

77th ANNUAL REPORT / 2019-20



KAYCEE INDUSTRIES LIMITED

Kaycee for Commitment...

Kaycee for Quality...

KAYCEE INDUSTRIES LIMITED

CIN: L70102MH1942PLC006482

Board Members

Mr. N Rangachary	Chairman - Independent Director (Appt. On 27-09-2019)
Mr. Chandra Prakash Jain	Whole Time Director
Mr. R Doraiswamy	Non Executive And Non Independent (Appt. On 27-09-2019)
Mr. D Rajeshkumar	Non Executive And Non Independent (Appt. On 29-07-2019)
Mr. Jayaraman Balasubramanian	Independent Director Addl. Director (Appt. On 27-09-2019)
Mr. Jitendra Kantilal Vakharia	Independent Director (Appt. On 29-07-2019)
Mr. Dileep Gupte Keshavrao	Independent Director (Appt. On 29-07-2019)
Mrs. Manimegalai Arumugam	Non Executive And Non Independent (Addl. Director, (Appt. On 21-01-2020)
Mrs. Aarti Grover	Managing Director (Resigned On 27-09-2019)
Mrs. Raju Grover	Non Executive And Non Independent (Resigned On 27-09-2019)
Mrs. Sona Ramchandani	Independent Director (Resigned On 27-09-2019)
Mrs. Savitri Butani	Independent Director (Resigned On 27-09-2019)
Mrs. Pramila Merani	Independent Director (Resigned On 21-01-2020)

Vice President (Finance And Administrations)

Mr. K Raman

Chief Financial Officer

Mr. Deepak Potdar

Registered Office

Old Kamani Chambers,
32 Ramjibhai Kamani Marg,
Ballard Estate, Mumbai - 400 001.
Contact: 022-22613521/22/23
Website : www.kayceeindustries.com

Factory Address

Plot No. F-25,
Addl. Ambarnath Industrial Area,
Anand Nagar, Ambarnath (East),
Thane - 421 502.

Bankers

Saraswat Bank, S M E Nariman Point, Mumbai.

Auditors

M/S A. R. Sodha & Co.
Chartered Accountants
101, "Ashiana", 11th Road,
T.P.S. III, Opp. B.M.C. Hospital,
Santacruz (East), Mumbai - 400 055.

AASHIT DOSHI & ASSOCIATES
Practicing Company Secretaries
B/16, Krupali, Saibaba Nagar,
Borivali (W), Mumbai - 400 092.

Registrar and Share Transfer Agent

Datamatics Financial Services Limited
Plot No. A-16 & 17, Part 'B' Cross Lane,
MIDC, Andheri (E), Mumbai - 400 093.
Contact : 022-66712188 • Website : www.datamatics.com

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NOTICE

NOTICE is hereby given that the **SEVENTY SEVENTH ANNUAL GENERAL MEETING** of the Members of **KAYCEE INDUSTRIES LIMITED** will be held on **Friday, August 07, 2020, at 11.30 A.M.** through Video Conferencing / Other Audio Visual Means (VC) to transact the following business:-

ORDINARY BUSINESS:

Item No. 1 – Adoption of financial statements

To consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2020 and the reports of the Board of Directors with its annexures and auditors thereon;

“RESOLVED THAT the Audited Financial Statement comprising of Balance Sheet as at March 31, 2020, Statement of Profit and Loss for the year ending on that date, Cash Flow statement and Statement of Changes in Equity as on that date and the Reports of the Board of Directors alongwith annexures and Auditors thereon, as circulated to the Shareholders, be and are hereby received, considered and adopted.”

Item No. 2 – Declaration of dividend

To declare a final dividend of Rs. 30 per equity share for the year ended March 31, 2020.

“RESOLVED THAT a dividend at the rate of Rs. 30 per equity share of Rs. 100/- each fully paid-up of the Company be and is hereby declared for the Financial year 2019–20 and the same be paid as recommended by the Board of Directors, out of the Profit of the Company for the financial year ended March 31, 2020.”

Item No. 3 – Appointment of Mr. D Rajeshkumar Doraiswamy as a director liable to retire by rotation

To appoint a director in place of Mr. D Rajeshkumar Doraiswamy (DIN: 00003126), who retires by rotation and, being eligible, seeks for re-appointment.

“RESOLVED THAT in pursuance of Section 152 of the Companies Act 2013, read with Article 178 of the Articles of Association of the Company, Mr. D Rajeshkumar Doraiswamy (DIN: 00003126), a retiring Director at this Annual General Meeting be and is hereby re-appointed as a Director of the Company, subjected to determination of his office by means of retirement by rotation at the Annual General Meeting.”

SPECIAL BUSINESS

Item No. 4 – Appointment of Mr. Balasubramanian Jayaraman as an independent director

To consider and, if thought fit, to pass, with or without modifications, the following resolutions as Ordinary Resolutions:-

“RESOLVED THAT Mr. Balasubramanian Jayaraman (DIN: 01525552), who was appointed as an additional and independent director by the Board at its meeting held on September 27, 2019 with

the term of office till the conclusion of this Annual General Meeting, pursuant to Sections 149, 152 and 161 and other relevant provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Articles of Association of the Company, approvals and recommendations of the Nomination and Remuneration Committee, and that of the Board, be and is hereby appointed as an independent director, not liable to retire by rotation, for a period of two years -up to September 26, 2021.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers to any committee of directors with power to further delegate to any other officer(s) / authorized representative(s) of the Company to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

Item No. 5 – Appointment of Mrs. Manimegalai Arumugam as Non-Executive Director liable to retire by Rotation.

To consider and, if thought fit, to pass, with or without modifications, the following resolutions as Ordinary Resolutions:-

“RESOLVED THAT Mrs. Manimegalai Arumugam (DIN **02536666**) who was appointed as an Additional Director of the Company by the Board at its meeting held on January 21, 2020 pursuant to the provisions of Section 161 of the Companies Act, 2013 and who holds office upto the date of this Annual General Meeting, as recommended by the Nomination and Remuneration Committee and that of the Board, be and is hereby appointed as Director of the Company, designated as Non Executive and Non Independent, with a term of office subject to retirement by rotation.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers to any committee of directors with power to further delegate to any other officer(s) / authorized representative(s) of the Company to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

Item No. 6 : Re-appointment of Mr. Chandra Prakash Jain as a Whole Time Director of the Company

To consider and, if thought fit, to pass, with or without modifications, the following resolutions as Special Resolutions:

“RESOLVED FURTHER THAT in view of his erstwhile term of office stands ceased on June 05, 2020 as a Defacto cessation due to non-confirmity of Provisions of Section 196 of the Companies Act 2013 (**“the Act”**), now pursuant to the provisions of Sections 196, 197, 203 read with schedule V and other applicable Provisions, if any, of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any Statutory modification from time to time or any enactment thereof for time being in force and based on the recommendation of Nomination and Remuneration Committee the consent of the Members be and is hereby accorded

to the re-appointment of Mr. Chandra Prakash Jain (DIN: 07337778) as Whole Time Director of the Company as made by the Board at its meeting held on June 09, 2020 for a period of three years with effect from June 09, 2020 on a remuneration and such other terms and conditions hereinafter mentioned:

- a) Salary: Rs. 15,00,000/- p.a.
- b) Allowances & Perquisites
 - i. Medical benefits for self and family;
 - ii. Reimbursement and/or abroad of all expenses actually incurred in India
 - iii. Leave travel concession for self, wife and minor children once a year.
 - iv. Premium on personal accident insurance policy as per the Company's Rules,
 - v. Premium on medical insurance for self and family as per the Company's Rules.
 - vi. Company Contribution towards Provident Fund as per the Rules of the Company but not exceeding 12% of the Salary
 - vii. Gratuity not exceeding one half month's salary for each completed year of service.
 - viii. Encashment of leave as per rules of the Company.
 - ix. Free use of car with driver for official use,
 - x. Free telephone facility at residence including mobile phone for official use."

"RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits in any financial year during his tenure, the Company shall pay Mr. Chandra Prakash Jain, Whole Time Director, the remuneration by way of salary, perquisites, commission or any other allowances as specified above in accordance with the limits specified under Schedule V of the Companies Act, 2013 or such other relevant provisions and limits as may be prescribed by the Government from time to time in this regard."

"RESOLVED FURTHER THAT the Board of Directors (which term shall always be deemed to include any Committee as constituted or to be constituted by the Board to exercise its powers including the powers conferred under this resolution) be and is hereby authorized to vary the remuneration specified above from time to time to the extent the Board of Directors may deem appropriate, provided that such variation is within the overall limits as specified under the relevant provisions of the Companies Act, 2013 and/or as approved by any competent authority prescribed in the Act and rules as are applicable from time to time and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable in the said regard."

"RESOLVED FURTHER THAT based on the recommendation of Nomination and Remuneration Committee and that of the Board, the consent of the Members be and is hereby accorded without any prejudice to the complete waiver the refund of the remuneration drawn by Mr. Chandra Prakash Jain in respect of his period from February 12, 2019 till June 08, 2020."

“RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers to any committee of directors with power to further delegate to any other officer(s) / authorized representative(s) of the Company to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

“RESOLVED FURTHER THAT aforesaid term of office of Mr. Chandra Prakash Jain be hereby subjected to determination by retirement by rotation in terms of Section 152 of the Companies Act, 2013.”

Item No. 7 : Material Related Party Transactions with Salzer Electronics Limited

To consider and, if thought fit, to pass, with or without modifications, the following resolutions as Ordinary Resolutions:

“RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 (“the Act”) read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“the Listing Regulations”) (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and subject to such other approvals, consents, permissions and sanctions of other authorities as may be necessary, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board), to ratify/approve all existing contracts/arrangements/ agreements/ transactions and to enter into new/ further contracts/ arrangements/ agreements/ transactions (including any modifications, alterations, amendments or renewal thereto), in the ordinary course of business and on arm’s length basis with the Holding Company - Salzer Electronics Limited (“SEL”), being ‘Related Party’ within the meaning of the Act and the Listing Regulations, as more particularly enumerated hereunder on such terms and conditions as may be agreed between the Company and SEL.”

- | | | | |
|----|---|---|--|
| 1. | Name of the related party | : | Salzer Electronics Limited |
| 2. | Name of the relationship | : | Holding Company |
| 3. | Duration of Contract / Arrangement | : | On Regular nature |
| 4. | Salient Features of Contract / Arrangement | : | Buying and selling of the products and Availing and Rendering of services in the ordinary course of business and pricing at arm’s length basis |
| 5. | Date of Approval of the Board / Audit Committee | : | October 24, 2019 |
| 6. | Value of Transaction for the year ended on March 31, 2020 | : | Rs. 24.89 Lakhs |
| 7. | Maximum Value / limit of Contract / Arrangement | : | Rs. 15 Crs per Annum |

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.”

By the order of the Board of Directors

Sd/-

Chandraprakash Jain

Whole Time Director

(DIN : 07337778)

Date : June 09, 2020

Place : Mumbai

Notes:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No. 17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, physical attendance of the Members to the Annual General Meeting (AGM) venue is not required and AGM be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing 77th AGM through VC/OAVM as organized.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
3. The Members can join the AGM in the VC/OAVM mode 30 minutes before and 15 Minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Members whose shareholding is in electronic mode are requested to direct notifications about change of address and updates about bank account details to their respective depository participants(s) (DP). Members whose shareholding is in physical mode are requested to opt for the Electronic Clearing System (ECS) mode to receive dividend on time in line with the Circulars. We urge members to utilize the ECS for receiving dividends.

6. Members may note that the Board of Directors, in its meeting held on June 09, 2020 has recommended a final dividend of Rs. 30 per Equity share of Rs. 100/- each. **The record date for the purpose of final dividend for fiscal 2020 will be on August 04, 2020.** The dividend, once approved by the members in the ensuing AGM will be paid within the stipulated time from the date of AGM, electronically through various online transfer modes to those members who have updated their bank account details. For members who have not updated their bank account details, dividend warrants / demand drafts / cheques will be sent out to their registered addresses once the postal facility is available. To avoid delay in receiving the dividend, members are requested to update their KYC with their depositories (where shares are held in dematerialized mode) and with the Company's Registrar and Transfer Agent ("RTA") – M/s. Datamatics Financial Services Ltd (where shares are held in physical mode) to receive the dividend directly into their bank account on the payout date.
7. Members may note that the Income Tax Act, 1961, ("the IT Act") as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a company after April 01, 2020 shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source (TDS) at the time of making the payment of dividend. In order to enable us TDS rate as applicable, members are requested to submit the following documents in accordance with the provisions of the IT Act.

- a) **For resident shareholders**, taxes shall be deducted at source under Section 194 of the IT Act as follows:

Members having valid PAN	7.5% or as notified by the Government of India
Members not having PAN / valid PAN	20% or as notified by the Government of India

However, no tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by them during Financial Year 2020-21 does not exceed Rs. 5,000 and also in cases where members provide Form 15G / Form 15H (applicable to individuals aged 60 years or more) subject to conditions specified in the IT Act. Resident shareholders may also submit any other document as prescribed under the IT Act to claim a lower / Nil withholding tax. Registered members may also submit any other document as prescribed under the IT Act to claim a lower / Nil withholding tax. PAN is mandatory for members providing Form 15G / 15H or any other document as mentioned above.

- b) **For non-resident shareholders**, taxes are required to be withheld in accordance with the provisions of Section 195 and other applicable sections of the IT Act, at the rates in force. The withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) or as notified by the Government of India on the amount of dividend payable. However, as per Section 90 of the IT Act, non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) between India and the country of tax residence of the member, if they are more beneficial to them.

For this purpose, i.e. to avail the benefits under the DTAA, non-resident shareholders will have to provide the following :

- i) Copy of the PAN card allotted by the Indian Income Tax authorities duly attested by the member
- ii) Copy of Tax Residency Certificate (TRC) for the FY 2020-21 obtained from the revenue authorities of the country of tax residence, duly attested by member
- iii) Self-declaration in Form 10F
- iv) Self-declaration by the shareholder of having no permanent establishment in India in accordance with the applicable tax treaty
- v) Self-declaration of beneficial ownership by the non-resident shareholder
- vi) Any other documents as prescribed under the IT Act for lower withholding of taxes if applicable, duly attested by member In case of Foreign Institutional Investors / Foreign Portfolio Investors, tax will be deducted under Section 196D of the IT Act @ 20% (plus applicable surcharge and cess)

The aforementioned documents are required to be uploaded on the shareholder portal at anand_bhilare@datamaticsbpm.com and Rajendra_Jadhav@datamaticsbpm.com.

8. Members wishing to claim dividends that remain unclaimed are requested to correspond with the RTA as mentioned above, or with the Company at the Company's registered office. Members are requested to note that dividends that are not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to the Investor Education and Protection Fund (IEPF). Shares on which dividend remains unclaimed for seven consecutive years shall be transferred to the IEPF as per Section 124 of the Act, read with applicable IEPF rules.
9. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.
10. The Board of Directors has appointed Mr. Aashit Doshi, Practicing Company Secretary as the Scrutinizer to scrutinize the voting at the meeting and remote e-voting process in a fair and transparent manner.

11. The facility for voting shall also be made available at the AGM and the Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the AGM.
12. The Members who have casted their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
13. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at <http://www.kayceeindustries.com/>. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
14. The e-voting period commences on August 04, 2020, Tuesday at 9:00 A.M. and ends on August 06, 2020, Thursday at 05 :00 P.M. During this period, members holding share either in physical or dematerialized form, as on cut-off date, i.e. as on July 31, 2020, Friday may cast their votes electronically. The e-voting module will be disabled by NSDL for voting thereafter. A member will not be allowed to vote again on any resolution on which vote has already been cast. The voting rights of members shall be proportionate to their share of the paid-up equity share capital of the Company as on the cut-off date, i.e. as on July 31, 2020.
15. Any person who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he / she is already registered with NSDL for remote e-voting then he / she can use his / her existing user ID and password for casting the vote
16. In compliance with the Circulars, the Annual Report 2019-20, the Notice of the 77th AGM, and instructions for e-voting are being sent only through electronic mode to those members whose email addresses are registered with the Company / depository participant(s)
17. Additional information, pursuant to Regulation 36 of the Listing Regulations, in respect of the directors seeking appointment / reappointment at the AGM, forms part of this Notice
18. SEBI has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participant(s). Members holding shares in physical form are required to submit their PAN details to the RTA.
19. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit these details to their DP in case the shares are held by them in electronic form, and to the RTA in case the shares are held in physical form.