



KAYCEE INDUSTRIES LIMITED

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56th ANNUAL REPORT

1998-99

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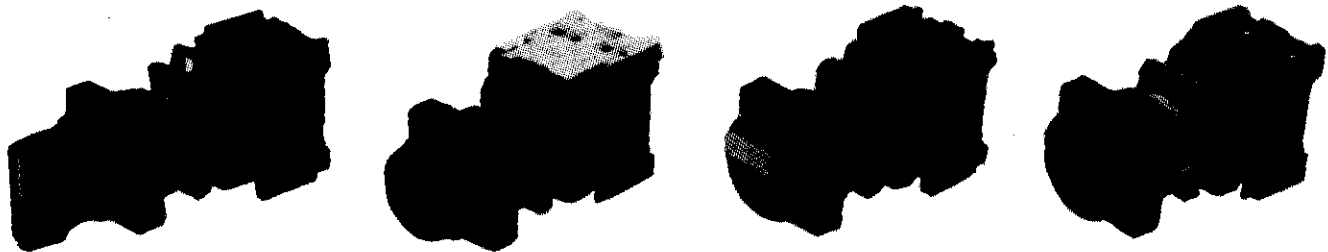
For and on behalf of
KAYCEE INDUSTRIES LTD.

Munesh Chandra

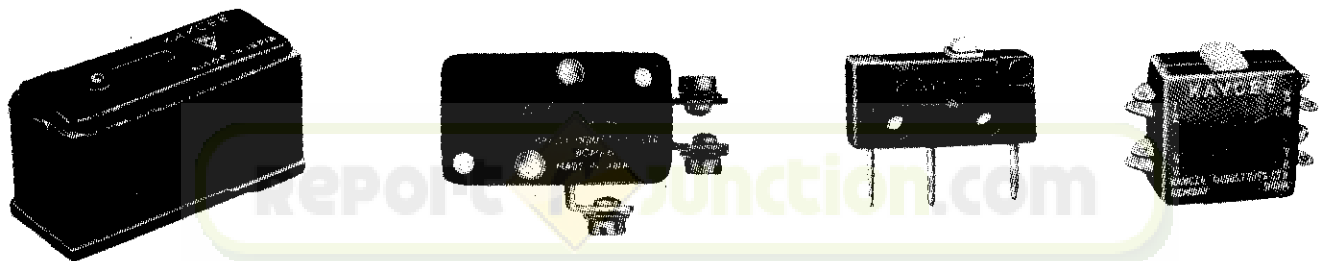
Managing Director

KAYCEE PRODUCTS

PUSH BUTTON - PILOT LAMPS - CONTROL UNITS



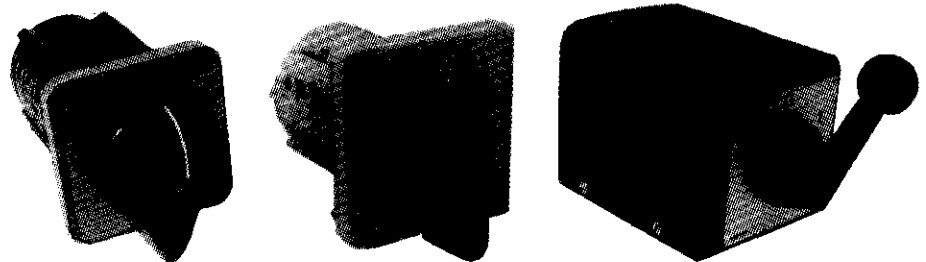
MICROSWITCHES



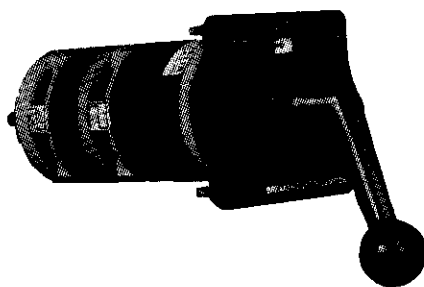
TOGGLE SWITCHES



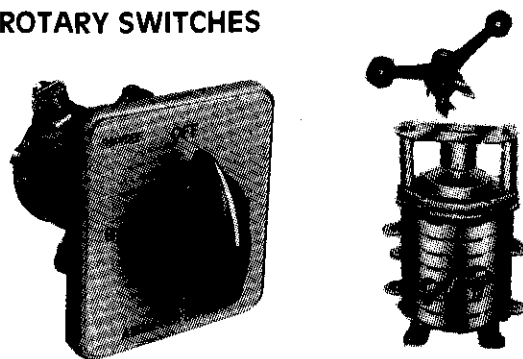
MOTOR CONTROL SWITCHES



BREAKER CONTROL SWITCHES



ROTARY SWITCHES





KAYCEE INDUSTRIES LIMITED

BOARD OF DIRECTORS

Naresh Chandra *Chairman & Managing Director*
Niraj Bajaj
A. K. Jalan
S. K. Nevatia
Sopan Agarwal

FINANCE MANAGER

M.G. Gogate

BANKERS

Central Bank of India
Saraswat Co-operative Bank Ltd.

AUDITORS

N. D. Kapur & Co.
Chartered Accountants

REGISTERED OFFICE

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

FACTORY

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

NOTE :

*56th Annual General Meeting at
KAMALNAYAN BAJAJ HALL,
BAJAJ BHAVAN, 226, Nariman Point,
Mumbai 400 021.
on Thursday, 29th July, 1999
at 4.30 p.m.*

OFFICES

Bangalore, Calcutta, Delhi, Chennai.



DIRECTORS' REPORT

1. The Directors' present their 56th Annual Report and Audited Statement of Accounts for the year ended 31st March, 1999.

2. **Financial Results :**

| | 1998-99 Rupees | Previous Year Rupees |
|--|-------------------|-------------------------|
| Turnover | 11,29,50,013 | 11,60,86,983 |
| Gross Profit | 21,93,393 | 59,72,485 |
| Depreciation | 11,68,080 | 9,27,756 |
| Profit before Taxation | 10,25,313 | 50,44,729 |
| Provision for Taxation | 3,50,000 | 22,87,328 |
| Balance Profit | 6,75,313 | 27,57,401 |
| Provision for doubtful Debts | — | 43,855 |
| Retained Profit brought forward | 2,98,828 | 2,86,120 |
| Balance transferred to General Reserve | 3,50,000 | 20,00,000 |
| Proposed Dividend | 3,82,275 | 6,37,125 |
| Provision for tax on dividend | 42,051 | 63,713 |
| Balance carried forward | 1,99,815 | 2,98,828 |

3. **Dividend :**

- 3.1 In view of the profits made in the year the Directors are pleased to recommend a Dividend of 15% amounting to Rs. 3,82,275/- which if approved by the members at the Annual General Meeting of the Company, will be paid out of the profits of the year.

4. **Performance of the Company :**

- 4.1 Turnover of the Company for the year is Rs. 1129.50 lacs as compared to Rs. 1160.87 lacs for the previous year. Profits after tax amounted to Rs. 6.75 lacs as against Rs. 27.57 lacs in the previous year.

The general economy slowed down in the year under review. However, every effort is being made to improve the turnover and performance of the Company in the current year.

- 4.2 The export of the Company is Rs. 47.75 lacs as compared to Rs. 39.14 lacs in the previous year.

KAYCEE INDUSTRIES LIMITED**5. Pakistan Unit :**

- 5.1 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 :

- 6.1 Deposits totalling Rs. 10,000/- due for repayment as on 31.3.1999 remained unclaimed.

7. Directors :

- 7.1 Shri Niraj Bajaj & Shri S. K. Nevatia are retiring at the 56th Annual General Meeting of the Company and being eligible, offer themselves for reappointment.
- 7.2 Your Director Shri S.R. Halbe resigned from the Board during the year. The Directors record their appreciation for services rendered by him during his association with the company.

8. Auditors Report :

- 8.1 Auditors have referred to Note No. 18 as appearing in Schedule No. 11 forming part of the accounts. In the opinion of the Directors this note is self explanatory and requires no further explanation.

9. Auditors :

- 9.1 You are requested to appoint Auditors for the year from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

10. Particulars of Employees :

- 10.1 Particulars required under Section 217(2-A) of the Companies Act, 1956 are given in the annexure, forming part of this report.

11. Environment safety and energy conservation :

- 11.1 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 to this report.

12. Y2K Compliance :

- 12.1 The company has achieved year 2000 (Y2K) compliance as on 31st MARCH 1999 for all its internal operations. The expenditure to ensure Y2K Compliance has no material financial impact.

13. Appreciation :

- 13.1 The Board wishes to place on record their appreciation of the services of workers, staff and Bankers who have contributed towards the working of the Company.

On behalf of the Board of Directors

MUMBAI

NARESH CHANDRA

DATED : 31st May 1999

NIRAJ BAJAJ



ANNEXURE TO 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 1999.

A. Conservation of energy

- a. Energy conservation measures 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. : Not Applicable

B. Technology Absorption

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

C. Foreign Exchange Earning and Outgo

- f. 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. 47,75,246/-.
- g. Total foreign exchange used and earned. : Foreign Exchange used equivalent to Rs. 13,02,140/- Foreign Exchange earned Rs. 47,75,246/-.

KAYCEE INDUSTRIES LIMITED

FORM — B

Disclosure of particulars with respect to Absorption.

Research and Development (R & D).

1. Specific areas in which R & D carried out by the company : Micro Switches, Rotary Switches, and development 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 : Nil
 - b. Recurring : Rs. 1,38,707/-
 - c. Total : Rs. 1,38,707/-
 - d. Total R & D expenditure as a percentage of total turnover : 0.12

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

**BALANCE SHEET AS AT 31ST MARCH, 1999**

| | Schedule | Rupees | Rupees | Previous Year Rupees | Rupees |
|---|----------|-------------|--------------------|-------------------------|--------------------|
| I. SOURCES OF FUNDS : | | | | | |
| 1. SHAREHOLDERS' FUND : | | | | | |
| a) Share Capital | 1 | 25,48,500 | | 25,48,500 | |
| b) Reserves & Surplus | 2 | 1,66,64,123 | | 1,64,13,136 | |
| | | | 1,92,12,623 | | 1,89,61,636 |
| 2. LOAN FUNDS : | 3 | | | | |
| a) Secured Loans | | 1,91,15,035 | | 1,71,16,036 | |
| b) Unsecured Loans | | 24,60,000 | | 13,19,000 | |
| | | | 2,15,75,035 | | 1,84,35,036 |
| TOTAL ... | | | 4,07,87,658 | | 3,73,96,672 |
| II. APPLICATION OF FUNDS : | | | | | |
| 1. FIXED ASSETS : | 4 | | | | |
| a) Gross Block | | 1,77,04,999 | | 1,63,75,227 | |
| b) Less : Depreciation | | 1,22,42,454 | | 1,16,36,184 | |
| c) Net Block | | 54,62,545 | | 47,39,043 | |
| d) Building under Construction | | 19,205 | | 19,205 | |
| | | | 54,81,750 | | 47,58,248 |
| 2. INVESTMENT : | | | | | |
| (Other than Trade — Unquoted at Cost) (100 fully paid shares of Rs. 10/- each of Saraswat Co-op. Bank Ltd.) | | | 10,000 | | 10,000 |
| 3. CURRENT ASSETS, LOANS AND ADVANCES : | 5 | | | | |
| a) Inventories | | 3,00,40,853 | | 2,74,31,384 | |
| b) Sundry Debtors | | 2,33,76,757 | | 2,64,91,180 | |
| c) Cash and Bank Balances | | 13,75,018 | | 10,75,245 | |
| d) Loans & Advances | | 83,02,799 | | 77,77,120 | |
| | | 6,30,95,427 | | 6,27,74,929 | |
| Less : CURRENT LIABILITIES AND PROVISIONS | 6 | | | | |
| a) Liabilities | | 2,31,43,564 | | 2,55,85,700 | |
| b) Provisions | | 55,32,275 | | 54,37,125 | |
| | | 2,86,75,839 | | 3,10,22,825 | |
| NET CURRENT ASSETS | | | 3,44,19,588 | | 3,17,52,104 |
| 4. PAKISTAN BRANCH (NET) | 7 | | 8,76,320 | | 8,76,320 |
| TOTAL... | | | 4,07,87,658 | | 3,73,96,672 |

NOTES FORMING PART OF
THE ACCOUNTS

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

S.K. AGRAWAL
Partner
MUMBAI, 31st May, 1999

M. G. GOGATE
Finance Manager

11 **CERTIFIED TRUE COPY**
For and on behalf of
KAYCEE INDUSTRIES LTD.

Manish Chandra

Managing Director

NARESH CHANDRA
Chairman &
Managing Director

S. K. NEVATIA
A. K. JALAN
NIRAJ BAJAJ
Directors