



KAYCEE INDUSTRIES LIMITED

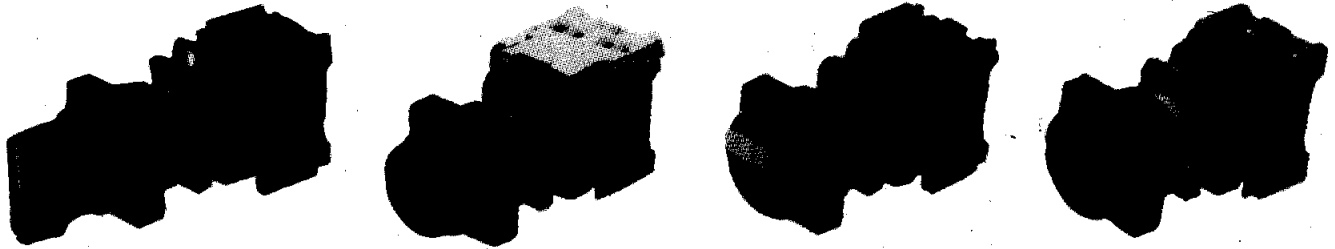


59th ANNUAL REPORT

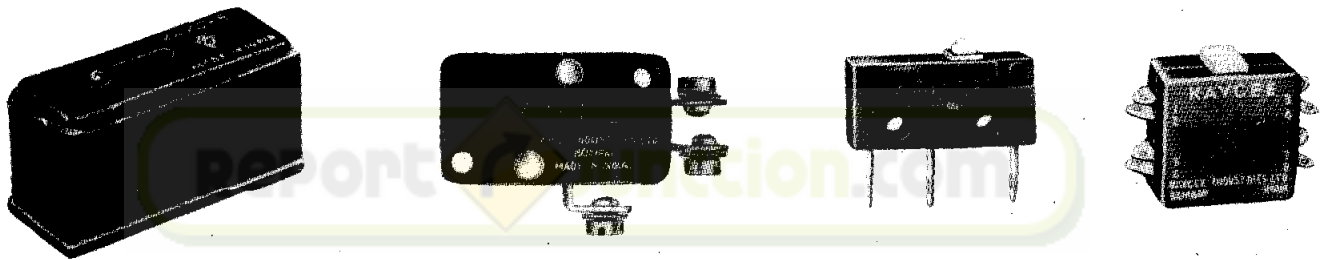
2001-2002

KAYCEE PRODUCTS

PUSH BUTTON – PILOT LAMPS – CONTROL UNITS



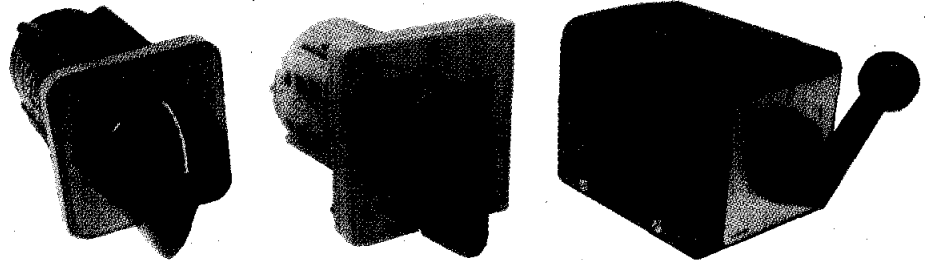
MICROSWITCHES



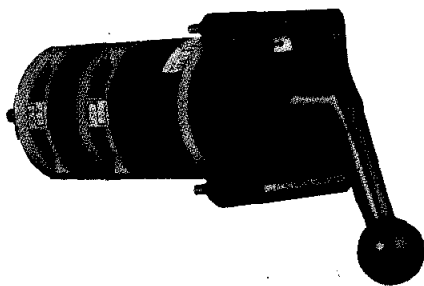
TOGGLE SWITCHES



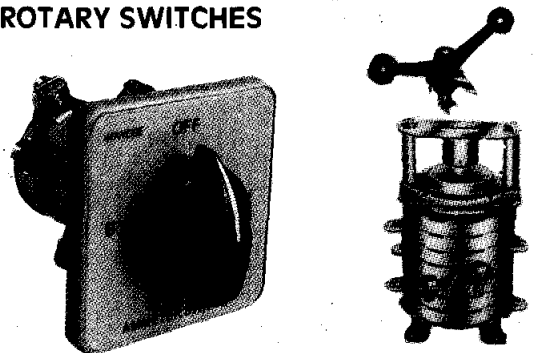
MOTOR CONTROL SWITCHES



BREAKER CONTROL SWITCHES



ROTARY SWITCHES



1. Explanatory Statement pursuant to the provisions of Section 173(2) of the Companies Act, 1956 in respect of Special Business under items 3 to 9 as set out above is annexed herewith.
2. 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.
3. Pursuant to Section 205A of the Companies Act, 1956, all unclaimed dividends upto financial year 31st March, 1995 have been transferred to General Revenue Account of the Central Government. Members who have not encashed the dividend warrant for the above period are requested to claim the amount from the Registrar of Companies.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 12th August, 2002 to 16th August, 2002 (both days inclusive).
5. Members are requested to promptly notify any change of address to the Registered Office of the Company.
6. 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.
7. All documents referred to in the Notice and Explanatory statement are open for inspection at the Registered office of the Company during office hours on all days except Saturdays, Sundays and Public holidays between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting.

Annexure to Notice

Explanatory Notes u/s. 173(2) of the Companies Act, 1956

Item No. 3

According to Section 252 of the Companies Act, 1956 the minimum number of Directors required for the Company is only Three and the maximum is Twelve. It was thus thought desirable that the present Article 125 be altered. Hence The Board of Directors commend the resolution mentioned in the Notice for your approval as being eminently in the interest of the Company.

None of the Directors may be deemed to be Interested or concerned in the said resolution.

Item No.4

According to Section 287 of the Companies Act, 1956, the quorum for a meeting of the Board of Directors of a Company shall be one third of its total strength or two directors, whichever is higher. The Board of Directors commend the resolution mentioned in the Notice for your approval as being eminently in the interest of the Company.

None of the Directors may be deemed to be Interested or concerned in the said resolution.

Item No.5

According to Section 270 of the Companies Act, 1956, the directors of the Company are required to hold the Qualification Shares if so stated by the Articles of Association of the said Company. The Directors perceive that for better governance of the affairs of the company it would be just if it was not compulsory for the Directors to hold qualification shares. Hence in order to remove the above restriction of the share qualification, the present article is required to be so altered and the approval of the Members is desired.

Each of the Directors are deemed to be interested or concerned to the extent of qualification shares to be purchased by them.

Item No. 6 to 9

M/s. CMS Traffic Systems Limited and M/s. Jess Prasad Engineering & Metallurgical Services Private Limited had made an open offer to the Members of Kaycee Industries Limited for acquiring stake in the company pursuant to the SEBI (Substantial Acquisition of Shares & Takeover Regulation) 1996. The said takeover being completed there was a change in management control of the Company. Mr. Ramesh D. Grover, Mr. Varun K. Prasad, Mr. S. Ramadorai, Mr. N. T. Nair and Ms. Anita Sachdev were appointed as Additional Directors at the Board Meeting which was held on 2nd July, 2002 pursuant to provisions of Section 260 of the Companies Act, 1956 and Article 128 of the Articles of Association of the Company.

Mr. Ramesh D. Grover, is a BTech (Hons) of the 1965 batch of the Birla Institute of Technology. Mr. Varun K. Prasad, is a BTech from IIT, Khargpur of the 1972 batch. Mr. S. Ramadorai, is a Licentiate in Electrical Engineering from VJTI. Mr. N. T. Nair is a MSc (Engg) in Applied Electronics from Madras University, 1975. Mr. Ramesh D. Grover, Mr. Varun K. Prasad and Mr. S. Ramadorai started their career with IBM World Trade Corporation and in 1976 left IBM to start a third party outsourcing computer hardware maintenance agency and later promoted CMS Computers Private Limited in 1978 which today has a Turnover of Rs. 300 crore. Mr. N. T. Nair has over 20 years of experience in Electronics Organisations in R & D in Microprocessor / Computer based systems and Systems Development

According to Section 257 a person who is not a retiring director shall, subject to the provisions of this Act, be eligible for appointment to the office of director at any General Meeting. The said above Directors being eligible for appointment and in respect of whom the Company has received a notice in writing under section 257 of the Companies Act, 1956 be appointed as the directors of the Company with the consent of the Members.

Each of the Directors are deemed to be interested in their respective appointment.

Mumbai, July 02, 2002

By Order of the Board of Directors

Sd/-
Ramesh D. Grover
Chairman

Registered Office:

32, Ramjibhai Kamani Road,
Ballard Estate,
Mumbai 400 001

NOTICE is hereby given that the FIFTY NINTH ANNUAL GENERAL MEETING OF THE MEMBERS OF KAYCEE INDUSTRIES LIMITED will be held at Kamalnayan Bajaj Hall, 226, Nariman Point, Mumbai- 400 021, on Friday, 23rd August, 2002 at 12.00 noon to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2002 and the Profit and Loss Account for the year ended on that date together with the Directors' and Auditors' Report thereon.
2. 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:

3. To consider and if thought fit, to pass with or without modification/(s) the following resolution as a Special resolution:

"Resolved that the Articles of Association of the company be altered by substituting the following new article 125 in place of the present article 125 thereof :

"125 Unless and until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 252 of the Act, the number of Director(s) shall not be less than three (3) and not more than Twelve (12).

4. To consider and if thought fit, to pass with or without modification/(s) the following resolution as a Special resolution:

"Resolved that the Articles of Association of the company be altered by substituting the following new article 135 in place of the present article 135 thereof :

135 The Directors may meet together for despatch of business, adjourn and otherwise regulate their meetings and proceedings as they think fit. The quorum for a meeting of the Board of Directors shall be one third of its total strength or Two Directors whichever is higher.

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

"Resolved that the Articles of Association of the company be altered by substituting the following new article 130 in place of the present article 130 thereof :

130 A Director shall not be required to hold qualification shares.

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

"Resolved that Mr. Ramesh D. Grover, Director who was appointed as an Additional Director pursuant to Section 260 of the Companies Act, 1956 and Article 128 of the Articles of Association of the Company with effect from 2nd July, 2002, and who holds office as such up to the date of this Annual General Meeting and who being eligible, offers

himself for appointment and in respect of whom the Company has received a notice in writing under section 257 of the Companies Act, 1956 be and is hereby appointed."

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

"Resolved that Mr. Varun K. Prasad, Director who was appointed as an Additional Director pursuant to Section 260 of the Companies Act, 1956 and Article 128 of the Articles of Association of the Company with effect from 2nd July, 2002, and who holds office as such up to the date of this Annual General Meeting and who being eligible, offers himself for appointment and in respect of whom the Company has received a notice in writing under section 257 of the Companies Act, 1956 be and is hereby appointed."

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

"Resolved that Mr. Srinivasan Ramadorai, Director who was appointed as an Additional Director pursuant to Section 260 of the Companies Act, 1956 and Article 128 of the Articles of Association of the Company with effect from 2nd July, 2002, and who holds office as such up to the date of this Annual General Meeting and who being eligible, offers himself for appointment and in respect of whom the Company has received a notice in writing under section 257 of the Companies Act, 1956 be and is hereby appointed."

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

"Resolved that Mr. N. T. Nair, Director who was appointed as an Additional Director pursuant to Section 260 of the Companies Act, 1956 and Article 128 of the Articles of Association of the Company with effect from 2nd July, 2002, and who holds office as such up to the date of this Annual General Meeting and who being eligible, offers himself for appointment and in respect of whom the Company has received a notice in writing under section 257 of the Companies Act, 1956 be and is hereby appointed."

Mumbai, July 02, 2002 By Order of the Board of Directors

Registered Office: Sd/-
32, Ramjibhai Kamani Road, Ramesh D. Grover
Ballard Estate, Chairman
Mumbai 400 001



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
The 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.

OFFICES

Bangalore, Kolkata, Delhi, Chennai.

NOTE :

59th Annual General Meeting at
KAMALNAYAN BAJAJ HALL,
BAJAJ BHAVAN, 226, Nariman Point,
Mumbai 400 021.
on Friday, 23rd August, 2002
at 12.00 noon.



DIRECTORS' REPORT

1. The Directors' present their 59th Annual Report and Audited Statement of Accounts for the year ended 31st March, 2002.

2. **Financial Results :**

	2001-2002 Rupees	Previous Year Rupees
Turnover (Net)	8,41,19,950	9,02,65,521
Gross Profit / (Loss)	(3,58,331)	(24,14,012)
Depreciation	11,00,433	13,32,894
Profit / (Loss) before Taxation	(14,58,764)	(37,46,906)
Provision for Taxation	—	—
Balance Profit / (Loss)	(14,58,764)	(37,46,906)
Provision for doubtful Debts	—	—
Retained Profit brought forward	—	—
Balance transferred to General Reserve	(14,58,764)	(37,46,906)

3. **Dividend :**

The Directors do not recommend payment of Dividend for the year ended 31st March 2002.

4. **Proposed Change in Management of your Company :**

The Management of your company is in advance stage of handing over the management to M/S CMS Traffic Systems Limited and M/s. Jess Prasad Engineering and Metallurgical Services Private Limited.

5. **Performance of the Company :**

5.1 Turnover of the Company for the year is Rs. 841.20 lacs as compared to Rs. 902.66 lacs for the previous year. Loss amounted to Rs. 14.59 lacs as against Loss of Rs. 37.47 lacs in the previous year. In spite of lower turnover the loss has been considerably reduced due to various cost cutting measures taken by the company.

5.2 The export of the Company is Rs. 41.35 lacs as compared to Rs. 33.60 lacs in the previous year.

6. **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.

7. **Deposits :**

Deposits totalling Rs. 23,000/- due for repayment as on 31.3.2002 remained unclaimed.

8. **Directors :**

Shri A.K. Jalan and Shri Sopan Agarwal are retiring at the 59th Annual General

KAYCEE INDUSTRIES LIMITED

Meeting of the Company and being eligible, offer themselves for reappointment.

9. Directors' Responsibility Statement :

Pursuant to 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 31st March, 2002, the applicable accounting standards had been followed along with proper explanation relating to material departures, other than provision of leave encashment as specified in AS-15 and non recognition of deferred tax assets as specified in AS-22.
- (ii) that the directors had selected such accounting policies and applied them consistently and made judgement 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 and loss of the company 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 31st March, 2002 on a 'going concern' basis.

10. Secretary's responsibility statement:

The secretarial compliance certificate is attached as per annexure-I.

11. Auditors Report :

Auditors have referred to Note No. 20 and Note No. 23 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.

12. Auditors :

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.

13. Particulars of Employees :

As none of the employees are in receipt of remuneration in aggregate of Rs. 12 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.

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 Appreciation :

During the year relation with the employees were cordial.

On behalf of the Board of Directors

MUMBAI

NARESH CHANDRA

DATED : 27th June 2002

NIRAJ BAJAJ



ANNEXURE - I OF DIRECTORS' REPORT

COMPLIANCE CERTIFICATE

Registration No. of the Company: 6482.

Nominal Capital: 97,50,000/-

To

The Members

Kaycee Industries Ltd.

32, Ramjibhai Kamani Road,

Ballard Estate,

Mumbai - 400 001.

Dear Sirs,

I have examined the registers, records, books and papers of KAYCEE INDUSTRIES LIMITED (the Company) as required to be maintained under the Companies Act, 1956 and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2002. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I 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 of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The Company 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 thereunder.
3. The Company, being a public limited company, comments are not required.
4. The Board of Directors duly met 5 (five) times respectively on 15th June 2001, 31st July 2001, 30th October 2001, 30th January 2002 & 20th February 2002 in respect of which meetings proper notices were given and proceedings were properly recorded and signed including the circular resolutions passed in the Minutes book maintained for the purpose.
5. The Company closed its Register of Members, and/or Debenture holders from 27th July 2001 to 30th July 2001 and necessary compliance of section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31st March 2001 was held on 31st July 2001 after giving the due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No extraordinary general meeting was held during the financial year.
8. The Company has not advanced any loan to its directors and/or persons or firms or companies referred in the section 295 of the Act.
9. The company has duly complied with the provisions of Section 297 of the Act in respect of the contracts specified in the section.

KAYCEE INDUSTRIES LIMITED

10. The company has made necessary entries in the register maintained under Section 301 of the Act.
11. The Provisions under section 314 of the Act are not applicable to the Company during the year under scrutiny.
12. Duly constituted Committee of Directors has approved the issue of duplicate share certificates.
13. The company has :
 - (i) delivered all the certificates on allotment of securities and on lodgement thereof for transfer/ transmission or any other purpose in accordance with the provisions of the Act.
 - (ii) not declared any dividend during the year under scrutiny, hence maintaining separate bank account is not applicable.
 - (iii) not declared any dividend during the year under scrutiny, hence payment/posting of warrants is not applicable and that no unclaimed/unpaid dividends has been transferred to unpaid dividend account since it is not applicable.
 - (iv) transferred the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.
 - (v) duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and the appointment of directors, additional directors, alternate directors and directors to fill casual vacancies have been duly made.
15. The provision of Section 269 read with Schedule XIII to the Companies Act, regarding the appointment of Managing Director/wholtime Director/Manager are not applicable to the Company.
16. As the company has not appointed any sole selling agents, the provision of the Act are not applicable during the financial year.
17. The company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such other authorities prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The company has not issued 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/debentures during the financial year.
22. There was no transactions necessitating the company to keep in abeyance rights to dividend, right shares and bonus shares pending registration of transfer of shares.
23. The company has complied with the provisions of section 58A and 58 AA read with Companies (Acceptance of Deposit) Rules, 1975/the applicable directions issued by the Reserve Bank of India/ any other authority in respect of deposits accepted. The company has filed the copy of Advertisement/ statement in lieu of Advertisement/necessary particulars as required with the Registrar of Companies,



Maharashtra, Mumbai on 09.08.2001. The company has also filed return of deposit with the Registrar of Companies/Reserve Bank of India/other authorities.

24. The amount borrowed by the company from directors, members, public, financial institutions, banks and others during the financial year ending 31st March 2002 is within the borrowing limits of the company and that necessary resolutions as per section 293 (1) (d) of the Act have been passed in duly convened annual general 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.
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 or 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 during the year under scrutiny.
30. The company has not altered its Articles of Association during the financial year.
31. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the company during the financial year for offences under the act.
32. The company has not received any money as security from its employees during the financial year.
33. The company has deposited both employees' and employer's contribution to Provident Fund with prescribed authorities pursuant to section 418 of the Act.

RUPAL D. JHAVERI
C. P. No. 4225

Place : Mumbai
Date : 18th June 2002