

**BOARD OF DIRECTORS**

Aarti R. Grover	Managing Director
Raju Grover	Director
Sona Ramchandani	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.

REGISTERAR 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(West),
Mumbai – 400 078.

OFFICES

Bangalore, Kolkata, Delhi, Chennai, Indore, Nashik, Pune

NOTE :

70th Annual General Meeting will be held at Jainam Banquet Hall, Jainam Arcade, B.M.T.Compund, 100, L.B.S.Marg, Bhandup (W), Mumbai - on Monday 30th September, 2013 at 1.30 P.M.



NOTICE

NOTICE is hereby given that the SEVENTIETH ANNUAL GENERAL MEETING OF THE MEMBERS OF KAYCEE INDUSTRIES LIMITED will be held Jainam Banquet Hall, Jainam Arcade, B.M.T. Compound, 100, L.B.S.Marg, Bhandup (W), Mumbai 400 078, on Monday, the 30th September, 2013 at 1.30 P.M. to transact the following businesses:

ORDINARY BUSINESS:

- 1 To receive, consider and adopt Balance Sheet as at 31st March, 2013 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 Mrs. Sona Ramchandani, Director who retires by rotation and being eligible, offers herself 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:

To consider and pass with or without modification the following resolution as an SPECIAL RESOLUTION :

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and subject to such sanctions/ approvals as may be necessary, the Company hereby accords its approval to the reappointment of and remuneration, perquisites and allowances payable to Ms Aarti Grover, as the Managing Director of the Company for a period of 5 years with effect from October 1, 2013 on the terms and conditions as set out in the draft Agreement to be entered into between the Company and Ms Aarti Grover as placed before the meeting and initialled by the Chairman for the purpose of identification

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to increase, alter and/or vary the remuneration, perquisites, and allowances including the monetary value thereof as specified in the said draft Agreement to the extent the Board of Directors may consider appropriate, and as may be permitted or authorized in accordance with any provisions under the Companies Act, 1956, for the time being in force, provided however, that the remuneration payable to Ms Aarti Grover shall be within the limits set out in the said Act including Schedule XIII to the said Act or any amendments thereto or any modifications or statutory re-enactment(s) thereof and/or any rules or regulations framed thereunder and the terms of the aforesaid Agreement between the Company and Ms Aarti Grover shall be suitably modified to give effect to such variation or increase as the case may be.



RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to execute and sign the Agreement and other documents and take such steps as may be necessary and desirable to implement and give effect to the foregoing resolution.”

By Order of the Board

Place : Mumbai
Date : 30th May, 2013

Aarti Grover
Chairperson

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument appointing a proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 setting out material facts is annexed thereto.
3. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
4. Members are informed that in case of joint holders attending the Meeting, only such joint holder who is higher in order of the names will be entitled to vote.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 23rd September, 2013 to 30th September, 2013 (both days inclusive).
6. 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, 2013.
7. Members are requested to promptly notify any change of address to the Registered Office of the Company.
8. 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.
9. 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. to 1.00 p.m., except Saturday, Sunday and Public holidays, up to the date of the Annual General Meeting.

By Order of the Board

Place : Mumbai
Date : 30th May, 2013

Aarti Grover
Chairperson

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT ,1956**Item No.5:****Re-appointment and increase / revise in remuneration for Mrs.Arati Grover, Managing Director of the Company**

Ms. Aarti Grover, was appointed as Whole Time Director of the company by the Board of Directors with effect from 1st October, 2010 to 30th September, 2013 and subsequently she was re-designated as Managing Director vide Board Meeting held on 14th August, 2012. Now the company wants to re-appoint and revise / increase the remuneration for a period of 5 years from 1st October, 2013 to 30th September, 2018.

Ms. Grover is a Master of Business Administration from the University of San Francisco, USA. She possess rich and extensive experience in the management of CMS Group Companies. She has more than 8 years of experience in the field of product and services administration. Briefly, the terms and conditions of her re-appointment and remuneration of Mrs.Aarti Grover are as follows :

Remuneration :

The remuneration payable to Ms. Aarti Grover as the Managing Director of the Company for a period of Five years with effect from 1st day of October, 2013, till 30th September, 2018 on the following terms and conditions :

Basic Salary: Rs.1,00,000/- per month in the scale of 100000-20000-200000

House Rent Allowance: The Company shall provide suitable living accommodation to Ms.Grover. 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.

Performance Linked Incentive: Ms.Grover would be entitled to a performance linked incentive not exceeding Rs.10,00,000/- (Rupee Ten Lacs only) per annum, as may be decided by the Board of Directors.

In addition, the Managing Director shall be entitled to the following benefits & Perquisites:

Company's contribution to the Provident Fund as per the Rules of the Employees Fund Act, 1952.

1. Company's contribution towards the Superannuation Fund as per the applicable Rules of the Company.
2. Gratuity at the rate of one half month's salary for each completed year of service.
3. Leave Travel Assistance : Leave Travel Assistance for self and family once a year upto one month's salary incurred in accordance with the rules of the Company.
4. Medical Reimbursement of actual expenses for self and family including hospitalization, nursing home and surgical charges incurred in India and abroad. AND medical check-up Fees reimbursement at actual.
5. Books and Periodicals and News Papers : She shall be entitled to reimbursement of expenditure upto Rs.1,00,000/- per annum towards Books and Periodicals.
6. Club Fees : Fees of maximum one club excluding admission and life membership fees.
7. Insurance: As applicable to employees in the same class.



8. She shall be provided with a car with Driver. Expenses for any private use shall be borne by her. (Value as per IT Rules)
9. She will be entitled to all leave benefits as applicable to the Senior Executives of the Company, including accumulation and encashment of unavailed leave.
10. Free use of telephone at the residence.
11. Reimbursement of Entertainment Expenditure incurred for the business of the Company

In the event of loss or inadequacy of profits, she shall be paid the above remuneration as the minimum remuneration.

The proposed resolution is required to be passed as a Special Resolution as required under Section 198, 269, 309 and Schedule XIII to the Companies Act, 1956 and as such, the Directors commend your approval.

Copy of the terms and conditions governing the appointment is available for inspection by members during business hours on any working day before the last date of receipt of the postal ballots by the Company.

Ms.Aarti Grover is the daughter of Mrs. Raju Grover, Director of the Company therefore the Director and Ms. Aarti Grover herself may be deemed to be interested or concerned in this resolution.

The above information be considered as a relevant abstract, as required under Section 302 of the Companies Act, 1956.

The Board therefore recommends this resolution as Special Resolution for your approval.

By Order of the Board

Place : Mumbai
Date : 30th May, 2013

Aarti Grover
Chairperson

DIRECTORS' REPORT

1. The Directors' have pleasure in presenting the 70th Annual Report and Audited Statement of Accounts for the year ended 31st March 2013.

2. **Financial Results:** (Rupees in Lakhs)

	2012-2013	2011-2012
Turnover (Net)	2290.19	2516.27
Operating Profit	121.32	165.07
Depreciation	29.72	27.22
Profit Before Taxation	91.60	137.85
Provision for taxation	26.00	45.68
Profit after Tax	60.65	96.25
Retained profit Brought forward	402.41	332.08
Transferred to General reserve	15	20
Proposed Dividend & Dividend Tax	6.21	5.92
Balance Retained In profit and loss account	441.84	402.4

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:**

Due to the sluggish market conditions of the company, the turnover and profit was marginally lowered in this year. The company gear up in the coming years and expects also a good demand for its products in the year 2013-14.

Turnover decreased by 8.98% i.e. from Rs. 2516.27 Lacs to Rs.2290.19 Lacs. The company has shown a Net profit after tax Rs.60.65 lacs and in the previous year it was Rs.96.25 lacs.

During the year the company had purchased a unit at Ambernath and started its manufacturing activity for its products for above premises. In order to get boost in sales and income, the company has taken this initiative to increase the production of their existing products and also get good demand in the market for the introduction of news products.

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 of the balance sheet date.

7. Board of Directors:

Mrs. Sona Ramchandani, retires by rotation at this Annual General Meeting in accordance with the Companies Act, 1956 and Articles of association of the company. She being eligible, offer herself for reappointment.

8. Appointment of Cost Auditor :

Pursuant to the notification No.F.No.52/26/CAB-2010 dated 24th January, 2012 of Ministry of Corporate Affairs, every company listed on the Exchanges has to compulsorily appoint Cost Auditor for the year 2012-13. The company appointed M/s. Vinayak Kulkarni & Associates, Cost Auditor for the year 2012-13.

Due to reasons beyond, M/s. Vinayak Kulkarni has resigned during the year and in turn Mr.Vinod Subramanian, Cost Auditor appointed by the Board of Directors in place of him. The cost audit for the year 2012-13 was conducted by the said cost auditor and all the compliances with respect to the Cost Audit was complied.

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 31st March, 2013 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 judgments 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, 2013 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. 60 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

MUMBAI
DATED : 30th May, 2013

Aarti Grover
Chairperson



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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@gmail.com

SECRETARIAL COMPLIANCE CERTIFICATE
CIN of the Company: L70102MH1942PLC006482
Authorised Share Capital: Rs. 97,50,000/-
Paid-up Share Capital: Rs. 53,47,000/-

To,
The Members
Kaycee Industries Limited
Kamani Chambers, 32, Nicol 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 **31st March, 2013**. 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 unless stated otherwise.
3. the Company being a public limited Company, has a paid-up Capital of Rs. 53,47,000/-.
4. the Board of Directors duly met 12 times on 09.04.2012, 15.05.2012, 28.06.2012, 14.08.2012, 29.08.2012, 15.10.2012, 09.11.2012, 02.01.2013, 28.01.2013, 12.02.2013, 15.02.2013 and 22.03.2013, 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 from 20.09.2012 to 28.09.2012 (both days inclusive) in order to comply with the provisions of Section 154 of the Act.
6. the Annual General Meeting for the financial year ended on 31.03.2012 was held on 28.09.2012 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 financial 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 not 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. as there were no instances during the year falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government.
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) 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 during the year Mr. Aaloke Ghosh resigned as a Director of the Company w.e.f. 02.04.2012, designation of Ms. Aarti Rameshdutt Grover was changed from Whole Time Director to Managing Director of the Company w.e.f. 14.08.2012, Confirmed Ms. Aarti Rameshdutt Grover's appointment from additional director to director and Ms. Sona Purshottam Ramchandani as a Director of the Company in the AGM held on 28.09.2012. However, while submitting Form 32 for confirmation of Ms. Aarti Grover as director from additional director, the option "director" was selected instead of "Managing Director" and thus the MCA system reflected the designation as "Director" post submission of the Form. Therefore, the Company submitted another Form 32 in order to correctly reflect the designation on the MCA portal.
15. the Company has changed designation of Ms. Aarti Grover from Whole Time Director to Managing Director of the Company during the financial year under review and complied with the provisions of the Act.
16. the Company has not appointed any sole-selling agents during the financial year.
17. the Company was not required to obtain any approvals of the Company Law Board, Regional Director, Registrar of Companies and/or such authorities prescribed under the various provisions of the Act during the financial except that of the Central Government to the appointment of and remuneration payable to Ms. Aarti Grover as Whole Time Director of the Company for which Form 25A was filed on 05th June, 2012 with the Ministry of Corporate affairs ("MCA"), Central Government. MCA thereafter raised a query that the Company has not circulated abstract u/s 302 to the members of the company. The Company then circulated the abstract u/s 302 of the Companies Act, 1956 as per the instructions of MCA and filed another form - 225A on March 4, 2013 (vide SRN - B69409969) with MCA. The status of First SRN : B40581233 is "Approved" and the status of the second SRN : B69409969 is rejected.
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.