



# **KAYCEE INDUSTRIES LIMITED**

---

---

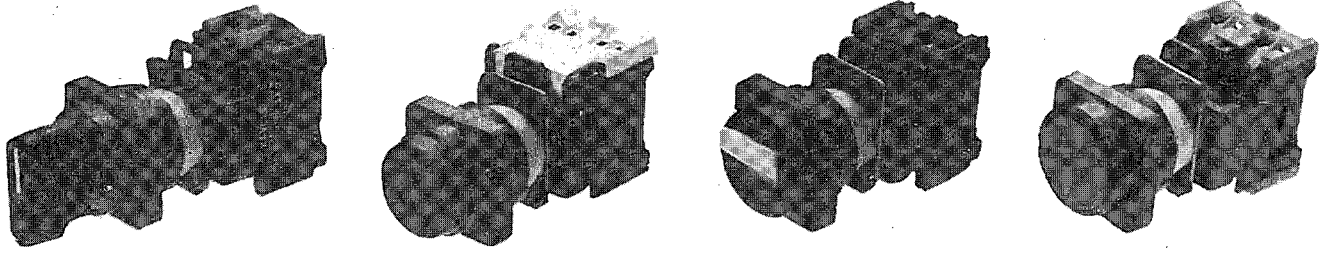
**66th ANNUAL REPORT**  
**2008-2009**

---

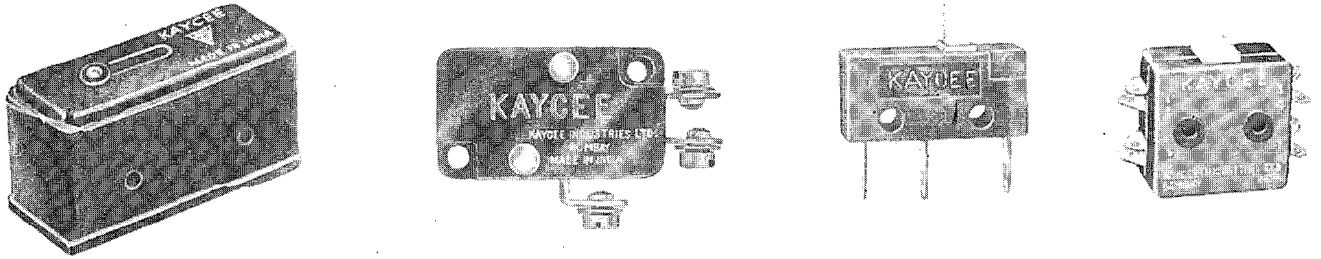
---

# KAYCEE PRODUCTS

## PUSH BUTTON - PILOT LAMPS - CONTROL UNITS



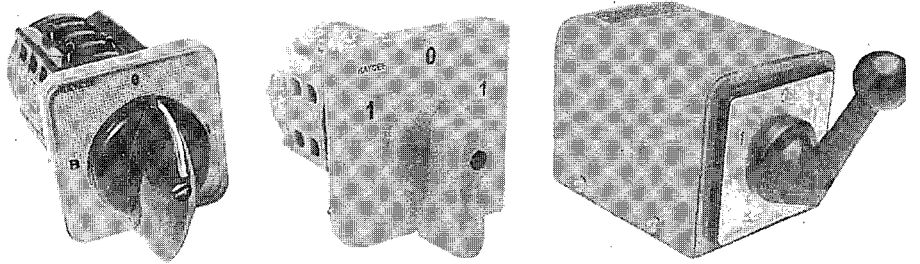
## MICROSWITCHES



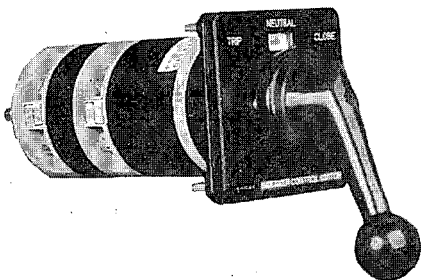
## TOGGLE SWITCHES



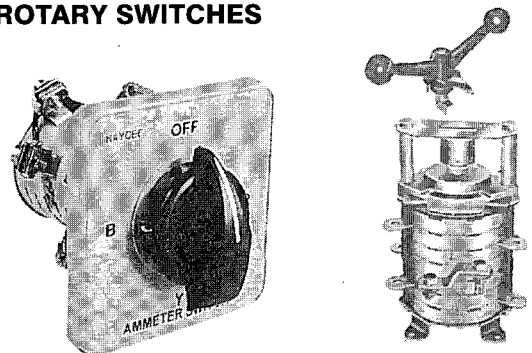
## MOTOR CONTROL SWITCHES



## BREAKER CONTROL SWITCHES



## ROTARY SWITCHES





**KAYCEE INDUSTRIES LIMITED**

**BOARD OF DIRECTORS**

Ramesh D. Grover	Chairman & Director
Varun K. Prasad	Director
Raju R. Grover	Director (Appointed w.e.f. 31.07.2009)
N.T. Nair	Director

**BANKERS**

Central Bank of India

The Saraswat Co-operative Bank Ltd.

**AUDITORS**

N.D. Kapur & Co.  
*Chartered Accountants*  
65, Sonawala building, 2nd Floor,  
Apollo street, Mumbai - 400 023.

**REGISTRAR AND SHARE TRANSFER AGENT**

Datamatics Financial Services Limited  
Plot no A - 16 & 17, Part 'B' Cross Lane, MIDC,  
Andheri (E), Mumbai - 400 093.

**REGISTERED OFFICE**

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

**FACTORY**

70, Lake Road, Bhandup,  
Mumbai – 400 078.

**OFFICES**

Bangalore, Kolkata, Delhi, Chennai, Indore



## NOTICE

NOTICE is hereby given that the SIXTY-SIXTH ANNUAL GENERAL MEETING OF THE MEMBERS OF KAYCEE INDUSTRIES LIMITED will be held at Jainam Banquet Hall, Jainam Arcade, B.T.M. Comound, 100, L.B.S. Marg, Bhandup (W) - Mumbai-400078, on Friday, the 25<sup>th</sup> September, 2009 at 03.30 p.m. to transact the following businesses:

### ORDINARY BUSINESS:

1. To receive, consider and adopt Balance Sheet as at 31<sup>st</sup> March, 2009 and the Profit and Loss Account for the year ended on that date together with reports of Directors' and Auditors' thereon.
2. To declare a dividend @ Rs.10 per share on paid up Equity Shares of the Company
3. To appoint a Director in place of Mr. V.K. Prasad, Director who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors to hold office from conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorize the Board to fix their remuneration.

### SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Ordinary Resolution:-

“RESOLVED that Mrs. Raju Grover, who was appointed as an additional director in pursuance of section 260 of the Companies Act, 1956 by the Board of Directors on 31<sup>st</sup> July 2009, be and is hereby appointed as a director whose period of office will be liable to retirement of directors by rotation.”

For and on behalf of the Board

Ramesh D. Grover  
Chariman

Mumbai  
25<sup>th</sup> August, 2009

**KAYCEE INDUSTRIES LIMITED**

NOTE:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies in order to be effective must be deposited with the Company not less than 48 hours before the meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 17<sup>th</sup> September, 2009 to 25<sup>th</sup> day of September, 2009 (both days inclusive).
3. The dividend on shares, as recommended by the Board, if sanctioned at the meeting will be paid to the shareholders, whose name appears on the Register of Members on 16<sup>th</sup> September, 2009
4. Members are requested to promptly notify any change of address to the Registered Office of the Company.
5. Members desiring any information about Accounts at the Meeting are requested to write to the Company at least seven days in advance of the Annual General Meeting.
6. All documents referred to in the Notice are open for inspection at the Registered Office of the Company during office hours on all days between 11:00 a.m. and 1.00 p.m., except Saturday, Sunday and Public holidays, up to the date of the Annual General Meeting.



## DIRECTORS' REPORT

1. The Directors' have pleasure in presenting the 66<sup>th</sup> Annual Report and Audited Statement of Accounts for the year ended 31<sup>st</sup> March 2009.

2. **Financial Results:**

	(Rupees in Lakhs)	
	2008-2009	2007-2008
Turnover (Net )	2126.60	2021.14
Operating Profit	155.29	135.50
Depreciation	21.30	19.37
Profit Before Taxation	133.99	116.13
Provision for taxation	50.25	47.41
Profit after Tax	79.21	66.63
Retained profit Brought forward	124.93	84.26
Transferred to General reserve	20.00	20.00
Proposed Dividend & Dividend Tax	5.96	5.96
Balance Retained In profit and loss account	178.18	124.93

3. **Dividend**

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

4. **Performance of the Company:**

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

Turnover increased by 5.22% i.e. from Rs.2021.14 Lacs to Rs.2126.60 Lacs. The company has shown a quantum jump in Net profit after tax from Rs.66.63 Lacs in the previous year to Rs.79.21 Lacs in the year under review.

With greater focus on Power Generation and more capacities being added in, we see a potential for good growth for the Companies Products. The company expects good demand for it's product in the year 2009-10.

5. **Pakistan Unit:**

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

6. **Deposits:**

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

## KAYCEE INDUSTRIES LIMITED

### 7. **Directors:**

Mr. Varun K. Prasad retires at the ensuing annual general meeting in accordance with the Company's Act 1956 and Articles of association of the company. He being eligible, offer himself for reappointment.

Mrs. Raju Grover was appointed as additional director of the company from 31/07/2009.

Mr. S. Ramadorai resigned from the directorship of the company w.e.f. 01/08/2009

### 8. **Diversification of Business:**

Through Postal Ballot process, your company obtained the approval from the shareholders to diversify the Company's activities by undertaking the business of (i) Electronics and Electrical machineries; machinery for Traffic signaling Systems, energy meters Data processing and display machines, equipments for information, personal computers, Kiosk machines, micro processor based electronic equipments and other incidental objects relevant thereto; and (ii) Real Estate, Construction and Infrastructure Development. Your directors also take the opportunity to thank all the shareholders for their overwhelming response for same.

### 9. **Directors' Responsibility Statement:**

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

- (i) That in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2009 the applicable accounting standards had been followed along with proper explanation relating to material departures, if any.
- (ii) that the directors had selected such accounting policies and applied them consistently and made judgment and estimates that were reasonable and prudent so as to give a true and fair view of the state of the company at the end of the financial year and of the profit for the year under review;
- (iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) That the directors had prepared the accounts for the financial year ended 31<sup>st</sup> March, 2009 on a 'going concern' basis.

### 10. **Secretarial Compliance Certificate:**

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

### 11. **Auditor's report:**

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



**12. Auditors:**

M/s. N. D. Kapur & Co, Chartered Accountants, auditors of the company, hold office until the Conclusion of the ensuing Annual General Meeting and are eligible for re-appointment and have confirm that if appointed, their appointment will be with in the limits prescribed under section 224(1B) of The Companies Act, 1956.

Members are requested to appoint the Auditors of the company for the current year and fix their remuneration.

**13. Particulars of Employees:**

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

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

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

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

**15. Acknowledgement:**

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

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

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

For and On behalf of the Board of Directors

R. D GROVER  
Chairman & Director

MUMBAI

DATED: 25<sup>th</sup> August 2009



6

**KAYCEE INDUSTRIES LIMITED**

**ANNEXURE I OF DIRECTORS' REPORT**

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

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

**SECRETARIAL COMPLIANCE CERTIFICATE**

**Registration No. of the Company: 11 - 6482**

**Authorised Share Capital: Rs. 97,50,000/-**

**Paid-up Share Capital: Rs. 50,97,000/-**

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

We have examined the registers, books and papers of **M/s Kaycee Industries Limited** (the Company) as required to be maintained under The Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum & Articles of Association of the Company for the financial year ended **31<sup>st</sup> March, 2009**. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year: -

1. the Company has kept and maintained all registers as stated in **Annexure 'A'** to this certificate, as per the provisions and rules made there under and all entries therein have been duly recorded.
2. the Company has duly filed the forms and returns as stated in **Annexure 'B'** to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under, except as stated otherwise.
3. The Company being a public limited Company, has a paid-up Capital of Rs. 50,97,000/-.
4. the Board of Directors duly met 6 times on 30<sup>th</sup> April, 2008, 31<sup>st</sup> July, 2008, 26<sup>th</sup> August, 2008, 31<sup>st</sup> October, 2008, 21<sup>st</sup> November, 2008 and 31<sup>st</sup> January, 2009 in respect of which meetings proper notices were given and signed in the minutes book maintained for the purpose.
5. The Company had closed its Register of Members in order to comply with the provisions of Section 154 of the Act.
6. The Annual General Meeting for the financial year ended on 31.03.2008 was held on 30.09.2008 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the minutes book maintained for the purpose.
7. No extra-ordinary general meeting was held during the year.
8. The Company has not advanced any loans or given any guarantees or provided any securities to its directors or persons or firms or Companies referred to under Section 295 of the Act.
9. The Company has complied with the provisions of Section 297 of the Act in respect of Contracts specified in that Section.



10. the Company has made necessary entries in the register maintained under Section 301 of the Act
11. The Company had appointed Ms. Aarti Grover, daughter of Mr. R. D. Grover, director, as a Business Manager, being an office or place of profit during the year after complying with the provisions of Section 314 of the Companies Act 1956 and the requisite approval of the Board of Directors, Members and the Central Government has been obtained.
12. The Company has not issued duplicate share certificates during the financial year.
13. the Company has: -
  - i) Delivered all the certificates on lodgment thereof for transfer in accordance with the provisions of the Act.
  - ii) Declared dividend during the year and complied with the provisions of the Act.
  - iii) Has not paid any interim dividend during the year.
  - iv) Duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and appointment and resignation were duly made after complying with the relevant provisions of the Companies Act, 1956 during the year.
15. The Company has not paid any remuneration to its Directors, therefore, all the provisions of Sections 198 and 269 of the Act read with Schedule XIII to the Companies Act, 1956 are not applicable to it.
16. The Company has not appointed any sole-selling agents during the financial year.
17. The Company had obtained the approval of Central Government under the provisions of section 314 of the Act during the financial year for appointment of Ms. Aarti Grover to place of profit. The Company was not required to obtain any other approval of any statutory authority during the year under review.
18. The Directors have disclosed their interest in other firms, Companies to the Board of Directors pursuant to the provisions of the Act and rules made there under.
19. The Company has not allotted any Shares/debentures or other securities during the financial year.
20. The Company has not bought back any Shares during the financial year.
21. There was no redemption of preference shares or debentures outstanding during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year..
24. The Company has borrowed amount from its Banks during the financial year ended 31<sup>st</sup> March, 2009 under the provisions of Section 293 (1) (d) of the Act, within the borrowing limits as approved by the members of the Company in their meeting.
25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.

**KAYCEE INDUSTRIES LIMITED**

26. The Company has not altered the provisions of the Memorandum with respect to the situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company for the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. As informed to us, there was no prosecution initiated against the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year for offence under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company is generally regular in depositing both the employees' and employer's contribution to Provident Fund with the prescribed authorities pursuant to Section 418 of the Act.

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

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

Place : Mumbai  
Date : 25.08.2009



*Annexure A – Secretarial Compliance Certificate*

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

Registers as maintained by the Company

**Statutory Register**

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

**Other Registers**

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

**KAYCEE INDUSTRIES LIMITED**

*Annexure B – Secretarial Compliance Certificate*

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

Returns / Documents / Forms filed with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ended March 31<sup>st</sup>, 2009

FOR THE YEAR 2008-2009 (01.04.2008 TO 31.03.2009)  
 REGISTRAR OF COMPANIES

Sl. No.	Form No.	Relevant Section	Description	Date of Filing	Whether filed Within prescribed time Yes / No	If delay in filing, whether requisite additional fee paid Yes / No
1	8	125	Particulars for modification of charge with charge ID Number 80042995 as on 26 <sup>th</sup> February, 2008	01.04.2008	No.	Yes
2	8	125	Particulars for modification of charge with charge ID Number 80043430 as on 15 <sup>th</sup> February, 2008	21.04.2008	No	Yes
3	66	383A	Secretarial Compliance Certificate	17.10.2008	Yes	N.A.
4	23	192	Appointment of Aarti Grover as Business Manager i.e. 1 <sup>st</sup> October 2008	28.10.2008	Yes	N.A.
5	*20B	159(1)	Annual Return (Schedule V) made up to 30.09.2008	30.12.2008	No	Yes
6	23AC & 23AC A	220(1)	Balance Sheet and Profit & Loss Account as on 31.03.2008	02.01.2009	No	Yes
7	*F-20B	159(1)	Annual Return (Schedule V) made up to 30.09.2008	16.03.2009	No	Yes
8	32	266 and 303	Appointment of Raju Grover i.e. 31.07.2009 and Resignation of S Ramadorai i.e. 01.08.2009	19.08.2009	Yes	NA
9	24A	314	Approval of Central Government for Appointment of Aarti Grover as Business Manager i.e. 1 <sup>st</sup> October 2008 to place of profit	29.10.2008	Yes	N.A.

\* Payment of the Chelan was made after expiry date so it was not accepted by the system, hence company had again filed F-20B.



## ANNEXURE II OF DIRECTORS' REPORT

Information as per Section 217 (1) (e) read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March 2009.

### A. Conservation of energy

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

### B. Technology Absorption

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

### C. Foreign Exchange Earning and Outgo

- a. Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services, and export plans. : The company is continuously making efforts to increase the exports and during the year exports amounted to Rs. 10,843,404/-.(F.O.B Value)
- b. Total foreign exchange used and earned : Foreign Exchange used equivalent to Rs.12,307,099/- Foreign Exchange earned Rs. 10,843,404/-.(F.O.B Value)

KAYCEE INDUSTRIES LIMITED

FORM - B

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

1. Specific areas in which R & D : Micro Switches, Rotary Switches, and development carried out by the company of new products like Breaker control Switch, push Buttons.
2. Benefits derived as a result of the above R&D : Improvements in existing products in quality & performance
3. Future plan of action : Efforts will be continued to introduce new products and to improve existing products.
4. Expenditure on R & D
  - a. Capital : Rs NIL
  - b. Recurring : Rs. NIL
  - c. Total : Rs. NIL
  - d. Total R & D expenditure as a percentage of total turn over : Rs. NIL

Technology absorption, adaptation & innovation.

1. Efforts, in brief, made towards technology absorption, adaptation and innovation : No technology has been imported by the Company over the last five years reckoned from the beginning of the financial year under reference. The Company is updating the existing technology. The Scope of innovation with existing range of products is limited.
2. Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import, substitution etc. : NIL
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished : Not Applicable
4.
  - a. Technology imported : Not Applicable
  - b. Year of Import : Not Applicable
  - c. Has technology been fully absorbed : Not Applicable
  - d. If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action. : Not Applicable



**N.D. KAPUR & CO.**  
**Chartered Accountants**  
**65, Sonawala Building, 2<sup>nd</sup> Floor,**  
**Appollo Street, Mumbai 400023**  
**Telefax. : 22676744**

## **AUDITORS' REPORT**

To the Members,

Kaycee Industries Limited

We have audited the attached Balance Sheet of Kaycee Industries Limited ("the Company") as at 31<sup>st</sup> March 2009 the Profit and Loss Account for the year ended on that date and the Cash Flow Statement for the year ended on that date annexed thereto (together referred to as the "financial statements"). These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order 2003, [ as amended by Companies ( Auditor's Report ) ( Amendment ) Order, 2004 ] (together the 'Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, ("the Act") and on the basis of such checks as we considered appropriate, and according to the information and explanations given to us, we give in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable to the Company.
3. Further to our comments in the annexure referred to in paragraph 2 above, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit,
  - b) In our opinion, proper books of accounts as required by law, have been kept by the Company, so far as appears from our examination of those books,
  - c) The Balance Sheet, Profit and Loss Account and Cash Flow statement dealt with by this report are in agreement with the books of account,
  - d) In our opinion the Balance Sheet, Profit and Loss Account and Cash Flow statement dealt with by this report comply with the mandatory accounting standards referred in sub-section (3C) of section 211 of the Companies Act, 1956.
  - e) On the basis of written representations received from the directors, as on March 31, 2009, and taken on record by the Board of Directors, we report that none of the directors of the Company is disqualified as on 31<sup>ST</sup> March 2009 from being appointed as director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956,



**KAYCEE INDUSTRIES LIMITED**

- 4 In our opinion, and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto, give in the prescribed manner, the information required by the Act, and also give a true and fair view, in conformity with the accounting principles generally accepted in India,
- i) In so far as it relates to Balance Sheet, of the state of affairs of the Company as at 31<sup>ST</sup> March, 2009,
  - ii) In so far as it relates to the Profit and Loss Account, of the profit of the company for the year ended on that date, and
  - iii) In so far as it relates to the Cash Flow Statement of the cash flows of the company for the year ended on that date.

**For N. D. KAPUR & CO.**  
**Chartered Accountants**

Mumbai  
Dated : 25 August 2009

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



**Annexure referred to in paragraph 2 of Auditors' Report of even date to the members of Kaycee Industries Limited on the Financial Statements for the year ended 31<sup>st</sup> March, 2009**

1. In respect of its fixed assets:
  - a). The Company has maintained proper records showing full particulars, including quantitative details and situation, of its fixed assets. As explained to us, the fixed assets have been physically verified by the Management during the year in a phased periodical manner, which in our opinion is reasonable, having regards to the size of the Company and nature of its assets. According to the information and explanation given to us, discrepancies noticed on physical verification have been adjusted in the books of account.
  - b) The fixed assets, which were disposed off during the year, do not form substantial part of the fixed assets owned by the company.
  - c) In our opinion, the Company has not disposed off any substantial part of fixed assets during the year to affect its going concern.
2. In respect of its inventories:
  - a) As explained to us, inventories have been physically verified by the management at regular intervals during the year, in our opinion the frequency of verification is reasonable, except stocks lying with third parties for which no confirmation have been obtained in respect of such inventory.
  - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) The Company has maintained proper records of inventories. As explained to us, there was no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. The Company has not granted any loans, secured or unsecured, to companies, firm or other parties covered in the register maintained under section 301 of the companies act, 1956 and hence clause 4 (3) (a) to (g) of the Companies (Auditor's Report) order 2003, are not applicable to the company.
4. The Company has taken unsecured loans, from companies, firm or other parties covered in the register maintained under section 301 of the companies act, 1956 and hence clause 4 (3) (a) to (g) of the companies (auditor's Report) order 2003, are not applicable to the company.
5. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to the purchase of inventory, fixed assets and also for the sale of goods. Further, on the basis of our examination of the books and records of the company, and according to the information and explanation given to us, we neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.

**KAYCEE INDUSTRIES LIMITED**

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

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

7. In our opinion, the Company has an internal audit system, which requires to be further strengthened to commensurate with the size and nature of its business.
8. As informed to us, the maintenance of Cost Records has not been prescribed by Central Government under Section 209 (1) (d) of the Companies Act, 1956 for any of the products manufactured by the company
9. In respect of statutory dues:
- a. According to the books and records as produced before us and in accordance with generally accepted auditing practices in India and also based on management representations, undisputed statutory dues in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Wealth Tax, Customs Duty, Excise Duty, Cess, Service Tax and other statutory dues have generally been regularly deposited, by the Company during the year with the appropriate authorities in India, **except TDS payments where delay is observed.** According to the information and explanations given to us, no undisputed amounts payables in respect of the aforesaid dues were outstanding as at 31<sup>st</sup> March 2009 for a period of more than six months from the date of becoming payable
  - b. The disputed statutory dues aggregating to Rs 16.84 lacs (P.Y. Rs 45.32 lacs) have not been deposited on account of matters pending before appropriate authorities are as under:

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

10. The company does not have accumulated losses as at 31<sup>st</sup> March, 2009 and has not incurred any cash losses either during the current financial year or in the immediately preceding financial year.



11. Based on our audit procedures and according to the records, information and explanation given to us, by the Company there is no default in repayment of dues to financial institutions, banks. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
12. according to information and explanation given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, considering the nature of activities carried on by the Company during the year, the provisions of any special statute applicable to chit fund nidhi / mutual benefit fund / societies, are not applicable to it.
14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments.
15. According to the information and explanations given to us and the representations made by the management, the Company has not given any guarantee for loans taken by others from any bank or financial institutions during the year.
16. The Company has not raised any term loans.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that the Company has utilized Rs. 116.90 laes (P.Y. Rs 53.05 laes) from internal accruals and right issue funds towards acquisition of fixed assets and extension of building. No funds raised on short-term basis have been used for long term investment.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Act.
19. The Company has not issued any debentures.
20. We have verified the end use of money raised by public issue from the draft prospectus filed with SEBI, the offer document and as disclosed in the notes to the financial statements.
21. On the basis of examination of books of accounts and other records of the Company, we have not come across any fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

**For N. D. KAPUR & CO.**  
**Chartered Accountants**

Mumbai  
Dated : 25 August 2009

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

**BALANCE SHEET AS AT 31ST MARCH, 2009**



	Schedule	Rupees	Rupees	Previous Year Rupees	Rupees
<b>I. SOURCES OF FUNDS :</b>					
1 SHAREHOLDERS' FUND :					
a) Share Capital	1	5,097,000		5,097,000	
b) Reserves & Surplus	2	48,062,740		40,737,659	
			53,159,740		45,834,659
2 LOAN FUNDS :	3				
a) Secured Loans		11,718,569		9,703,732	
b) Unsecured Loans		2,000,000		-	
			13,718,569		9,703,732
<b>TOTAL</b>			<b>66,878,309</b>		<b>55,538,391</b>
<b>II. APPLICATION OF FUNDS :</b>					
1 FIXED ASSETS :	4				
a) Gross Block		35,703,205		32,303,784	
b) Less: Depreciation		22,233,804		20,227,864	
c) Net Block		13,469,400		12,075,920	
d) Building under Construction		10,705,368		2,539,271	
			24,174,768		14,615,191
2 INVESTMENT :					
(Other than Trade- Unquoted at Cost)					
(1000 fully paid shares of Rs.10/- each of Saraswat Co.op. Bank Ltd.)			10,000		10,000
3 DEFERRED TAX ASSETS (NET)			870,091		1,050,991
4 CURRENT ASSETS, LOANS AND ADVANCES :	5				
a) Inventories		30,393,542		23,741,393	
b) Sundry Debtors		57,391,268		64,976,625	
c) Cash and Bank Balances		3,390,857		1,945,689	
d) Loans & Advances		8,175,562		11,174,340	
		99,351,229		101,838,047	
Less : CURRENT LIABILITIES AND PROVISIONS	6	58,404,100		62,852,158	
NET CURRENT ASSETS			40,947,130		38,985,889
4 PAKISTAN BRANCH (NET)	7		876,320		876,320
<b>TOTAL</b>			<b>66,878,309</b>		<b>55,538,391</b>
NOTES FORMING PART OF THE ACCOUNTS	14				

As per our report of even date attached  
**For N. D. KAPUR & CO.**  
**Chartered Accountants**

**S. K. AGRAWAL**  
 Partner  
 MUMBAI  
 Dated : 25 August 2009

Director

Director

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED**



**31ST MARCH 2009**

	Schedule	Rupees	Rupees	Previous year Rupees
<b>INCOME :</b>				
Sales	8	212,659,643		202,113,807
Other Income	9	3,341,155		2,779,427
Increase/(Decrease) in stock	10	<u>4,567,107</u>		<u>1,100,202</u>
			<u>220,567,906</u>	<u>205,993,436</u>
<b>EXPENDITURE :</b>				
Raw Material & Stores Consumed	11	106,823,146		99,581,306
Cost of Traded Goods Purchased	12	12,000,107		8,640,340
Other Expenses	13	87,008,218		85,476,158
Depreciation	4	<u>2,130,168</u>		<u>1,937,116</u>
		<u>207,961,640</u>		<u>195,634,920</u>
Less : Expenses Included in Above Items, Capitalised		<u>793,000</u>		<u>1,254,000</u>
			<u>207,168,640</u>	<u>194,380,920</u>
Profit / (Loss) Before Taxation			13,399,266	11,612,516
Less Prior Period Expenses (Net)			271,960	-
Short Provision For Taxation for earlier year			-	208,751
<b><u>Provision for Taxation</u></b>				
Current Tax			4,650,000	4,000,000
Fringe Benefit Tax			375,000	350,000
Deferred Tax (Asset)/Liabilities			180,902	390,967
Profit / (Loss) for the Year			7,921,405	6,662,798
Profit Brought Forward			12,492,748	8,426,274
Transfer to General Reserve			2,000,000	2,000,000
Dividend payable			509,700	509,700
Dividend Tax			86,624	86,624
Profit and Loss Account Balance Carried Forward			<u>17,817,829</u>	<u>12,492,748</u>
To Balance Sheet				
Earning per Share -( Basic & Diluted) (Before Tax) *			262.89	227.83
Earning per Share -( Basic & Diluted) (After Tax) *			155.41	130.72
* Weighted Average No's				

Accounting Policies and Notes 14  
Forming Part of the Accounts

As per our report of even date attached  
**For N. D. KAPUR & CO.**  
**Chartered Accountants**

**S. K. AGRAWAL**

MUMBAI  
Dated : 25 August 2009

Director

Director

SCHEDULE NOS. 1 TO 11 ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009 AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009.



**SCHEDULES TO THE BALANCE SHEET**

**SCHEDULE 1 : SHARE CAPITAL :**

	Rupees	Previous Year Rupees
AUTHORISED :		
97,500 Ordinary Shares of Rs. 100/- each	<u>97,50,000</u>	<u>97,50,000</u>
ISSUED, SUBSCRIBED AND PAID UP :		
* 50,970 Ordinary Shares of Rs.100/- each	<u>5,097,000</u>	<u>5,097,000</u>

\* Includes 3125 Shares issued to erstwhile Deferred Shareholders pursuant to scheme of conversion sanctioned by Hon'ble Bombay High Court on 10th July, 1985.

**SCHEDULE 2 : RESERVES AND SURPLUS :**

	Rupees	Rupees	Previous Year Rupees	Rupees
A. RESERVE SURPLUS :				
<b>Share Premium Account</b>	-	16,741,324		16,741,324
( RS. 680/- per share on 25485 ordinary share issued during the Previous year )				
General Reserve				
As per Last Account	11,503,587		9,503,587	
Add Transfer From P/L	<u>2,000,000</u>	13,503,587	<u>2,000,000</u>	11,503,587
Profit & Loss Account Balance		<u>17,817,829</u>	<u>12,492,748</u>	<u>12,492,748</u>
		<u>48,062,740</u>		<u>40,737,659</u>

**SCHEDULE 3 : LOANS :**

	Rupees	Rupees	Rupees
<b>SECURED :</b>			
The Saraswat Co- Op Bank Ltd	70,329		(2,639,466)
Central bank of India	<u>11,648,240</u>		<u>12,343,198</u>
Cash Credits against hypothecation of Raw Materials, Finished Goods, Semi - Finished Goods and Book Debts, block of assets of the Company including Land, Building, Plant & Machinery and the same is further guaranteed by group company		11,718,569	9,703,732
<b>UNSECURED</b>		2,000,000	-
		<u>13,718,569</u>	<u>9,703,732</u>

KAYCEE INDUSTRIES LIMITED  
SCHEDULE 4 : FIXED ASSETS IN INDIA



Description of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as on 1.4.2008	Additions	Deductions	As At 31.03.2009	As At 1.4.2008	Provided for the year	Deductions during the year	As At 31.03.2009	As At 31.03.2009	As At 31.3.2008
	Rs.	Rs.	Rs.	Rs.				Rs.	Rs.	Rs.
Land	78,891	-	-	78,891	-	-	-	-	<b>78,891</b>	78,891
Building (Factory)	4,107,427	-	-	4,107,427	3,294,900	81,253	-	3,376,153	<b>731,274</b>	812,527
Plant & Machinery	20,499,756	1,614,795	124,228	21,990,323	11,975,132	1,231,827	124,228	13,082,730	<b>8,907,593</b>	8,524,625
Computers	3,361,631	218,751	-	3,580,381	2,761,059	296,023	-	3,057,082	<b>523,299</b>	600,572
Furniture, Fitting & Office Equipment	3,528,549	1,221,401	-	4,749,950	1,701,569	454,429	-	2,155,998	<b>2,593,952</b>	1,826,980
Motor Vehicles	210,813	-	-	210,813	128,707	21,257	-	149,964	<b>60,849</b>	82,106
Electrical Fitting	516,717	468,703	-	985,420	366,498	45,379	-	411,877	<b>573,543</b>	150,219
	<b>32,303,784</b>	<b>3,523,649</b>	<b>124,228</b>	<b>35,703,205</b>	<b>20,227,865</b>	<b>2,130,168</b>	<b>124,228</b>	<b>22,233,804</b>	<b>13,469,400</b>	12,075,920
Building under Construction	2,539,271	8,166,097	-	10,705,368	-	-	-	-	10,705,368	2,539,271
									<b>24,174,768</b>	14,615,191
Previous Year	31,180,238	2,785,358	1,661,812	32,303,784	19,733,731	1,937,116	1,442,983	20,227,864	12,075,920	11,446,507



**SCHEDULES TO THE BALANCE SHEET**



**SCHEDULE 5 : CURRENT ASSETS, LOANS & ADVANCES :**

	Rupees	Rupees	Previous Year Rupees
<b>A INVENTORIES :</b>			
<b>(At cost or Net realisable value which ever is less)</b>			
Raw Materials & Stores	11,003,331		8,918,597
Materials in process	7,957,038		6,776,224
Finished Goods	7,575,567		4,189,274
Trading Goods	3,857,605		3,857,298
<b>(At or below cost).</b>			
Packing Materials	-		-
		<u>30,393,542</u>	<u>23,741,393</u>
<b>B SUNDRY DEBTORS :</b>			
(Unsecured and Considered Good)			
a) Debts outstanding for a period exceeding six months			
Considered Good	3,446,345		5,413,035
Considered Doubtful	1,532,650		479,289
	<u>4,978,994</u>		<u>5,892,324</u>
Less: Provision for Doubtful Debts	1,532,650		479,289
		<u>3,446,345</u>	<u>5,413,035</u>
b) Others: Considered Good		<u>53,944,924</u>	<u>59,563,590</u>
		<u>57,391,268</u>	<u>64,976,625</u>
<b>C CASH AND BANK BALANCES :</b>			
Cash in Hand	70,693		269,474
With Scheduled Banks :			
In Current Account	2,857,705		1,389,918
Bank Guarantee Margin	219,418		84,864
In Fixed Deposits	168,450		168,003
In Dividend Account	74,590		33,430
		<u>3,390,857</u>	<u>1,945,689</u>
<b>D LOANS AND ADVANCES :</b>			
(Unsecured, Considered Good)			
Sales Tax receivable	1,343,534		1,204,980
Advances Recoverable in cash or in kind or for value to be received	1,508,987		1,718,138
Advances to suppliers for Capital Goods	66,000		2,698,763
Sundry Deposits	880,739		713,917
Advances to suppliers for Raw Material	3,601,302		3,803,382
Advance payment of FBT	775,000		1,035,160
		<u>8,175,562</u>	<u>11,174,340</u>
		<u>99,351,229</u>	<u>101,838,047</u>

**SCHEDULES TO THE BALANCE SHEET**



**SCHEDULE 6 : CURRENT LIABILITIES AND PROVISIONS :**

	<b>Rupees</b>	Previous Year Rupees
<b>A. CURRENT LIABILITIES :</b>		
Outstanding Liabilities	4,179,285	4,899,870
Sundry Creditors for Goods	43,347,217	44,468,410
Advance from customers	509,093	2,405,939
Sales Tax Payable	741,110	669,980
Unclaimed Dividends	74,590	33,430
Unclaimed amount for fractional	664	664
	<b>48,883,268</b>	<b>52,478,293</b>
<b>B. DEPOSITS</b>		
	<b>1,442,000</b>	1,439,500
<b>C. PROVISION FOR</b>		
Income Tax	1,139,588	710,906
Fringe Benefit Tax	725,000	1,050,000
Provision for Excise duty	547,024	527,961
Proposed Dividend	509,700	509,700
Corporate Dividend tax	86,624	86,624
Leave Encashment	2,394,502	2,061,437
Gratuity	2,676,394	3,987,737
	<b>8,078,832</b>	<b>8,934,365</b>
	<b>58,404,100</b>	<b>62,852,158</b>

## SCHEDULES TO THE BALANCE SHEET



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

Value as per Balance Sheet 30th June, 1964.

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

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

## SCHEDULES TO THE PROFIT & LOSS ACCOUNT



### SCHEDULE 8 : SALES :

	Rupees	Previous Year Rupees
Sale of Manufactured Goods	210,523,000	214,385,467
Less : Excise Duty	<u>28,959,327</u>	<u>32,802,957</u>
	<u>181,563,673</u>	<u>181,582,510</u>
Export Sale	10,952,188	5,776,384
Sale of Trading Goods	20,143,782	14,754,913
	<u>212,659,643</u>	<u>202,113,807</u>

### SCHEDULE 9 : OTHER INCOME :

Miscellaneous Income	1,996,617	2,286,679
Interest earned	20,858	10,948
Rent Received (gross, tax deducted at source : Rs.2,54,802/- previous year Rs 1,08,784/)	1,186,680	480,000
Dividend received on investment other than Trade	2,000	1,800
Profit on sale of Fixed Assets	135,000	-
	<u>3,341,155</u>	<u>2,779,427</u>

**SCHEDULES TO THE PROFIT & LOSS ACCOUNT**



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

	Rupees	Previous Year Rupees
Closing Stocks :		
Materials in Process	7,957,038	6,776,224
Finished Goods	<u>7,575,567</u>	<u>4,189,274</u>
	<b>15,532,605</b>	10,965,498
Less : Opening Stocks :		
Materials in Process	6,776,224	4,132,871
Finished Goods	<u>4,189,274</u>	<u>5,732,425</u>
	<b>10,965,498</b>	9,865,296
	<b><u>4,567,107</u></b>	<b><u>1,100,202</u></b>

**SCHEDULE 11: Raw Material & Stores Consumed:**

Opening Stocks Raw Materials & Stores:	8,918,597	7,865,128
Add: Raw Material & Stores Purchases	<u>108,907,881</u>	<u>100,634,775</u>
	<b>117,826,478</b>	108,499,903
Closing Stocks Raw Material & Stores	<u>11,003,331</u>	<u>8,918,597</u>
	<b><u>106,823,146</u></b>	<b><u>99,581,306</u></b>

**SCHEDULE 12: Cost of Traded Goods**

Opening Stocks of Trading Goods	3,857,298	4,595,930
Add Purchases	<u>12,000,414</u>	<u>7,901,708</u>
	<b>15,857,712</b>	12,497,638
Closing Stock	<u>3,857,605</u>	3,857,298
	<b><u>12,000,107</u></b>	<b><u>8,640,340</u></b>

**SCHEDULES TO THE PROFIT & LOSS ACCOUNT**



**SCHEDULE 13 : OTHER EXPENSES :**

	Rupees	Rupees	Previous Year Rupees
Component Processing and other charges		9,949,687	14,337,692
Power, Fuel & Water Charges		1,899,541	2,694,238
Octroi, Transportation & Forwarding, etc.		2,285,358	2,361,163
Employees' Emoluments :			
Salaries, Wages, Bonus & Gratuity	35,955,672		33,926,321
Contribution to Provident & other funds & schemes	2,661,588		2,713,013
Welfare Expenses	<u>3,511,324</u>		<u>3,262,516</u>
		<b>42,128,584</b>	<b>39,901,849</b>
Conveyance & Traveling		4,339,585	3,154,175
Reimbursement of corporate exps.		465,418	1,250,000
Printing & Stationery		727,652	1,311,337
Postage & Telephone		1,170,875	1,488,420
Cash Discount		1,790,860	1,550,831
Maintenance & Repairs :			
Machinery	435,817		76,365
Building	4,075,032		850,600
General	<u>345,124</u>		<u>466,333</u>
		<b>4,855,973</b>	<b>1,393,298</b>
Insurance & Keyman Insurance		-	82,678
Rent, Rates & Taxes		619,489	420,325
Excise Duty Paid		480,388	-
Sales Tax Paid		279,886	574,412
Financial Cost			
Interest - Banks	1,451,527		1,884,037
Bank Charges	<u>993,158</u>		517,606
		<b>2,444,685</b>	<b>2,401,643</b>
Discounts		3,476,081	4,060,959
Bad Debts Written Off		2,187,444	2,180,699
Legal & Professional Charges		2,643,463	1,693,368
Advertisement & Publicity		94,042	241,371
Miscellaneous Expenses		5,169,208	4,377,700
		<u><b>87,008,218</b></u>	<u><b>85,476,158</b></u>

## KAYCEE INDUSTRIES LIMITED

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

#### **1 Background**

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

#### **2 Significant accounting policies**

- a) The financial statements are prepared under the historical cost convention, on an accrual basis, in conformity with the accounting principles generally accepted in India and in accordance with the accounting standards referred to in section 211 (3C) of the Companies Act, 1956 ('the Act'). The Company follows mercantile system of accounting and recognizes Income and Expenditure on an accrual basis except those with significant uncertainties.
- b) Use of estimates  
The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect the reported balances of assets and liabilities and disclosures relating to contingent liabilities at the date of the financial statements and reported amounts of income and expenses during the year. Actual results could differ from those estimates.
- c) The Accounting policies applied by the company are consistent with those used in the previous year

#### **3 REVENUE RECOGNITION:**

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

#### **4 EMPLOYEE BENEFITS**

##### **a) Short Term Employees Benefits:**

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

##### **b) Defined Benefit Plan**

###### **Gratuity:**

The Company provides the gratuity benefit through annual contributions to a fund managed by the Life Insurance Corporation of India (LIC). Under this plan, the settlement obligation remains with the Company, although the Life Insurance Corporation of India administers the plan and determines the contribution premium on Projected Unit Credit Method, which is required to be paid by the Company and is debited to the profit and loss account on an accrual basis. Actuarial gains or losses arising during the year are recognized in the profit and loss account.

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

###### **Defined Contribution Plan**

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



5. **Inventories**  
Inventories of Raw Material, Components, Material in Process, Finished goods and traded goods are stated 'At Cost or Net Releasable value' whichever is lower. Stores & Packing materials are stated 'At or below cost'.  
Cost of inventories comprises of cost of purchase, cost of conversion and other cost incurred in bringing the inventory to their present location and condition.  
Company has used FIFO method for valuation. Finished goods are inclusive of excise duty.
6. **Fixed Assets**  
Fixed assets are stated at cost less accumulated depreciation, amortization and impairment loss if any. The company capitalizes direct costs including taxes, duty, freight and incidental expenses attributable to the acquisition and installation of fixed assets. Capital work-in-progress is stated at cost.  
Depreciation is provided using the written down value method in accordance with the schedule XIV of the Companies Act, 1956. Fixed assets individually costing upto Rs.5,000 are fully depreciated in the year of acquisition. Depreciation on assets acquired or disposed off during the year is provided on a pro-rata basis from/up to the date of acquisition/disposal.
7. **Impairment of Assets**  
The carrying value of assets is reviewed for impairment, when events or changes in circumstances indicate that the carrying values may not be recoverable. In addition, at each balance sheet date, the company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the asset recoverable is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value on an appropriate discount factor.
8. **Investments**  
Investments that are readily realizable and intend to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Long term investments are stated at cost less any diminution in their value, which is other than temporary. Current assets are stated at lower of cost and market value. Unquoted long term investments are valued at lower of cost or latest available break up value.
9. **Research and Development**  
Revenue expenditure on research and development is charged against the profit of the year in which it is incurred. Capital expenditure on research and development is shown as an addition to Fixed Assets.
10. **Foreign currency transaction**  
Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are restated at year-end rates. The exchange difference on restatement of monetary assets and liabilities and realized gains and losses on foreign exchange transactions other than those relating to fixed assets are recognized in the profit and loss account. Exchange difference in respect of liabilities incurred to acquire fixed assets is adjusted to the carrying amount of such. Fixed assets
11. **RIGHT ISSUE**  
The Company has utilized amount of Rs 97.81 lacs (P.Y. Rs 53.05 lacs) out of the right issue proceeds.



## KAYCEE INDUSTRIES LIMITED

**12 Segment Reporting Policies**

Identification of segment is based on the major manufacturing products.

**13 Earning per share**

Basic and diluted earnings per share are calculated by dividing the net profit/ loss for the year by the weighted average number of equity shares outstanding during the period.

**14 Provisions**

A provision is recognized when the company has a present obligation resulting from past events *and it is probable that an outflow of resources will be required to settle the obligation for which a reliable estimate can be made.* Provisions are based on management's best estimate of the amount required to settle the obligation at the balance sheet date. Provisions are reviewed at each balance sheet date and adjusted to reflect revision in estimates. The company has decided to provide Bad and doubtful debts if debtors remain outstanding over and above three years

**15 Income Tax**

A tax expense comprises current, deferred taxes and fringe benefit tax. Current income tax and fringe benefit tax are measured at the amount expected to be paid to the tax authorities in accordance with The Income Tax Act, 1961. Deferred Income Tax Reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

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

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

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

**16** Estimated value of contracts (Net of Advances) to be executed on capital account and not provided for Rs. 5.34 Lacs (Previous year Rs. 31.20 Lacs).

**17** Duties & Penalties to the tune of Rs. NIL Lacs (Prev. Year 5.26 lacs) have been levied by the Superintendent of Excise. Previous year duties & penalties has been fully paid under protest against, which appeals have been filed and pending before the Dy. Commissioner of Excise. Company has not provided contingent liability of Rs 12.88 Lacs against Sales Tax Assessment for year 2000-2001 and Rs. 3.96 Lacs against Central Excise assessment for year 2007-2008.

**18** Pakistan unit of the Company continues to be under the control of Pakistan Government. It has not been possible to establish any communication with the said unit so far. Therefore, statement of Assets and Liabilities as at 30<sup>th</sup> June 1964 based on the last reports received have been incorporated in the Balance sheet as pre devaluation rate of rate of exchange as per Schedule 7.



**19**     **PAYMENT TO THE AUDITORS :**  
 INCLUSIVE OF SERVICE TAX.

	<b>2008-2009 Rupees</b>	<b>2007-2008 Rupees</b>
a) As Audit Fee – Statutory	113287	112360
b) In other capacities:		
i) For Certification	76153	33832
ii) For Provident Fund & Gratuity Audit	11236	11236
iii) Tax & FBT Audit Fees	56489	67416
iv) Vat Audit Fees	64821	56180
c) Expenses reimbursed	17000	9574

**20**     Details of Licensed and Installed Capacity, Production, Stock and Turnover.

**20 A**    **Licensed And Installed Capacity And Production:**

	<b>Licensed Capacity Nos.</b>	<b>Installed Capacity Nos.</b>	<b>Actual Production Nos.</b>
a) Rotary Switches	Not Specified	Not Applicable	634,852 (734,534)
b) Micro Switches	Not Specified	Not Applicable	555,562 (664,471)
c) Counters:	Not Specified	Not Applicable	99,523 (92,866)
d) Water Meters	Not Specified	Not Applicable	363 (682)
e) Others	Not Specified	Not Applicable	83,628 (45,343)

**KAYCEE INDUSTRIES LIMITED**

**20 B TURNOVER:**

	2008-2009		2007-2008	
	Unit Nos.	Amount Rs.	Unit Nos.	Amount Rs.
<b>MANUFACTURED GOODS.</b>				
a) Rotary Switch	620424	138,988,979	738874	147,913,127
b) Micro Switches	550926	28,283,876	639673	31,142,435
c) Counters	93232	32,461,928	93504	31,422,961
d) Water Meters	312	3,095,090	666	4,592,165
e) Others	60390	18,645,315	49747	5,091,165
TRADED GOODS	78874	20,143,782	47794	14,754,913
<b>Total :-</b>	<b><u>1404158</u></b>	<b><u>241,618,970</u></b>	<b><u>1570258</u></b>	<b><u>234,916,765</u></b>

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

	Opening Stock		Closing Stock	
	Qty Nos.	Value Rs.	Qty Nos.	Value Rs.
a) Rotary Switch	24207 (28547)	2,290,057 (4,185,741)	38635 (24207)	3,554,885 (2,290,057)
b) Micro Switches	38784 (13986)	1,404,978 (935,744)	43420 (38784)	1,615,424 (1,404,978)
c) Counters	617 (1255)	227,708 (552,620)	6908 (617)	1,056,359 (227,708)
d) Water Meters	23 (7)	54,631 (33,623)	74 (23)	408,842 (54,631)
e) Others	1938 (6342)	211,900 (24,698)	26421 (1938)	940,057 (211,900)

**20 D DETAILS OF TRADING ITEM:**

	2008-2009		2007-2008	
	Unit Nos.	Amount Rs.	Unit Nos.	Amount Rs.
a) Opening Stock	49,379	4,720,550	37,599	4,595,930
b) Purchases	81,935	11,944,860	59,574	7,901,707
c) Turnover	78,874	20,143,782	47,794	14,754,913
d) Closing stock	52,440	3,857,605	49,379	4,720,550



**20E DETAILS OF RAW MATERIALS & STORES CONSUMED:**

	2008-2009		2007-2008	
	Qty	Value Rs.	Qty	Value Rs.
a) Bimetal Tips & Components	6121108	98,82,443	8631044	98,70,130
b) Copper & PB	19827	82,86,408	13986	59,15,200
c) Brass	14664	47,72,053	11608	29,64,600
d) Steel & aluminum	46450	30,09,517	51920	30,78,165
e) Plastic Powder & Moulding Component	1027586	45,67,787	1170775	37,48,097
f) Motors	51446	90,39,811	38891	68,05,925
g) Others		6,72,65,127		6,71,99,189
		<u>10,68,23,146</u>		<u>9,95,81,306</u>

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

	2008-2009	2007-2008
	Rupees	Rupees
a) Raw Materials	2,228,901	1,691,011
b) Finished Goods (Trading)	10,005,304	5,454,899

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

	2008-2009		2007-2008	
	Percentage Of Total Consumption	Amount Rupees	Percentage of Total Consumption	Amount Rupees
a) Imported	2.09	2,228,901	1.70	1,691,011
b) Indigenous	97.91	10,4591,124	98.30	97,890,295

**21 EARNING IN FOREIGN CURRENCY:**

	2008-2009	2007-2008
	Rupees	Rupees
a) F.O.B. Value of Exports	10,843,404	5,698,781

## KAYCEE INDUSTRIES LIMITED

### 22 EXPENDITURE IN FOREIGN CURRENCY:

	2008-2009	2007-2008
	Rupees	Rupees
a) Foreign bank charges	72,894	16,322
b) Foreign Travelling Expenses	NIL	13,050

### 23 DEFERRED TAX ASSETS / (LIABILITY):

	2008-2009	2007-2008
Timing Diff on account of:	Rupees	Rupees
Diff between Book deprn & I. T. deprn	(618,544)	(610,222)
Prov. For Doubtful Debts	520,948	162,910
Gratuity & Leave Encashment	927,202	1,498,303
Others	40,485	--
Deferred Tax (Liability) / Assets (Net)	<b>870,091</b>	<b>1,050,991</b>

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

### 25 Employee Benefits

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

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

#### I **Defined Contribution Plan**

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

	2008-09	2007-08
	Rupees	Rupees
Employer's Contribution to Provident Fund	916,996	775,169
Employer's Contribution to Pension Fund	1,093,325	1,087,931

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

#### II **Defined Benefit Plans**

Under both the Gratuity and Leave Encashment,

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



PARTICULARS	AS AT 31.03.2009		AS AT 31.03.2008	
	Gratuity Funded	Leave Encashment Unfunded	Gratuity Funded	Leave Encashment Unfunded
<b>A. Changes in Present Value of Obligation</b>				
Present Value of Obligation	12426014	2061437	13677421	2087977
Interest Cost	994081	169894	1025807	172746
Current Service Cost	2455423	367870	1241359	353577
Benefit Paid	2597975	611273	2135157	564463
Actuarial Gain/Loss on Obligations	(-) 1555901	406574	(-) 1383416	11600
Present Value of Obligation	11721642	2394502	12426014	2061437
<b>B. Fair Value of Plan Assets</b>				
Fair Value of the Plan Assets	8438277	N. A.	8555894	N. A.
Expected return on Plan Assets	747145	N. A.	771181	N. A.
Contributions	2457801	N. A.	1246359	N. A.
Benefits Paid	2597975	N. A.	2135157	N. A.
Actuarial Gain/Loss on Plan Assets	NIL	N. A.	NIL	N. A.
Fair Value of the Plan Assets	9045248	N. A.	8438277	N. A.
<b>C. Amount Recognized in the Balance Sheet.</b>				
Present Value of Obligation	11721642	2394502	12426014	2061437
Fair Value of the Plan Assets	9045248	N. A.	8438277	N. A.
<b>D. Reconciliation of Balance Sheet.</b>				
Present Value of Obligation	12426014	2061437	13677421	2087977
Total Expenses recognized in Profit & Loss A/c	1146458	944338	112569	537923
Actuarial Gain/Loss	606971	N. A.	(-) 117617	N. A.
Employer's Contribution	2457801	611273	1246359	564463
Present Value of Obligation	11721642	2394502	12426014	2061437
<b>E. Assumptions</b>				
Actuarial Return on Plan Asset	747145	N. A.	771181	N. A.
Mortality Table	LIC(1994-96)	LIC(1994-96)	LIC(1994-96)	LIC(1994-96)
Discount Rate	Ultimate 8%	Ultimate 7.75%	Ultimate 7.5%	Ultimate 8%
Expected Rate of Return on Plan Assets	8%	N. A.	7.5%	N. A.
Salary Escalation	4%	6%	4%	6%

Fare value of plan assets at the end of period Rs 9045248 is funded fully with Life Insurance Corporation of India

## KAYCEE INDUSTRIES LIMITED

26 During the year, the company has taken physical verification of fixed assets and noted discrepancy of Rs Nil lacs (W.D.V.) (P. Y. 2.18 Lacs) of Fixed Assets and the same were adjusted and discarded in the books of accounts

### 27 Disclosure of Related Parties / Transactions With Related Parties:-

<b>Relationship</b>	<b>Name of Related Party</b>
Holding companies	Money Ease Capital Private Limited CMS Traffic Systems Limited
Group Company (Enterprise over which Director and/or his relatives has significant influence)	Jess Prasad Engg. And Metallurgical Services Pvt. Ltd. CMS Energy Systems Private Limited CMS Engineering Services Private Limited G.G. Constructions Private Limited Datacom Computer Services Private Limited CMS Computers Limited Chaitime.com India Pvt. Ltd. CMS Info Systems Pvt. Ltd. CMS Marshall Limited CMS Securitas Limited Dynamic Hydro Machines Private Limited Mailtek Services (India) Limited Netprint Solution India Private Limited New Video Private Limited Systime Computer Systems Limited RDJ Constructions Pvt. Ltd. Systime Computers Limited Computer Products and Services Pvt. Ltd. Sea Shell Properties Pvt. Ltd. VersaPos Group Inc USA Dorminant Developers Pvt. Ltd. Acu-Soft Technologies Pvt. Ltd. Cable Network Systems Pvt. Ltd. CMS-DITL Ltd.
Key Management Personnel (KMP)	Mr. R. D. Grover Mr. V. K. Prasad Mr. S. Ramadorai Mr. N.T. Nair
Relatives of KMP	Ms. Sashikiran Prasad Ms. Raju R. Grover Mr. Vishal R. Grover Ms. Aarti R. Grover Ms. Sujatha Ramadorai



Sr. No	Name of the Related Party	Relationship	Nature	Amount Rs.	O/S as on 31.03.2009	
<b>I</b>	<b>Holding Companies</b>					
1	CMS Traffic Systems Ltd.	Holding Company	Sale of Switches	Nil (5000)	5187026.46 Dr.  (3151)Dr.	
2	CMS Traffic Systems Ltd.	Holding Company	Sale of Traffic Components	4498278.14 (Nil)		
3	CMS Traffic Systems Ltd.	Holding Company	Reim.Of Elect. Chrgs	343610 (103230)		
4	CMS Traffic Systems Ltd.	Holding Company	Rent Received	706680 (Nil)		
<b>II</b>	<b>Group Companies</b>					
5	CMS Computers Limited	Associate Co.	Reim.Of Tele. Chrgs	578412.10 (Nil)	9514014.65 Cr.  (2123008.45) Cr.	
6	CMS Computers Limited	Associate Co.	Reim.Of Elect. Chrgs	1293543 (776741)		
7	CMS Computers Limited	Associate Co.	Reim. of Corporate	522944 (1795346)		
8	CMS Computers Limited	Associate Co.	Rent Received	480000 (480000)		
9	CMS Computers Limited	Associate Co.	Freight Chrgs Paid	Nil (200)		
10	CMS Computers Limited	Associate Co.	Sale Of Switches	1638560.93 (29319)		
11	CMS Computers Limited	Associate Co.	Repairing Charges	Nil (1400)		
12	CMS Computers Limited	Associate Co.	Sale of Water Meter	Nil (2878)		
13	CMS Computers Limited	Associate Co.	Mould Modification Chrgs	42000 (Nil)		
14	CMS Computers Limited	Associate Co.	Purchase of Fixed Assets	263025 (Nil)		
15	CMS Computers Limited	Associate Co.	Purchases	7239574 (Nil)		
16	CMS Marshall Limited	Associate Co.	Industrial Sécurité	Nil (Nil)		Nil (Nil)
17	CMS Securities Limited	Associate Co.	Sale of Water Meter	Nil (4320)		Nil (Nil)
18	Systime Computer System Limited	Group Co.	Technical Chrgs. Paid	1296634 (Nil)		255999 Cr. (Nil)
<b>III</b>	<b>Relative of Key management Person</b>					
19	Miss Aarti Grover	Director's Daughter	Salary & Perquisites	815100 (429600)	Nil (Nil)	
20	Royal Virgo Travels	Director's Relative	Air Ticket Purchase	Nil (7385)	2000000 Cr. (Nil)	
21	Royal Virgo Travels	Director's Relative	Loan Taken	2000000 (Nil)		
22	Royal Virgo Travels	Director's Relative	Interest on Loan	34904 (Nil)		

- Rs. 41798/- in respect of the related parties have been written off are provided during the year

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



**KAYCEE INDUSTRIES LIMITED**

- 28 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 2009-2010.
- 29 Balance Sheet Abstract and Company's Business Profile as per Annexure to Schedule No.14
- 30 During the year the Company has reviewed Accounts Receivable and decided to written off Rs. 21.87 Lacs (P.Y. 21.81 Lacs) as bad debts.
- 31 Segment wise Reporting as per Annexure to Schedule No. 14.
- 32 In the opinion of the Board Current Assets, Loans & Advances have a value on realization in the ordinary Course of Business at least to the amount at which they are stated and all current liabilities have been provided for.
- 33 Sundry Debtors and Creditors are subject to confirmation and reconciliation if any.
- 34 Previous Years figures have been regrouped/rearranged wherever necessary.

Signatures to Schedule 1 to 14.

As per our report of even date attached

**For N.D. KAPUR & CO.**  
*Chartered Accountants*

**S. K. AGRAWAL**

Partner

Director

Director

Mumbai

Dated: 25<sup>th</sup> August 2009

**Balance Sheet Abstract and Company's General Profile****I. Registration Details**

Registration No.

6 4 8 2

State Code

1 1

Balance Sheet Date

3 1

Date

0 3

Month

2 0 0 9

Year

**II. Capital raised during the year (Amount in Rs. Thousands)**

Public Issue

N I L

Rights Issue

N I L

Bonus Issue

N I L

Private Placements

N I L

**III. Position of Mobilisation and Development of Funds (Amount in Thousands.)**

Total Liabilities

6 6 8 7 8

Total Assets

6 6 8 7 8

**Sources of Funds**

Paid up Capital

5 0 9 7

Reserves &amp; Surplus

4 8 0 6 3

Secured Loans

1 1 7 1 9

Unsecured Loans

2 0 0 0

**Application of Funds**

Net Fixed Assets

2 4 1 7 5

Investments

1 0

Net Current Assets

4 0 9 4 7

Misc. Expenditure

(Excluding Assets in Pakistan)

Accumulated Losses

N I L

**IV. Performance of Company (Amount in Thousand.)**

Turnover (NET)

2 1 2 6 6 0

Total Expenditure

2 0 7 1 6 9

Profit / Loss before Tax

1 3 3 9 9

Profit / Loss after Tax

7 9 2 1

Basic Earnings per Share After Tax

2 6 2 8 9

Dividend Rate %

1 0

Diluted Earning Per Share After Tax

1 5 5 4 1

**V. Generic Names of Three Principle Products / Services of Company**

Item Code No. (ITC Code)

3 6 0 8 1 1 0 0 0

Product description

Rotary

Item Code No. (ITC Code)

3 6 3 9 0 5 0 0 6

Product description

Micro

Item Code No. (ITC Code)

3 8 0 5 1 0 0 0 6

Product description

Counters

MUMBAI

Dated : 25 August 2009

Director

Director

**KAYCEE INDUSTRIES LIMITED**

**CASH FLOW FOR THE YEAR ENDED 31 ST MARCH 2009**

		2008-2009		2007-2008	
		RS	RS	RS	RS
<b>A.</b>	<b>Cash Flow From Operating Activities</b>				
	Net Profit/(Loss ) Before Tax and extra Ordinary Items		13,399,266		11,612,516
	<b>Adjusted for</b>				
	Provision for Doubtful Debts	1,053,361		479,289	
	Depreciation	2,130,168		1,937,116	
	Interest received	(20,858)		(10,948)	
	Dividend received	(2,000)		(1,800)	
	Profit on Sale of Assets	(135,000)		-	
	Commission Received	(10,046)	o		
	Loss on assets discarded	-		218,829	
	Rent Received	(1,186,680)		(480,000)	
	Interest Charged	1,451,527	3,280,472	1,884,037	4,026,523
	<b>Operating profit before working capital changes</b>		<b>16,679,738</b>		<b>15,639,039</b>
	<b>Changes in</b>				
	Trade and other receivables	9,270,614		(20,193,937)	
	Inventories	(6,652,149)		(1,415,039)	
	Trade payable / Other Liabilities	(4,551,740)	(1,933,275)	17,054,985	(4,553,989)
	<b>Cash generated from operations</b>		<b>14,746,463</b>		<b>11,085,049</b>
	Deferred Tax (Liability)				
	Direct taxes Paid		(4,661,158)		(4,098,471)
	<b>Net cash flow before extra ordinary items</b>		<b>10,085,305</b>		<b>6,986,578</b>
	Extra ordinary items				
	(Loss on Fixed Assets Discarded)				
	Prior Period Expenses		(271,960)		(208,751)
	<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>		<b>9,813,346</b>		<b>6,777,827</b>
<b>B.</b>	<b>Cash flow from investing activities</b>				
	<b>Inflow</b>				
	Interest received		20,858		10,948
	Dividend received		2,000		1,800
	Commission Received		10,046		
	Sale of fixed assets		135,000		-
	Rent received		1,186,680		480,000
	<b>Outflow</b>				
	Purchase of fixed assets		(11689748)		(5,305,424)
	<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>		<b>(10,335,164)</b>		<b>(4,812,676)</b>
<b>C.</b>	<b>Cash flow from financing activities</b>				
	<b>Inflow</b>				
	Increase in bank borrowing -NET	2,014,837		1,893,454	
	Increase in borrowing from outsiders -NET	2,000,000			
			4,014,837		1,893,454
	<b>Outflow</b>				
	Decrease in bank borrowing-NET	-		-	
	Repayment of intercorporate deposit	-		-	
	dividend paid	(596,324)		(596,324)	
	Deferred tax Liability				
	Interest paid	(1,451,527)	(2,047,851)	(1,884,037)	(2,480,361)
	<b>NET CASH USED IN FINANCING ACTIVITIES (C)</b>		<b>1,966,986</b>		<b>(586,907)</b>
	<b>NET CHANGES IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>		<b>1,445,168</b>		<b>1,378,244</b>
	CASH & CASH EQUIVALENTS-OPENING BALANCE		<b>1,945,689</b>		<b>567,445</b>
	CASH & CASH EQUIVALENTS-CLOSING BALANCE		<b>3,390,857</b>		<b>1,945,689</b>

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

S.K.AGRAWAL  
PARTNER  
MUMBAI  
Dated : 25 August 2009

DIRECTOR

DIRECTOR

ANNEXURE TO NOTE NO. 31 OF SCHEDULE NO. 14



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

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

**SEGMENTWISE REPORTING**

	<b>2008-09</b>	<b>2007-08</b>
1. Segment Reserve ( Net Sale/ Income from)		
a. Segment - Switches	169,973,995	167,900,775
b. Segment - Counters	29,129,524	27,289,461
c. Segment - Others	13,556,124	6,923,571
<b>TOTAL</b>	<b>212,659,643</b>	<b>202,113,807</b>
Less : Intersegment Reserve	-	-
	<b>212,659,643</b>	<b>202,113,807</b>
2. Segment Results (Profit)(+)/Loss(-) before tax and interest from segment		
a. Segment - Switches	83,391,321	87,665,298
b. Segment - Counters	11,030,501	5,976,540
c. Segment - Others	5,978,325	1,350,524
<b>TOTAL</b>	<b>100,400,147</b>	<b>94,992,362</b>
Less : (i) Interest	2,444,685	2,401,643
(ii) Other unallocable expenditure net off unallocable income	84,556,196	80,978,203
<b>Total Profit before Tax (Loss)</b>	<b>13,399,266</b>	<b>11,612,516</b>

S.K. AGRAWAL  
Partner

Director

Director

Mumbai  
Dated : 25 August 2009



**KAYCEE INDUSTRIES LIMITED**

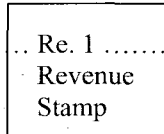
*Registered Office:  
32, Ramjibhai Kamani Marg, Ballard Estate, Mumbai – 400 001*

Regd. Folio No.....

I / We ..... of ..... being a member/ members of the above named Company hereby appoint ..... or failing him..... as my / our proxy to vote for me/us on my/our behalf at the 66<sup>th</sup> ANNUAL GENERAL MEETING of the Company to be held on Friday, the 25<sup>th</sup> day of September, 2009 at 03.30 p.m. and at any adjournment thereof.

Signed this.....day of .....2009

Signature.....



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

**KAYCEE INDUSTRIES LIMITED**

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

**ATTENDANCE SLIP**

Sixty Sixth Annual General Meeting, Friday, 25<sup>th</sup> September, 2009

Regd. Folio No.....

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

I hereby record my presence at the 66<sup>th</sup> ANNUAL GENERAL MEETING of the Company held at the Jainam Banquet Hall, Jainam Arcade, BTM Compound, 100, LBS Marg, Near SBI, Bhandup (W), Mumbai-400 078, on Friday, the 25<sup>th</sup> September, 2009 at 03.30 p.m.

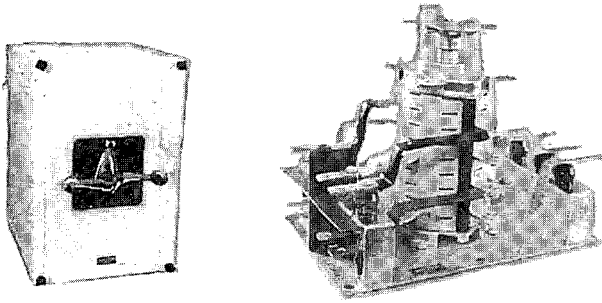
.....  
Member's/ Proxy Name in BLOCK letters

.....  
Member's/Proxy Signature

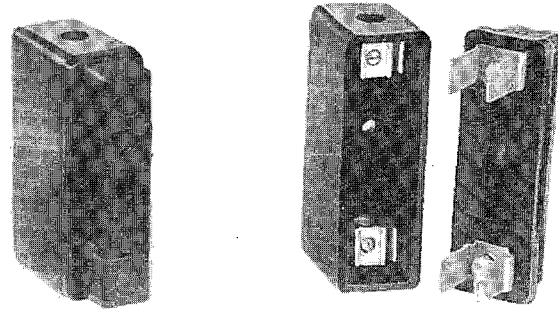
- Note: 1) Please fill in this attance slip and hand it over at the ENTRANCE OF THE HALL.
- 2) Please bring your copy of Annual Report at the meeting.

# KAYCEE PRODUCTS

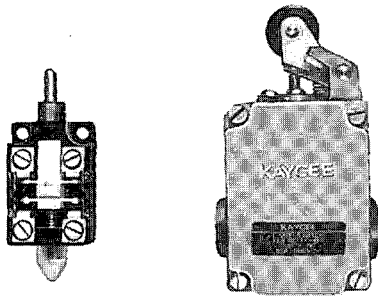
## N LOAD CHANGEOVER SWITCHES



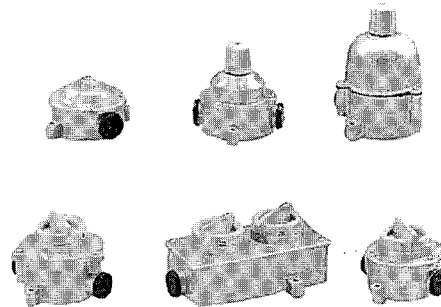
## H.R.C. FUSE FITTINGS



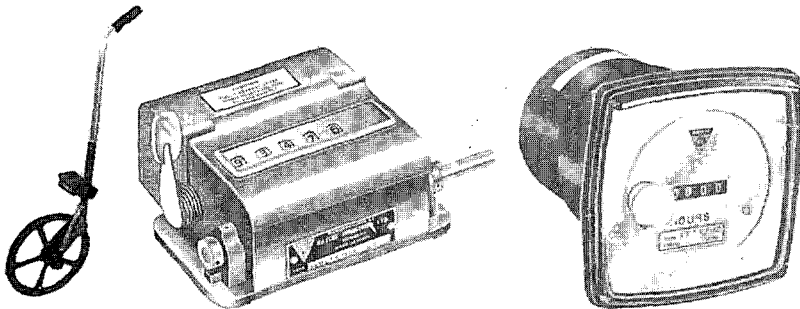
## LIMIT SWITCHES



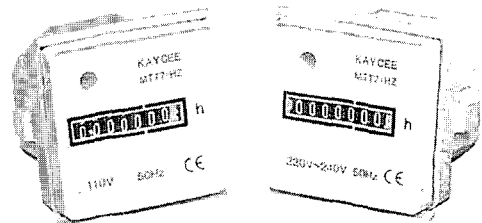
## ROTARY TOGGLE SWITCHES



## COUNTERS



## MINI TIME TOTALISERS



## WATER METERS

