailed assessment of its liquidity position for next one year and has taken into account the impact of COVID-19 on the business for the foreseeable future and have concluded that the company has sufficient resources to continue as a going concern.

Note No. 41**Managerial Remuneration**

During the year company has paid Remuneration of Rs.15,00,000/- per annum to its whole time director Mr. Chandra Prakash Jain in terms of his appointment under board resolution dated 13th February 2019. This resolution was to be concurred in by the ensuing Annual General Meeting. Due to a change in the major shareholding pattern of the company the matter was overlooked at the Annual General meeting held on 27th September, 2019, which was later on noticed in June, 2020. The wholetime director has ceased to be so with effect from that date. The matter of continuing with Mr. Chandra Prakash Jain as a Whole time director has been approved by the Nomination and Remuneration Committee in its meeting held on 9th June, 2020 and will be presented for approval of the members in the ensuing Annual General Meeting. Till that remuneration paid to Mr. Chandra Prakash Jain is held in trust by the said Director.

Note No. 42**Fair values**

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

Particulars	Carrying Values		Fair Values	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Financial Assets				
Investments	10,000	10,000	10,000	10,000
Loans	0	0	0	0
Total	10,000	10,000	10,000	10,000
Financial Liabilities				
Borrowings	3,500,873	10,675,716	3,500,873	10,675,716
Total	3,500,873	10,675,716	3,500,873	10,675,716

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

Note No. 43**Financial Risk management**

The Company's business activities are exposed to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's senior management has the overall responsibility for establishing and governing the Company's risk management framework. The Company has constituted a core

Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Audit Committee of the Company.

A Liquidity risk

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

The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended 31st March, 2020 and 31st March, 2019. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis. The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits and other highly marketable debt investments with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

B Market Risk

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

i) Interest Rate Risk

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

ii) Foreign Currency Risk

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

iii) Price Risk

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

C Credit Risk

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

i) Trade Receivables

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

ii) Other Financial Assets

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

D Excessive risk concentration

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

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

As per our report of even date attached
For A. R. SODHA & CO.
Firm Registration No: 110324W
Chartered Accountants

A. R. Sodha
Partner
Membership No. 031878

Mumbai
Date : 09th June, 2020

For and on behalf of the Board

D Rajesh Kumar
Non-Executive and
Non Independent Director
(DIN : 00003126)
Coimbatore

Deepak Potdar
Chief Financial Officer

C. P. Jain
Whole-time Director
(DIN : 07337778)

Jitendra Vakharia
Independent Director
(DIN : 0004777)



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**FORM FOR UPDATION OF EMAIL ADDRESS**

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

Dear Sir,

Sub : Updation of e-mail address

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

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

Signature of the First named Shareholder

Name:

Address:



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