



KAYCEE INDUSTRIES LIMITED

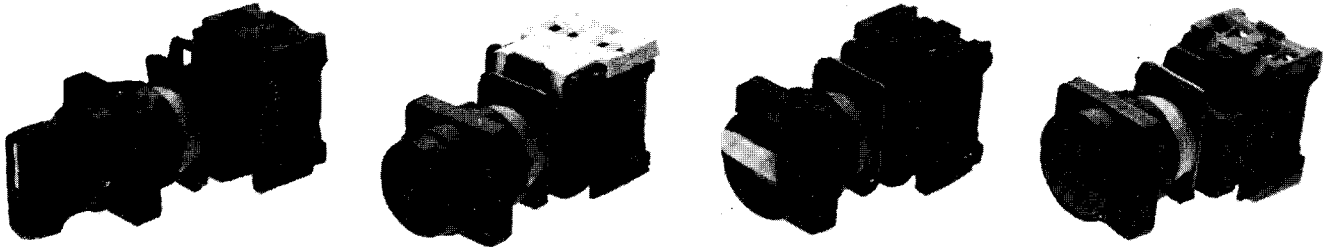


65th ANNUAL REPORT

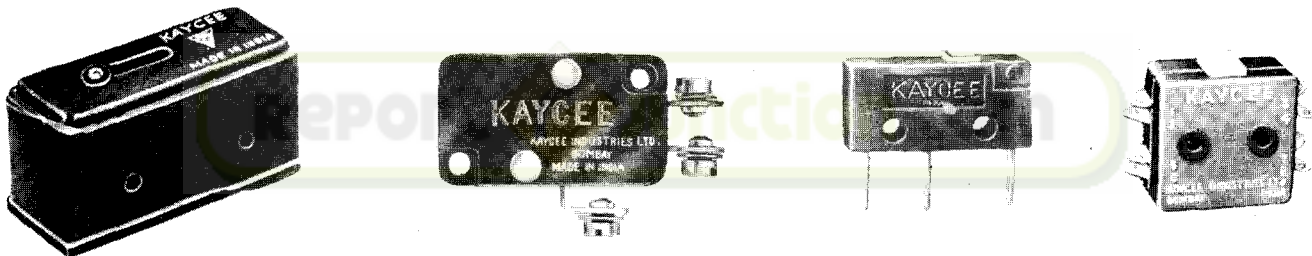
2007-2008

KAYCEE PRODUCTS

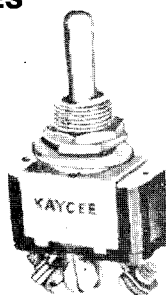
PUSH BUTTON - PILOT LAMPS - CONTROL UNITS



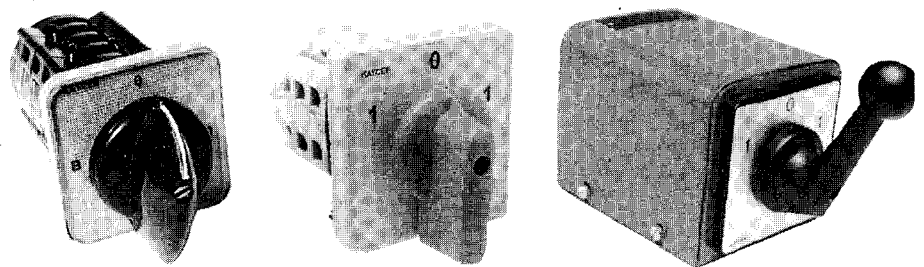
MICROSWITCHES



TOGGLE SWITCHES



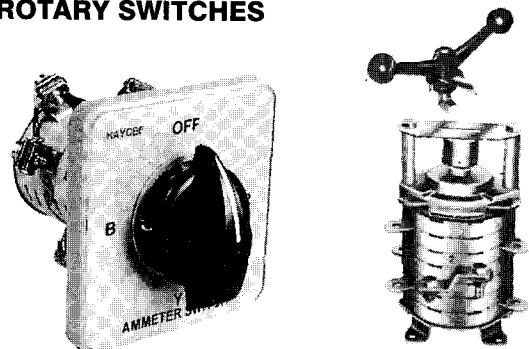
MOTOR CONTROL SWITCHES



BREAKER CONTROL SWITCHES



ROTARY SWITCHES





KAYCEE INDUSTRIES LIMITED

BOARD OF DIRECTORS

Ramesh D. Grover	<i>Chairman & Director</i>
Varun K. Prasad	<i>Director</i>
S. Ramadorai	<i>Director</i>
N.T. Nair	<i>Director</i>

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.

NOTE :

65th Annual General Meeting at Hotel Sun
City Residency, Emerald Hall, 16th Road,
MIDC, Marol, Andheri (East), Mumbai-
400 093 on Tuesday, 30th September,
2008 at 11.00 a.m.

OFFICES

Bangalore, Kolkata, Delhi, Chennai, Indore



NOTICE

NOTICE is hereby given that the SIXTY-FIFTH ANNUAL GENERAL MEETING OF THE MEMBERS OF KAYCEE INDUSTRIES LIMITED will be held at Hotel Sun City Residency, Emerald Hall, 16th Road, MIDC, Marol, Andheri (East), Mumbai-400 093, on Tuesday, the 30th September, 2008 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt Balance Sheet as at 31st March, 2008 and the Profit and Loss Account for the year ended on that date together with reports of Directors' and Auditors' thereon.
2. To declare full and final dividend at 10% on Equity Shares, subject to approval of members.
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 authorise 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 Special Resolution:-

“Resolved that subject to the provisions of Section 314 (1B) and other applicable provisions, if any of the Companies Act, 1956 (including any statutory modification, amendment or re-enactment thereof for the time being in force and as may be enacted from time to time) (hereinafter referred to as ‘the Act’), approval of the company be and is hereby accorded to the appointment and the remuneration payable to Ms. Aarti Grover, Daughter of Mr. R.D. Grover, Chairman of the company to a place of profit in the company, as a Business Manager with effect from 1st October, 2008 on the terms and conditions as detailed in the explanatory statement hereto.

Resolved further that the Board of Directors of the company be and is hereby authorized to make and submit necessary applications to the Central Government or any other statutory authority as may be required, settle any question, difficulty or doubt, that may arise in giving effect to this resolution, do all such acts, deeds, matters and things and sign and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters concerned therewith or incidental thereto.”

For and on behalf of the Board

Ramesh D. Grover
Chairman

Mumbai
Dated: 26 August, 2008

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 on 30th day of September, 2008.
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 30th September, 2008.
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.



EXPLANATORY STATEMENT TO ITEM NO. 5

Ms. Aarti Grover is a Master of Business Administration from University of San Francisco, USA. She has more than 5 years of industrial and business experience and has been working for the CMS Group in various assignments.

Your Directors feel that her wide experience would be of great help in leading the Company to a new height and it would be in the interest of the company to appoint her. Hence your directors recommend her appointment as a Business Manager of the Company to head the Sales of the Company. The details of her remuneration are as follows:

Basic Salary : Rs. 70,000/- per month in the scale of (70,000 - 14,000 - 1,40,000).

House Rent Allowance: The Company shall provide suitable living accommodation to the Business Manager. In the alternative she shall be entitled to HRA equal to 40 % of the salary.

Newspaper Allowance: She shall be paid a Newspaper Allowance of Rs.1,250/- per month.

Gas, Electricity & Fuel: At actual. Perquisite to be valued as per Income Tax Rules.

In addition the Business Manager shall be entitled to the following benefits:

1. Company's contribution to the Provident Fund as per the Rules of the Employees Provident Fund Act, 1952.
2. Company's Contribution towards the Superannuation Fund as per the applicable Rules of the Company.
3. Gratuity at the rate of one half month's salary for each completed year of service.
4. Leave Travel Assistance : Leave Travel Assistance for self and family once a year up to one month's salary incurred in accordance with the rules of the Company.
5. Medical Reimbursement of actual expenses for self and family including hospitalization, nursing home and surgical charges incurred in India and abroad.
6. Medical check-up Fees reimbursement at actuals.
7. Reimbursement of Entertainment Expenditure incurred for the business of the Company.
8. Books and Periodicals: She shall be entitled to reimbursement of expenditure upto 72,000/- per annum towards Books and Periodicals.
9. She shall be provided with a car with driver. Expenses for any private use shall be borne by her.
10. Free use of telephone at the residence.
11. Club Fees: Fees of maximum one club excluding admission and life membership fees.
12. Insurance : As applicable to employees in the same class.

KAYCEE INDUSTRIES LIMITED

13. She will be entitled to all leave benefits as applicable to the Senior Executives of the Company, including accumulation and encashment of unavailed leave.

The above remuneration shall be payable subject to the approval of the Central Government, under the provision of the Companies Act, 1956.

Members are requested to kindly approve the appointment and the remuneration to be paid to Ms. Aarti Grover. None of the Director other than Mr. Ramesh D. Grover is interested in the above resolution.

For and on behalf of the Board

Ramesh D. Grover
Chairman

Mumbai
Dated: 26 August, 2008





DIRECTORS' REPORT

1. The Directors' have pleasure in presenting the 65th Annual Report and Audited Statement of Accounts for the year ended 31st March 2008.

2. Financial Results:

(Rupees in Lakhs)

	2007-2008	2006-2007
Turnover (Net)	2021.14	1666.54
Operating Profit	135.50	111.99
Depreciation	19.37	17.93
Profit Before Taxation	116.13	94.06
Provision for taxation	47.41	32.52
Profit after Tax	66.63	57.14
Retained profit Brought forward	84.26	43.08
Transferred to General reserve	20.00	10.00
Proposed Dividend & Dividend Tax	5.96	5.96
Balance Retained In profit and loss account	124.93	84.26

3. Dividend

Considering the overall performance of the company and the need to conserve resources, your Directors are pleased to recommend equity dividend @ 10% (Rs. 10/- Per Share) for the year subject to approval of members in the 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 21.28% from Rs.1666.54 Lacs to Rs.2021.14 Lacs. The company has shown a quantum jump in Net profit after tax from Rs.57.14 Lacs in the previous year to Rs.66.63 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 its Products in the year 2008-09.

The Company has reported further improvement in its first quarter results for the period ending 30th June, 2008. The Net Sales have increased from Rs.417.99 Lacs in the corresponding quarter to Rs.524.97 Lacs. The Net Profit of the Company has also risen from Rs.14.52 Lacs to Rs.22.72 Lacs.

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.

KAYCEE INDUSTRIES LIMITED**6. Deposits:**

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

7. Directors:

Mr. V.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.

8. Directors' Responsibility Statement:

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

- (i) that in the preparation of the annual accounts for the financial year ended 31st March, 2008, 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 31st March, 2008 on a 'going concern' basis.

9. Secretarial Compliance Certificate:

As required under the provision of Section 383A of the Companies Act, 1956, the Secretarial Compliance Certificate is attached as per Annexure-I.

10. Auditor's report :

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

11. Auditors:

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

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

12. Particulars of Employees:

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



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

13. Environment safety and energy conservation:

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

14. Acknowledgement:

Your Directors wish to place on record their sincere thanks to the Bankers and the Government Agencies for their support and look forward to their continued support in the future. Your Directors also wish 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 their competence, hard work, solidarity, cooperation and support have contributed their best efforts for continued progress of the Company. Employee relations continued to remain happy and cordial during the year.

And finally, the Directors acknowledge with gratitude the confidence which the shareholders reposed in them.

For and On behalf of the Board of Directors
KAYCEE INDUSTRIES LIMITED

Ramesh D. Grover
Chairman

Mumbai
Dated: 26 August 2008