

# **KAY POWER AND PAPER LIMITED**



**26th  
Annual Report  
2016-2017**



**KAY POWER AND PAPER LIMITED**  
(Formerly KAY PULP AND PAPER MILLS LTD.)

- BOARD OF DIRECTORS** : 1. Mr. Niraj Chandra Chairman and Managing Director  
2. Ms. Deepa Agarwal - Director  
3. Mr. Arvind V. Kulkarni - Director  
4. Mr. Kaustubh Wadikar - Director  
5. Mr. Sandeep Shahapurkar - Director
- COMPANY SECRETARY** : Mr. Sagar Mohite
- AUDITORS** : M/s. GODBOLE & COMPANY  
Chartered Accountants  
F-3, Manali Apartment,  
4/2, Kesarkar Peth,  
Satara -: 415002
- BANKERS** : IDBI Bank Ltd.  
HDFC Bank Ltd.
- REGISTERED OFFICE** : Gat No. 454/457,  
Village Borgaon, Tal Dist- Satara - 415519  
Maharashtra
- CORPORATE IDENTITY NO. (CIN)** : L21099MH1991PLC061709
- INVESTOR SERVICE CELL** : Liaison Office : Plot no. B -54,  
OLD MIDC Area, Satara - 415004  
Maharashtra. Email ID - kppl.secretarial@gmail.com
- WEBSITE** : [www. Kaypowerandpaper.com](http://www.Kaypowerandpaper.com)

**TWENTY SIXTH ANNUAL GENERAL MEETING**  
**18<sup>TH</sup> SEPTEMBER, 2017**

- Time** : 3.00 p.m.  
**Venue** : **Registered Office**  
Gat No. 454/457,  
Village Borgaon,  
Tal Dist-Satara-415519  
Maharashtra



### NOTICE

NOTICE is hereby given that the Twenty Sixth Annual General Meeting of the Members of KAY POWER AND PAPER LIMITED will be held at 3.00 p.m. on Monday, 18th September, 2017 at the Registered Office of the Company at Gat No. 454/457, Village Borgaon, Tal. Dist. Satara-415519, Maharashtra, to transact the following business :

### ORDINARY BUSINESS:

1. To consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2017, the reports of the Board of Directors and Auditors thereon;
2. To appoint a Director in place of Mr. Arvind Kulkarni (DIN: 06378344), who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment.
3. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

The term of existing auditor M/s. Godbole & Co. Chartered Accountant, Satara will expire at the conclusion of 26th Annual General Meeting by rotation as per the Section 139 (2) of the company's act 2013 and rules made thereunder and as per the said provision, company cannot appoint such auditor for next Five years after expiry of his term. Further the board has recommend to the Members to appoint M/s. A.C. Doshi & Co. Chartered Accountant, Satara as statutory auditor of the company in the place of M/s. Godbole & Co. for the term of five years from the conclusion of this 26th Annual General Meeting to the conclusion of 31st Annual General Meeting of the company which will be held in the year 2022 (From the Financial Year 2017-18 to 2021-22). Further the company has received

necessary consent from Mr. A.C. Doshi as per the section 141 of the Companies Act 2013 for appointment as a statutory auditor of the company.

Further the said appointment is subject to ratification of auditor in every Annual General Meeting of the company.

**"RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Audit and Auditors) Rules, 2014, M/s. A.C. Doshi & Co, (M. No. 103730), Chartered Accountants, Satara the Auditors, be and are hereby appointed as the Auditors of the Company to hold office for 5 (Five) years from the conclusion of 26th Annual General Meeting until the conclusion of the 31st Annual General Meeting of the Company to be held in the calendar year 2022, subject to ratification of their appointment at every Annual General Meeting and that the Board of Directors of the Company and/or the Audit Committee of the Company be and are hereby authorized to fix their remuneration for the said period and reimbursement of actual out of pocket expenses, as may be incurred in the performance of their duties."

**FURTHER RESOLVED THAT** they may be paid the remuneration which may be decided by the Board of Directors of the Company or committee thereof."

### SPECIAL BUSINESS:

**Item No. 4:- To borrow money, where the money to be borrowed, together with the money already borrowed by the company will exceed aggregate of its paid-up share capital and free reserves, apart from temporary loans obtained from the company's bankers.**

To consider and if thought fit, to pass with or without modifications as may be practical and

permissible the following Resolution as a **SPECIAL RESOLUTION:-**

**"RESOLVED THAT** pursuant to the provisions of Section 180 (1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) (hereinafter referred to as the "Act"), consent of the members, be and is hereby accorded to the Board of Directors (hereinafter referred to as the "Board" which term shall be deemed to include any committee(s) constituted/to be constituted by the Board to exercise its powers including the powers conferred by this resolution) for borrowing, on behalf of the Company, any sum or sums of money, from time to time, as they may consider fit, any sum of money, in any manner, and without prejudice to the generality thereof, by way of loans, advances, credits, acceptance of deposits or otherwise in Indian rupees or any other foreign currency, from any bank or banks, or any financial Institutions, other person or persons, and whether the same may be secured or unsecured, and if secured, whether domestic or international, whether by way of mortgage, charge, hypothecation, pledge or otherwise in any way whatsoever, on, over or in any respect of all, or any of the Company's assets and effects or properties including uncalled capital, stock in trade (including raw materials, stores, spares and components in stock or stock in transit), notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) and remaining un-discharged at any given time, will or may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose so however that the total amount up to which money may be borrowed by the

Board under this resolution, at any one time shall not exceed, in the aggregate, the sum of Rs. 225/- Crores (Rupees Two Hundred and Twenty Five Cores Only) and /or in equivalent foreign currency;

**RESOLVED FURTHER THAT** the Board be and is hereby authorised, to do all such acts, deeds, matters and things as may be necessary, expedient and usual to implement this resolution."

By Order of the Board of Directors  
For KAY POWER AND PAPER LTD.

Place : Satara

Date : 25<sup>th</sup> July, 2017

NIRAJ CHANDRA

CHAIRMAN &  
MANAGING DIRECTOR

**NOTES:**

1. A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.



2. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto and all related documents of explanatory statement are available for inspection in physical or in electronic form during business hours of the company at the Registered Office of the company.
3. Brief resume of Directors including those proposed to be re-appointed, as stipulated under Regulation 36(3) Securities and Exchange Board of India (listing obligations and Disclosure requirements) regulations, 2015, are provided in the Corporate Governance Report forming part of the Annual Report.
4. Register of Members and Share Transfer Books of the Company will be closed from Monday, 11th September, 2017 to Monday, 18th September, 2017 (Both Days inclusive).
5. In case, members wish to ask for any information about accounts and operations of the Company, they are requested to send their queries in writing at least 7 days in advance of the date of the Meetings so that the information can be made available at the time of the Meeting.
6. Shareholders can send all documents/transfers, share certificates and all communications directly to Registrar and Transfer Agent at the address given below:-
7. The shares of the Company are compulsorily traded in demat. The shareholders who have not dematerialised their shares are requested to opt for demate rialisation of their share holding by opening DP account with nearest Depository Participant at the earliest, which will facilitate smooth purchase/sale of shares of the Company.
8. The Ministry of Corporate Affairs ("MCA") has started "Green Initiative in Corporate Governance", which provides for paperless compliances by companies through electronic mode. In accordance with provisions of Companies Act 2013, and as per the regulation 36 (1) Securities and Exchange Board of India (listing obligations and Disclosure requirements) regulations, 2015 companies can now send documents and other notices to shareholders through electronic mode to promote paperless compliances.

Therefore we request the Members who have not registered or updated their e-mail addresses so far to register/update their e-mail address with their Depository Participants (DP). Members holding shares in physical mode can then download E-Communication Registration Form from our companies website fill up the same and send to the Registrar and Share Transfer Agent (RTA) on given address or Email- dematremat@linkintime.co.in\rnt.helpdesk@linkintime.co.in or kppl.secretarial@gmail.com.

M/s. Link Intime India Private Limited.,  
Unit: KAY POWER AND PAPER LTD.  
C 101, 247 Park, 1st Floor, L.B.S. Marg,  
Vikhroli (W), Mumbai - 400083.  
Tel No: 022 49186000 (F) 49186060  
Email ID:-dematremat@linkintime.co.in/  
rnt.helpdesk@linkintime.co.in .

All the communication i.e. Annual Report, Notices and other documents shall be sent to all registered shareholders in electronic form. Please note that these documents shall also be available at the Company's website [www.kaypowerandpaper.com](http://www.kaypowerandpaper.com) for downloading.

However, Members who are desirous of obtaining hard copy of the Notice, Annual Reports and other documents may forward their written request to the Company/RTA for the same

9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or RTA.
10. Members attending the Annual General Meeting are requested to bring the following for admission to the meeting hall (as applicable).
  - a) Attendance Slip duly completed and signed as per the specimen signature lodged with the Company.
  - b) Members holding shares in dematerialized form, their DP and Client ID number(s).
  - c) Members holding shares in physical form, their folio number(s).
  - d) Copy of the Annual Report (2016-17).
11. Members holding shares in physical form are requested to notify immediately any change in their address along with address proof, i.e. Electric/ Telephone Bill, Driving License or a copy of the Passport and bank particulars to the Company or its Registrar & Share Transfer Agent and in case their shares are in dematerialised form, this information should be passed on directly to their respective Depository Participants and not to the Company/ RTA

12. In terms of Section 72 of the Companies Act, 2013, nomination facility is available to an Individual Member. Members holding share physical form may utilise the nomination facility available by sending prescribed Form SH. 13 duly filled to our Registrars and Share Transfer Agents viz. M/s. Link Intime India Private Limited, Unit:- Kay Power and Paper Limited, C 101, 247 Park, 1st Floor, L.B.S. Marg, Vikhroli (W), Mumbai - 400083. Members holding shares in dematerialised form has to send their "nomination" request to the respective Depository Participants.

13. In all correspondence with the Company, members are requested to quote their account/ folio numbers and in case their shares are held in the dematerialised form, they must quote their DP ID. and Client ID. No(s).

#### **14. I. Voting through Electronic Means**

- a) a) In compliance with the provisions of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 and Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rule 2014 as amended by the Companies (Management and Administration) Amendment Rules 2015, the Company is offering e-voting facility to all its Members to enable them to exercise their right to vote on all matters listed in this Notice of 26th AGM by electronic means and the business may be transacted through e-voting services. The facility of casting votes by the members using an electronic voting system from a place other than venue of the AGM ('remote e-voting') will be provided by Central Depository Services (India) Limited (CDSL).



b) The facility for voting through ballot paper or polling paper shall be made available at the AGM venue also and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot/ Polling paper.

c) The members who have cast 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.

For this purpose, the Company has entered into an Agreement with Central Depository Services (India) Limited (CDSL) for facilitating e-voting.

**The instructions for shareholders voting electronically are as under:**

The voting period begins on Friday 15th September 2017 at 9.00 am. and ends on Sunday 17th September 2017 at 5.00 pm. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 11th September 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).

Click on Shareholders / Members

Now Enter your User ID

For CDSL: 16 digits beneficiary ID,

For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

Members holding shares in Physical Form should enter Folio Number registered with the Company.

Next enter the Image Verification as displayed and Click on Login.

If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted

on an earlier voting of any company, then your existing password is to be used.

If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

After entering these details appropriately, click on "SUBMIT" tab.

Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

Click on the EVSN for the relevant <Company Name> on which you choose to vote.

On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

Note for Non - Individual Shareholders and Custodians

Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.

A scanned copy of the Registration Form bearing the stamp and sign of the entity should be

emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

#### **STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("the Act")**

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice.

#### **Item no. 4**

Keeping in view the Company's existing and future financial requirements to support its business operations, the Company needs additional funds. For this purpose, the Company is desirous of raising finance from various Banks and/or Financial Institutions and/or any other lending institutions and/or Bodies Corporate and/or such other persons/ individuals as may be considered fit, which, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up capital and the free reserves of the Company. Hence it is proposed to fix the maximum





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borrowing limits upto Rs. 225 crores (Rupees Two Hundred and Twenty Five Crores only). Pursuant to Section 180(1)(c) of the Companies Act, 2013, the Board of Directors cannot borrow more than the aggregate amount of the paid up capital of the Company and its free reserves at any one time except with the consent of the members of the Company in a general meeting. The Board recommends these resolutions for the approval of the members as a Special Resolutions.

None of the Directors and key managerial personnel of the Company or their respective relatives are concerned or interested in the said Resolution.

By Order of the Board of Directors  
For KAY POWER AND PAPER LTD.

Place: Satara  
Date: 25th July, 2017

NIRAJ CHANDRA  
CHAIRMAN &  
MANAGING DIRECTOR



## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting Twenty Sixth Annual Report on the business and operations of your Company and Audited Financial Statement for the year ended 31st March, 2017.

## FINANCIAL RESULTS :

	(Rs. in lacs)	
	<u>2016-17</u>	<u>2015-16</u>
Revenue from operations (Net)	<b>3466.85</b>	3477.36
Misc Sale (Net)	<b>1.08</b>	0.23
Other Income	<b>386.67</b>	195.08
<b>Total Revenue</b>	<b>3854.60</b>	3672.67
Less: Expenses		
Cost of material consumed	<b>2595.27</b>	2588.04
Changes in Inventories of finished Goods & Work in Progress	<b>16.05</b>	25.61
Manufacturing Expenses	<b>612.96</b>	585.75
Employee Benefit Cost	<b>91.69</b>	86.70
Finance cost	<b>40.76</b>	
Depreciation and amortisation Expenses	<b>90.63</b>	79.47
Other Expenses	<b>219.96</b>	147.83
<b>Total Expenses</b>	<b>3667.32</b>	3513.42
<b>Net Profit</b>	<b>187.28</b>	159.26

## OPERATIONS :

During the year under review, only Paper Division was operational through out the year and produced 15238.48 M.T of Kraft Paper and achieved sales of Rs. 3467.94 Lacs as Compared to 15096.18 M.T' and Rs. 3477.36 Lacs of the previous year. The net profit was

Rs. 187.28 Lacs as against Rs. 159.26 Lacs of the previous year.

Company could not run Power Division due to non-availability of bagasse, the raw material for Power generation during the year.

## PROSPECTS :

The streamlined operations of Paper Division will continue to give good results during the current year too.

## ABOLITION OF SICK INDUSTRIAL COMPANIES ACT (SICA):

The Ministry of Finance vide a notification dated 25th November 2016, has repealed the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) with effect from 1st Dec, 2016 and any appeal preferred to the Appellate Authority or any reference made or inquiry pending to or before the BIFR Board or any proceeding of whatever nature pending before the Appellate Authority or the BIFR Board under the Sick Industrial Companies (Special Provisions) Act, 1985 (1 of 1986) shall stand abated. Further such appeal or reference or inquiry stands abated under this clause may make application to the National Company Law Tribunal (NCLT) under the Insolvency and Bankruptcy Code, 2016 (IB CODE) within one hundred and eighty days from the commencement of the respective provisions of Insolvency and Bankruptcy Code, 2016 (IBC 2016).

With view of the above and the fact that the company was registered under BIFR, company had initially decided to file the application to the National Company Law Tribunal (NCLT) in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016 to continue the protection which it had received from the BIFR Board and to request the extension of period for repayment of deferred sales tax liability, extension of period for fulfilment of unfulfilled export obligation and allotment of share against the pending share applications. But later on, Maharashtra sales tax dept' has agreed to provide the extension for repayment of sales tax liability. Further company has already agreed



to pay the fixed monthly instalments for the repayment of outstanding term loan with the M/s. Indian Renewable Energy Development Agency Limited (IREDA). As aforesaid company has settled its major dues with the lenders and creditors, then there is no need to go to NCLT for said protection.

According to the above, company has decided not to go for NCLT application to get the protection under the Insolvency and Bankruptcy Code, 2016.

**DIVIDEND:**

In view of the small profit and carried forward losses of the Company, it is not possible for your Directors to recommend any dividend.

**MATERIAL CHANGES AND COMMITMENT**

There are no material changes and commitments affecting the financial position of the Company occurred between the ends of the financial year to which this financial statement relate on the date of this report.

**FIXED DEPOSIT:**

As on 31st March, 2017, Company has no fixed deposits.

**CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED****PARTIES**

During the year under review, company has entered into the material contract with related party as defined under Section 188 of the Companies Act, 2013. Accordingly report in form AOC 2 as required under the sub-section 2 of section 188 of Companies Act, 2013 for disclosing material related party transactions along with the justification for entering into such contract /arrangement is enclosed in Annexure I in this Board Report forms part of the Annual Report.

Transactions which were entered with the related parties on ordinary course of business and based on arm's length prices with the prior approval of audit committee are mentioned in the note no. 34 of financial statement in this Annual Report.

**SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

The Company does not have any Subsidiary, Joint venture or Associate Company.

**DIRECTORS:**

Mr. Arvind Kulkarni, director of the company retire by rotation in ensuing general meeting and being eligible offers himself for re-appointment at the ensuing Annual General Meeting. The necessary resolution is being put in the Notice of the ensuing Annual General Meeting for the consideration of the Members.

Mr. Niraj Chandra, Chairman and Managing director of the company has re-appointed in the 25th AGM held on 19th Sept, 2016 for further period of five years with effect from 01/01/2017 as a Chairman and Managing Director of the Company.

**BOARD EVALUATION**

Pursuant to provisions of the Companies Act 2013 and SEBI Regulations mandates that the Board shall monitor and review the Board evaluation framework. The Companies Act, 2013 states that a formal annual evaluation needs to



be made by the Board of its own performance and that of its committees and individual directors.

The evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board.

The evaluation process has been explained in the Corporate governance report section in this Annual Report. The Board approved the evaluation results as collate by the nomination and remuneration committee.

None of the independent directors are due for re-appointment.

### **NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW:**

The Company had 6 (Six) Board meetings during the financial year under review. The Details thereof are given in the corporate Governance Report. The intervening gap between the meeting was within the period prescribed under the companies Act, 2013

### **DIRECTORS RESPONSIBILITY STATEMENT:**

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement:-

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) We have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of 31st March, 2017 and of the profit and loss of the company for that period;
- (c) We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of

this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- (d) We have prepared the annual accounts on a going concern basis; and
- (e) We have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) We have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **AUDITORS:**

The term of existing auditor M/s. Godbole & Co. Chartered Accountant, Satara will expire at the conclusion of 26th Annual General Meeting by rotation as per the Section 139 (2) of the companies act, 2013 and as per the said provision, company cannot appoint such auditor for next five years after expiry of his term. Further the board has recommended to the Members to appoint M/s. A. C. Doshi & Co. (M. No. 103730) Chartered Accountant, Satara as statutory auditor of the company in the place of M/s. Godbole & Co. for the term of five years from the conclusion of this 26th Annual General Meeting to the conclusion of 31st Annual General Meeting of the company will be held in the year 2022 (From the Financial Year 2017-18 to 2021-22).

Further the board of directors put necessary resolution in the notice of 26th annual general meeting of the company for the consideration and approval of members of the company, and said appointment subject to ratification of auditor in every Annual General Meeting of the company. The Company has received letter from him to the effect that their appointment, if made, would be within the prescribed limits under Section 141(3) (g) of the Companies Act, 2013 and that they are not disqualified for appointment. Their



appointment needs to be confirmed and their remuneration is to be fixed.

**AUDITORS' REPORT:**

The observations of the Auditors report read with the relevant notes there on are self-explanatory and therefore do not call for any further comments under Section 134 of the Companies Act, 2013.

**SECRETARIAL AUDITOR:**

M/s. Neha Doshi & Co., Practicing Company Secretaries, was appointed to conduct the secretarial audit of the Company for the financial year 2016-17, as required under Section 204 of the Companies Act, 2013 and Rules there under. The secretarial audit report for FY 2016-17 forms part of the Annual Report as Annexure II to the Board's report.

**SECRETARIAL AUDITOR'S REPORT :**

The observations of the Secretarial Audit report are self-explanatory and therefore do not call for any further comments under Section 134 of the Companies Act, 2013.

**CORPORATE GOVERNANCE:**

Pursuant to clause 49 of the Listing Agreement, report on Corporate Governance along with Auditor's certificate on its compliance is attached as Annexure III to this report.

**EXTRACT OF ANNUAL RETURN**

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in Annexure IV and is attached to this Report.

**INTERNAL FINANCIAL CONTROL**

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

**SIGNIFICANT AND MATERIAL ORDERS:**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future

**COST AUDITORS:**

As per the companies (Cost Records and Audit) Amendment Rules 2014, the company is exempted for cost audit from the financial year 2016-17. Hence company has not appointed cost auditor for the financial year 2017-18.

**DECLARATION OF INDEPENDENT DIRECTORS**

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

**CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The particulars as prescribed under Sub-section (3)(m) of Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, the relevant information pertaining to Energy Conservation, Technology Absorption, Foreign Exchange Earnings and Outgo are enclosed as Annexure V to the Board's report.

**KEY MANAGERIAL PERSONNEL**

During the year, under the review company has appointed Mr.G H. Rotithor as CFO for next Two Years.

**PARTICULARS OF EMPLOYEES**

The table containing the names and other particulars of employees in accordance with the provisions of Section 197(12) of the Companies

Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended as Annexure VI to the Board's report.

### **COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES**

The Company's policy on directors' appointment and remuneration and other matters provided in section 178(3) of the Act has been disclosed in the corporate governance report, which forms part of this report.

### **LISTING OF EQUITY SHARES:**

The Equity Shares of your Company are listed on BSE Ltd., where the same are traded regularly and confirm that company has paid the listing fees for the financial year 2017-18.

### **VIGIL MECHANISM**

The Company has formulated a Whistle Blower Policy (the Policy) in compliance with the Companies Act 2013 and Listing agreement, to enable employees, customers, agents, dealers, suppliers and other vendors that conduct business with Kay Power and Paper Limited to raise concerns and complaints about fraudulent practices.

Under the Policy, the concerns/ complaints pertaining to General Managers and Managers should be raised before the Chairman of Audit Committee and concerns against other Employees should be addressed to the Vigilance officer and confirm that no personnel has been denied access to the audit committee.

The Company has designated the Manager, Mr. Arvind Patil as the Vigilance officer and has created the following email accounts for facilitating the raising of such concerns.

Chairman of Audit Committee- chairman.auditcommittee@gmail.com

Vigilance officer - arvindpatil.kppl@gmail.com

The Company aims to propagate a culture for maintaining highest standard of conduct and professionalism and therefore this Policy is implemented in furtherance of the Code of Conduct of the Company.

The details of establishment of such mechanism have also been disclosed on company website on following link - <http://www.kaypowerandpaper.com/download/Annoncement-KPPL.pdf>

### **COMMITTEES OF THE BOARD**

Currently, the Board has four committees: the audit committee, nomination and remuneration committee, stakeholder's relationship committee, and risk Management committee. The role and responsibilities and composition of the aforesaid committees are mentioned in the corporate governance report section in this Annual Report.

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

A comprehensive Management discussion and analysis Report is appended as Annexure VII, forming a part of the Corporate Governance is part of this Annual Report

### **ACKNOWLEDGMENT:**

Your Directors appreciate valuable contribution of employees at all levels. Your Directors place on record the gratitude for the co-operation received from Indian Renewable Energy Development Agency Ltd., Maharashtra State Electricity Distribution Company Ltd., IDBI Bank Ltd., HDFC Bank Ltd., Suppliers, Customers and Shareholders of the Company and look forward to their continuous support incoming years.

For and on behalf of the Board of Directors

Date : 25th July. 2017

Place : Satara

Niraj Chandra  
Chairman and  
Managing Director

**Annexure - I  
FORM NO. AOC -2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

This Form pertains to the disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in Sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at arm's length basis:**

There were no contracts or arrangements or transactions entered in to during the year ended March 31, 2017, which were not at arm's length basis.

**2. Details of contracts or arrangements or transactions at Arm's length basis.**

SL. No.	Particulars	Details
a	Name (s) of the related party & nature of relationship	M/s. Kay Bouvet Engineering Limited
b	Nature of contracts/arrangements/ transaction	for design, manufacturing, supplying, erecting and commissioning the paper machines for increase of current capacity of paper division for 20000 TPA to 25000 TPA
c	Duration of the contracts/arrangements/ transaction	Till the completion of above Expansion.
d	Salient terms of the contracts or arrangements or transaction including the value, if any	Rs. 10,00,00,000/- (Ten Crores Only) plus taxes extra
e	Date of approval by the Board	20/07/2016
f	Amount paid as advances, if any	-

On July, 20, 2016, the Board of Directors ('the Board') of the company authorized the Company to execute the contract and related documents with the M/s. Kay Bouvet Engineering Limited.

Subsequently, at the AGM held on Sept 19, 2016, the shareholders approved the aforesaid related party agreement/ contract with the M/s. Kay Bouvet Engineering Limited.

**Further after the approval of said contract in AGM the company has not purchased any machines for increase in above capacity of paper division till the end of Financial Year March 2017.**

For and on behalf of the Board of Directors

Date: - 25th July, 2017  
Place: - Satara

Niraj Chandra  
Chairman and Managing Director

**Annexure - II  
Form No. MR-3****FOR THE FINANCIAL YEAR ENDED 31.03.2017**

Company No.: L21099MH1991PLC061709

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

**To,  
The Members  
KAY POWER AND PAPER LIMITED**

Gat No. 454/457, At Post Borgaon,  
Satara-415519

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Kay Power and Paper Limited** (hereinafter called the 'company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Kay Power and Paper Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

**I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. Kay Power and Paper Limited ("the Company") for the financial year ended on 31st March 2017 according to the provisions of:**

1. The Companies Act, 2013 (the Act) and the rules made there under;

2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
3. The Depositories Act, 1996 and the regulations and Bye-laws framed there under;
4. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - I. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
  - II. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; -
  - III. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (**Not Applicable to the Company during the Audit Period**)
  - IV. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - V. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not Applicable to the Company during the Audit Period**);
  - VI. The Securities and Exchange Board of





India (Buyback of Securities) Regulations, 1998 **(Not Applicable to the Company during the Audit Period)**

VII. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not Applicable to the Company during the Audit Period)**

VIII. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) guidelines, 1999 and securities exchange board of India (share based employee benefits Regulations, 2014 notified on 28th October, 2014 **(Not Applicable to the Company during the Audit Period);**

IX. The Securities and Exchange Board of India (listing obligations and Disclosure requirements) regulations, 2015

5. Other Laws Specifically Applicable to Company

Indian Boiler Act 1923

**I have also examined compliance with the applicable clauses of the following:**

1. The Equity Listing Agreements with Bombay Stock Exchange (BSE LTD).
2. Secretarial Standards issued by The Institute of Company Secretaries of India. The company has complied with Secretarial Standard issued by ICSI.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

A. The company had been declared as a sick industrial unit by BIFR (Board for Industrial and Financial Reconstruction) in 2007. The Ministry of Finance vide a

notification dated 25th November 2016, has repealed the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) with effect from 1st Dec, 2016 and any appeal preferred to the Appellate Authority or any reference made or inquiry pending to or before the BIFR Board or any proceeding of whatever nature pending before the Appellate Authority or the BIFR Board under the Sick Industrial Companies (Special Provisions) Act, 1985 (1 of 1986) shall stand abated. Further such appeal or reference or inquiry stands abated under this clause may make application to the National Company Law Tribunal (NCLT) under the Insolvency and Bankruptcy Code, 2016 (IB CODE) within one hundred and eighty days from the commencement of the respective provisions of Insolvency and Bankruptcy Code, 2016 (IBC 2016).

With view of above and company was registered under BIFR, company had initially decided that to file the application to the National Company Law Tribunal (NCLT) accordance with the provisions of the Insolvency and Bankruptcy Code, 2016 to continue the protection which had received from the BIFR Board and to request the extension of period for repayment of deferred sales tax liability, extension of period for fulfillment of unfulfilled export obligation and allotment of share against the pending share applications. But later on, Maharashtra sales tax dept' has agreed to provide the extension for repayment of sales tax liability. Further company has already agreed to pay the fixed monthly instalments for the repayment of outstanding term loan with the M/s. Indian Renewable Energy Development Agency Limited (IREDA). As aforesaid company has settled its



major dues with the lenders and creditors, than there is no need to go for NCLT for said protection.

According to above, company has decided not to go for NCLT application to get the protection under the Insolvency and Bankruptcy Code, 2016.

- B. The allotment against the Share Application money is pending for Rs. 9,36,00,000/-. As informed to us, it is proposed to refund the same considering the development in A above.
- C. The quarterly results are accompanied by the Limited Review Report as per Regulation 33 (1) (d) & 33 (3) (c) (LODR) Regulation 2015. As informed by the Company, its Statutory Auditor has not subjected himself to the peer review process, of the ICAI - Institute of Chartered Accountants of India, and he does not hold a valid certificate issued by the Peer Review Board of the ICAI.
- D. The company has not published public notices and un-audited/audited quarterly result in English daily newspaper as required to be published under Regulation 47 of (Listing Obligations and Disclosure Requirements) Regulations, (LODR) 2015. As informed by the Company, due to carry forward losses and inadequate profit during the year, company could not spend money on publication of financial result in English newspaper. The aforesaid results are made available on the company website and also on the website of the Bombay stock exchange Ltd for downloading.
- E. As per Regulation 17 of the LODR (Listing Obligation & Disclosure Requirements) regulation 2015, if Chairman is Executive Director then half of the board shall be independent. Considering this term, presently

company has total five directors. The management's opinion is that out of the total Directors, Three Directors are Independent Directors as per the definition clause 16 (B) of Securities And Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further, only two directors are Independent Directors as per Companies Act, 2013, whose appointment is duly registered with Ministry of Corporate Affairs.

The management opines that respective compliance has been done towards appointment of Independent Directors as it is recognized differently under Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- F. The company has two divisions, paper and power. Paper Division was operational throughout the year. The Company could not run Power Division due to non -availability of bagasse, raw material for Power generation during the year.  
Based on this, the management declared that the company is not carrying multiple business activity and it is in compliance with the provisions of Section 203 (1) of the Companies Act, 2013
- G As per Section 203 (3) a whole- time Key Managerial Personnel shall not hold office in more than one company at the same time.

As per our observation, Mr. Niraj Chandra is a whole time Key Managerial Personnel (KMP) as per section 203 (1) in M/s. Kay Power & Paper Limited and as Managing Director in one more



company at the same time, where appointment of Key Managerial Person is not mandatory as per section 203 (1).

As explained by the management the appointment of Managing Director in other Company, Kay Bouvet Engineering Ltd, is done as per the provisions of the Companies Act, 2013, under section 196 and it does not amount to KMP due to non-applicability of the section 203.

- H. During the year, Company has received Show Cause Notices from Commissioner of Custom and Director General of Foreign Trade (DGFT), Pune regarding Guarantee executed which has been expired and unascertained duty for unfulfilled and export obligation is outstanding in favour of customs for EPCG. The company has replied to all the show cause notices.

As explained by the management, the same matter is under consideration by BIFR.

### I further report that

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors as per Companies Act, 2013. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and

detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

3. Majority decisions are carried through and there were no any dissenting members' and hence views for dissenting voting were not required to be captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company which commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, the company has no specific events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

**For, Neha Doshi & Co.**  
Company Secretaries

**Neha A. Doshi**  
Proprietor  
FCS No.: 5373  
C P No.: 4631

Place: Satara  
Date: 17th July, 2017

**ANNEXURE III : REPORT ON CORPORATE GOVERNANCE**
**1. Company's philosophy on Corporate Governance**

The Company believes in the practice of good Corporate Governance and acting as a good corporate citizen.

The spirit of Corporate Governance has been prevailing in the Company for years together. The Company believes in the values of transparency, account ability and integrity. The Company recognizes the account ability of the Board and importance of it's decision on every individual who comes in contact with the Company.

**2. Composition of Board**

The Board of Directors has a mix of Executive and Non -Executive Directors. The Board comprises of one Promoter-Executive Chairman and Managing Director, two Non-Executive Directors and two Non- executive independent directors on the Board of the company.

Table 1 - The composition of the Board and other directorships and committee positions held on 31st March, 2017.

Sr. No.	Name of the Director	Category	No. of other Directorships <sup>1</sup>	Committee positions <sup>2</sup>		No. of Shares Held in the Company as at 31.03.2017
				As Chairman	As Member	
1	Mr. Niraj Chandra	Executive	1	Nil	2	16, 52,100
2	Ms. Deepa Agarwal	Non Executive	Nil	1	1	7,41,100
3	Mr. A.V.Kulkarni	Non Executive	Nil	Nil	2	200
4	Mr. Kaustubh Wadikar	Non -Executive Independent	Nil	1	1	Nil
5	Mr. Sandeep Shahapurkar	Non -Executive Independent	Nil	Nil	1	Nil

- 1 The Directorships, held by Directors as mentioned above, do not include Alternate Directorships and Directorships in foreign companies, companies registered under Section 8 of the Companies Act, 2013 and private limited companies
2. Memberships/Chairmanships of only Audit Committees and stakeholder's relationship committee in all public limited companies whether listed or not have been considered.
3. In terms of provisions of the companies act 2013, Mrs. Deepa Agarwal is related to Mr. Niraj Chandra being his wife, except this, no director is related to any other director on the board.
4. Memberships of the Directors in various committees are within the permissible limits of the listing regulations.

Table 2 -Attendance of Directors at Board Meetings and last AGM.

During the year 1.4.2016 to 31.3.2017, Six Board Meetings were held on 06.05.2016, 28.05.2016, 20.07.2016, 10.08.2016, 14.11.2016 and 14.02.2017

The last Annual General Meeting was held on 19th September, 2016.



<b>Name of the Director</b>	<b>No. of Board Meetings attended</b>	<b>Attendance at last AGM</b>
Mr. Niraj Chandra	6	Present
Ms. Deepa Agarwal	6	Present
Mr. A. V. Kulkarni	4	Present
Mr. Kaustubh Wadikar	6	Present
Mr. Sandeep Shahapurkar	6	Present

### **3. Audit Committee**

The Audit Committee comprises two independent directors and one Non-Executive Director and Company Secretary as the Secretary of the Committee. The Committee met 5 times during the financial year ended 31st March, 2017.

#### Terms of Reference

The role of the Audit Committee includes review of the Company's financial reporting process and its financial statements, review of the accounting and financial policies and practices, the internal control and internal audit systems, risk management policies and practices and Internal Audit Reports, reviewing with the management, the quarterly, half yearly and yearly financial statement. The role also includes making recommendations to the Board, re-appointment of statutory auditors and fixation of audit fees.

The audit committee Meeting were held on 28.05.2016, 20.07.2016, 10.08.2016, 14.11.2016 and 14.02.2017. The attendance of the members at the meeting was as follows:

Name of the members	Status	No. of Meeting were held during the Year	No. of Meetings Attended
Mr. Kaustubh Wadikar	Chairman	5	5
Mr. Sandeep Shahapurkar	Member	5	5
Mr. A. V. Kulkarni	Member	5	4

### **4. Nomination and Remuneration Committee**

In accordance with the amended regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013, Company has constituted the Nomination and Remuneration Committee in its board meeting dated 14 11 2014. The committee comprises one executive and two non executive independent directors in the committee.

#### Terms of Reference

- To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- To formulate criteria for evaluation of Independent Directors and the Board.
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To carry out evaluation of Director's performance.
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.

- To devise a policy on Board diversity, composition, size.
- Succession planning for replacing Key Executives and overseeing.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

**Remuneration policy-**

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and pursuant to regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

**APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT:**

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Policy.
- b) A person should possess adequate qualification, expertise and experience for the position he /she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

**TERM/TENURE:****a) Managing Director/Whole-time Director:**

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

**b) Independent Director:**

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a ordinary resolution by the Company and disclosure of such appointment in the Board's report. No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such



person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

### **EVALUATION:**

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary. The evaluation may be decided on the basis of documents (e.g., agenda and minutes), surveying directors through a questionnaire and interviewing directors or any other method shall decide by the committee.

The chairperson of the Nomination Committee or lead independent director supervises the whole process, interviews individual directors, provides feedback to each director and presents the report before the full board.

### **REMOVAL:**

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

### **RETIREMENT:**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

### **POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL:**

#### **1) Remuneration to Managing Director / Whole-time Directors:**

- a) The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
- b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

**(Note - Currently company has not paying any remuneration to its Managing Director / Whole-time Directors of the company Due to the heavy losses suffered by the Company)**

#### **2) Remuneration to Non- Executive / Independent Directors:**

- a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
- b) All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
- c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible



to participate in any share based payment schemes of the Company.

- d) Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
- i) The Services are rendered by such Director in his capacity as the professional; and
  - ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

**3) Remuneration to Key Managerial Personnel and Senior Management:**

- a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
- b) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.

**Mechanism for evaluating Board members:**

One of the key functions of the Board is to monitor and review the board evaluation framework. The Board works with the nomination and remuneration committee to lay down the evaluation criteria for the performance of executive / non-executive / independent directors through a peer-evaluation excluding the director being evaluated through a Board effectiveness survey. The questionnaire of the survey is a key part of the process of reviewing the functioning and effectiveness of the Board and for identifying possible paths for improvement. Each Board member is requested to evaluate the effectiveness of the Board dynamics and relationships, information flow, decision-making of the directors, relationship to stakeholders, company performance, company strategy, and the effectiveness of the whole Board and its various committees on a scale of one to five. Feedback on each director is encouraged to be provided as part of the survey.

Independent directors have three key roles - governance, control and guidance. Some of the performance indicators based on which the independent directors are evaluated include:

- Ability to contribute to and monitor our corporate governance practices
- Ability to contribute by introducing international best practices to address top-management issues
- Active participation in long-term strategic planning
- Commitment to the fulfillment of a director's obligations and fiduciary responsibilities; these include participation in Board and committee meetings.

The members of Nomination and remuneration committee as follows

<b>Name of the members</b>	<b>Status</b>
Mr. Kaustubh Wadikar	Chairman
Ms. Deepa Agarwal	Member
Mr. Sandeep Shahapurkar**	Member

No nomination and remuneration committee meeting were held during the year.

Details of the Remuneration for the year ended 31st March, 2017

There were no pecuniary relationships or transactions with its non executive directors other than the payment of sitting fees to them for attending the meetings of the Board and the committees thereof and payment of remuneration for professional services.





Name of the Director	Sitting fees	Salary	Commission	Total
Mr.Niraj Chandra	-	#	-	-
Ms.Deepa Agarwal	-	-	-	-
Mr.A.V.Kulkarni	-	#	-	-
Mr. Kaustubh Wadikar	11,000	-	-	11,000
Mr. Sandeep Shahapurkar	11,000	-	-	11,000

# Due to the heavy losses suffered by the Company, Mr. Niraj Chandra, in consultation with the Board had offered his services as Chairman and Managing Director without payment of any salary since 1.7.2002.

# Mr. A. V. Kulkarni is receiving salary of Rs.25,000/-P.M. as Manager Banking Operations.

##### 5. Stakeholder's relationship committee

The stakeholder's relationship committee comprises of Mrs. Deepa Agarwal, heading the committee and Mr. Niraj Chandra, Mr. A.V. Kulkarni, are members of the committee and Mr. Sagar Mohite, Secretary of the committee.

Link Intime India Private Limited is acting as Registrar and Transfer Agent of the Company.

The committee shall reviews and ensures redressal of investor grievances and the committee noted that all the grievances of the investors have been resolved during the year.

##### 6. Risk Management Committee

As per the applicable provisions of the Companies Act 2013, Company has constituted the Risk Management Committee in its board meeting dated 14. 11. 2014 and Mr. Niraj Chandra, Mrs. Deepa Agarwal, Mr. Arvind V. Kulkarni directors of the company and Mr. Ganesh Hari Rotithor Chief Financial Officer are members of the committee.

The purpose of the committee is to assist the Board in fulfilling its corporate governance with regard to the identification, evaluation and mitigation of operational, strategic and environmental risks efficiently and effectively.

The Company has developed and implemented a risk management framework that includes identification of elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company.

##### 7. General Body Meetings

A) Location and time where last 3 Annual General Meetings (AGM) were held are given below;

AGM for the Financial Year	Date	Time	Venue	Special Resolution Passed
2013-14	27.08.2014	3.00 p.m	Gat No.454/457, A/P. Borgaon, T/D. Satara - 415 519.	None
2014-15	14.09.2015	3.00 p.m	Gat No.454/457, A/P. Borgaon, T/D. Satara - 415 519.	To ratify the related party transaction under section 188 of the Companies Act 2013 which has been entered into M/s. Kay Bouvet Engineering Limited
2015-16	19.09.2016	3.00 p.m	Gat No.454/457, A/P. Borgaon, T/D. Satara - 415 519.	1. To approve re-appointment of Mr. Niraj Chandra, Chairman and Managing Director of the Company.



AGM for the Financial Year	Date	Time	Venue	Special Resolution Passed
2015-16	19.09.2016	3.00 p.m	Gat No. 454/457, A/P. Borgaon, T/D.Satara- 415519.	2. To ratify the related party transaction under section 188 of the Companies Act 2013 which has been entered into M/s. Kay Bouvet Engineering Limited. 3. Maintaining and keeping the Company's registers required to be maintained under Section 88 of the Companies Act, 2013 and copies of annual returns filed under Section 92 of the Companies Act, 2013 or any one or more of them, at a place other than companies registered office.

No special resolution was put through ballot at the last Annual General Meeting.

**DISCLOSURE:**

- a) Information in respect of the Director seeking re-appointment at the Annual General Meeting to be held on Monday, 18th September, 2017.

Mr. Arvind Vinayak Kulkarni is B.Com and having rich experience in the field of Banking and Finance and working with the Company for more than 24 years. He holds 200 shares of the Company and does not hold directorship in other companies. Also there is no other relationship with directors of the company.

Also there is no other relationship with directors of the company as a relative.

- b) The transactions with related parties were under taken in the normal course of business and were placed periodically before the audit committee and were at terms and conditions, which were not prejudicial to the interest of the Company and in the case of material related party contracts shareholders' approval were taken as per the related party transaction policy of the company. The company has formulated the policy for dealing with related party transaction and same is disclosed on company website in following link -<http://www.kaypowerandpaper.com/download/Relatedpartytransactionpolicy-KPPL.pdf>
- c) The Company has complied with all the requirements as required under the listing regulations as well as regulations and guidelines of SEBI, no penalties or strictures have been imposed by SEBI, Stock Exchange or any Statutory Authority on matters relating to capital markets during the last three years. In 1998 delisted equity shares from Ahmedabad and Delhi Stock Exchanges and in 2004 from Pune Stock Exchange Ltd.
- d) The company has established the Whistle Blower Policy for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct and confirm that there is no personnel has been denied access to the audit committee. The details of establishment of such mechanism has disclosed on company website on following link - <http://www.kaypowerandpaper.com/download/Announcement-KPPL.pdf>



- e) The company has provided suitable training to independent directors to familiarize them with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, familiarisation programme for independent directors has been disclosed on company website on following link [http://www.kaypowerandpaper.com/download/Familiarisation % 20 programme%20KPPL.pdf](http://www.kaypowerandpaper.com/download/Familiarisation%20programme%20KPPL.pdf)
- f) The company has disclosed the term and conditions of appointment of independent directors on company website on following link - [http://www.kaypowerandpaper.com/download/Term ConditionsforAppointmentIndependentDirectors.pdf](http://www.kaypowerandpaper.com/download/Term%20ConditionsforAppointmentIndependentDirectors.pdf)
- g) The Company has framed and put in place the Code of Conduct, duly approved by the Board of Directors. The said Code is applicable to all directors and senior management of the company and annual affirmations are obtained. All the directors and senior management have affirmed their adherence to the provisions of the said code. The code of conduct is posted on company website - [www.kaypowerandpaper.com](http://www.kaypowerandpaper.com)
- h) The company has trying to implement maximum discretionary requirements as specified in part E of schedule II in the listing regulation.
- i) Management Discussion and Analysis forms part of the annual report to the shareholders and it includes discussion on matters as required by Regulation 34(3) of the Listing Regulations.
- j) There were no material financial & commercial transactions by senior Management as defined in regulation 26 of the Listing regulations where they have any personal interest that have a potential conflict with the interest of the company at large requiring disclosure by them to the Board of Directors of the company.
- k) The company has disclosed about the compliance of regulations in respect of Corporate Governance under the Listing Regulations on its website viz. [www.kaypowerandpaper.com](http://www.kaypowerandpaper.com)

**MEANS OF COMMUNICATION :**

<b>Recommendation</b>	<b>Compliance</b>
Quarterly Results : Whether published Any website, where displayed	Yes The results are displayed on the website of the Company and also on the website of Bombay Stock Exchange Ltd. and published in Marathi News paper
Whether it also displays official news releases and presentations made to institutional investors/analysts	NA
Whether shareholders information section forms part of the Annual Report.	Yes

**GENERAL SHAREHOLDERS' INFORMATION**

Financial reporting for the quarter ending 30.6.2017 Financial reporting for the quarter ending 30.9.2017 Financial reporting for the quarter ending 31.12.2017 Financial reporting for the quarter ending and year ending 31.3.2018 Annual General Meeting Venue	Before 14 <sup>th</sup> August, 2017 Before 14 <sup>th</sup> November, 2017 Before 14 <sup>th</sup> February, 2018 April/May, 2018 18 <sup>th</sup> September, 2017 at 3.00 p.m. Regd. Office : Gat No. 454/457, A/P. Bargaon, T/D Satara - 415 519.	
Listing of Equity Shares on Stock Exchange	Bombay Stock Exchange Ltd.	
Plant Location	Gat No. 454/457, A/P. Bargaon, T/D Satara - 415 519.	
Registrar and share transfer agent	M/s. Link Intime India Private Limited C 101,247, Park 1st Floor L.B.S. Marg, Vikhroli (W), Mumbai - 40008. Tel No: 022-49186000, 022- 49186060 E-mail: dematremat@linkintime.co.in	
Stock Code	530255	
Stock Exchange Book closure date	Bombay Stock Exchange Ltd. From 11 <sup>th</sup> September, 2017 to 18 <sup>th</sup> September, 2017	
ISIN for the Company's Equity Shares in Demat Form Depository Connectivity	INE961B01013 N.S.D.L. and C.D.S.L.	
Suspension from trading	No security of the company has been suspended from trading on BSE.	
Complaints received during the year	Received	Cleared
A. Complaints received from Shareholders	-	-
B. Complaints received from Stock Exchange / SEBI	-	-

Share transfer system:

Trading in Equity Shares of the Company is permitted only in dematerialized form.

Share transfer in physical form are registered and returned within 30 days from the date of receipt of documents in order in all respects. Distribution of shareholding as on 31st March, 2017.



No. of shares	No of Shareholders	% of Shareholders	Total face value Rs.	% of total Value
Upto 500	4536	84.80	679847	6.39
501-1000	338	6.32	298649	2.81
1001-2000	143	2.67	231645	2.18
2001-3000	86	1.61	221075	2.07
3001-4000	35	0.65	123789	1.16
4001-5000	47	0.88	223258	2.10
5001-10000	68	1.28	513575	4.82
10001 and above	96	1.79	8348162	78.46
<b>TOTAL</b>	<b>5349</b>	<b>100.00</b>	<b>10,64,00,000</b>	<b>100.00</b>

Categories of shareholders as on 31st March, 2017

Category	No. of shares held	Voting Strength (%)
Promoters, Relatives and Associate Companies	47,52,647	44.67
Public	45,64,437	42.90
NRI/FII's/OCB's	3,63,222	3.41
Domestic Companies (Including financial institution)	9,59,694	9.02

#### MARKET PRICE DATA

The monthly high and low quotations of Shares traded on Bombay Stock Exchange Ltd., during April, 2016 to March, 2017.

Month and year	High Price	Low Price
April 2016	3.15	2.89
May 2016	3.1	2.84
June 2016	3.52	2.88
July 2016	3.97	3.31
August 2016	4.2	3.39
September 2016	3.65	3.24
October 2016	4.32	3.51
November 2016	4.83	3.92
December 2016	3.85	2.95
January 2017	3.9	3.31
February 2017	4.22	3.83
March 2017	4.22	3.75



Investor service cell	Mr. Sagar Mohite Company Secretary & Compliance Officer Liasion Office : B- 54, Old MIDC Area, Satara - 415004. Mobile: 9689908431, Fax: (02162) 246133
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For and on behalf of the Board of Directors

Date : 25 July, 2017  
Place : Satara

Niraj Chandra  
Chairman and  
Managing Director

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### **DECLARATION ON COMPLIANCE OF THE COMPANY'S CODE OF CONDUCT**

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director and Executive Directors. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors. These Codes are available on the Company's website.

I confirm that the Company has in respect of the year ended March 31, 2017, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them

Date: 25th July, 2017  
Place: Satara

Niraj Chandra  
Chairman & Managing Director



**TO THE MEMBERS OF KAY POWER AND PAPER LIMITED**

1. We have examined the compliance of conditions of Corporate Governance by KAY POWER AND PAPER LIMITED ("the Company"), for the year ended on March 31, 2017, as stipulated in:
- a. Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) and
  - b. Regulations 17 to 27 (excluding regulation 23 (4)) and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations.

The compliance of conditions of Corporate Governances is the responsibility of the

management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the as stipulated in the above SEBI Listing Regulation, 2015. As informed, there is no unresolved investor/ shareholders compliant.

We further state that such compliance is neither an assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For GODBOLE & COMPANY  
Chartered Accountants

Date : 25th July, 2017  
Place : Satara

Ashutosh Godbole  
Proprietor



**Annexure- IV  
Form NO. MGT 9  
EXTRACT OF ANNUAL RETURN  
As on financial year ended on 31.03.2017**

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company  
(Management & Administration) Rules, 2014

**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	L21099MH1991PLC061709
2.	Registration Date	15/05/1991
3.	Name of the Company	KAY POWER AND PAPER LIMITED
4.	Category/Sub-category of the Company	Company limited by shares/Indian Non-Government company/ Public Limited Company
5.	Address of the Registered office & contact details	GAT NO. 454 / 457, A/P. BORGAON, SATARA. MAHARASHTRA - 415519 Phone No. 02162 - 265329
6.	Whether listed company	YES - BSE Limited
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited. C 101,247, Park 1st Floor L.B.S. Marg, Vikhroli (W), Mumbai - 40008. Tel No: 022-49186000, 022- 49186060 E-mail:- dematremat@linkintime.co.in

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY** (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Manufacture of Packing Paper	17014	100

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

The Company does not have any Subsidiary, Joint venture or Associate Company.





**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

Category-wise Share Holding

	Category of Shareholders	No. of Shares held at the beginning of the year [As on 31 March-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A</b>	<b>Promoters</b>									
	<b>(1) Indian</b>									
	a) Individual/ HUF	4609800	–	4609800	43.33	4609800	–	4609800	43.33	–
	b) Central Govt	–	–	–	–	–	–	–	–	–
	c) State Govt(s)	–	–	–	–	–	–	–	–	–
	d) Bodies Corp.	142847	–	142847	1.34	142847	–	142847	1.34	–
	e) Banks / FI	–	–	–	–	–	–	–	–	–
	f) Any other	–	–	–	–	–	–	–	–	–
	<b>Sub-Total (A) (1)</b>	<b>4752647</b>		<b>4752647</b>	<b>44.67</b>	<b>4752647</b>		<b>4752647</b>	<b>44.67</b>	–
[2]	Foreign	–	–	–	–	–	–	–	–	–
	<b>Sub-Total (A) (2)</b>	–	–	–	–	–	–	–	–	–
	Total shareholding of Promoter (A) = (A)(1)+(A)(2)	4752647		4752647	44.67	4752647		4752647	44.67	–
<b>B.</b>	<b>Public Shareholding</b>									
1.	Institutions	–	–	–	–	–	–	–	–	–
	Sub-total (B)(1):-	–	–	–	–	–	–	–	–	–
2.	Non-Institutions									
	a) Bodies Corp.									
	i) Indian	1174175	32600	1206775	11.34	927094	32600	959694	9.020	-2.32
	ii) Overseas	–	3500	3500	0.033	–	3500	3500	0.033	–
	b) Individuals									
	i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1441486	532600	1974086	18.55	2125422	531800	2657222	24.97	+6.42
	ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2334670	–	2334670	21.94	1901647	–	1901647	17.873	-4.067
	c) Others (specify)									
	Non Resident Indians (non REP)	232709	–	232709	2.19	235709	110000	345709	3.249	+1.059
	Non Resident Indians (REP)	23613	112000	135613	1.27	17513	–	17513	0.165	-1.105
	Clearing Member	–	–	–	–	2068	–	2068	0.020	+0.020
	<b>Sub-total (B)(2):-</b>	<b>5203653</b>	<b>680700</b>	<b>5887353</b>	<b>55.33</b>	<b>5209453</b>	<b>677900</b>	<b>5887353</b>	<b>55.33</b>	–
	<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>5203653</b>	<b>680700</b>	<b>5887353</b>	<b>55.33</b>	<b>5209453</b>	<b>677900</b>	<b>5887353</b>	<b>55.33</b>	–
<b>C.</b>	<b>Shares held by Custodian for GDRs &amp; ADRs</b>	–	–	–	–	–	–	–	–	–
	<b>Grand Total (A+B+C)</b>	<b>9959300</b>	<b>680700</b>	<b>10640000</b>	<b>100</b>	<b>9962100</b>	<b>677900</b>	<b>10640000</b>	<b>100</b>	–


**B) Shareholding of Promoter-**

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% Shares of the Pledged / encumbered to total shares	
1	NIRAJ CHANDRA	1652100	15.53	-	1652100	15.53	-	-
2	DEEPA AGARWAL	741100	6.97	-	741100	6.97	-	-
3	USHA GUPTA	1177100	11.06	-	1177100	11.06	-	-
4	SUSHIL CHANDRA	675100	6.34	-	675100	6.34	-	-
5	NIRAJ CHANDRA (HUF)	317700	2.99	-	317700	2.99	-	-
6	ADITI CHANDRA	30000	0.28	-	30000	0.28	-	-
7	SUSHIL CHANDRA (HUF)	6700	0.06	-	6700	0.06	-	-
8	RITU AGGARWAL	5000	0.05	-	5000	0.05	-	-
9	RUBY CHANDRA	5000	0.05	-	5000	0.05	-	-
10	KAY CHANDRA IRON ENGG. WORKS PVT LTD	142300	1.34	-	142300	1.34	-	-
11	CHANDRA TRADING & INVESTMENT PVT. LTD	547	0.01	-	547	0.01	-	-

**C) Change in Promoters' Shareholding:**

There were no changes in promoter's shareholding of the company for the year ending March 31, 2017.

**D) Shareholding Pattern of top ten Shareholders:**

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Truckling Vinmay Trading Private Limited				
	At the beginning of the year	288519	2.7116	288519	2.7116
	Transactions ( Purchase/sale) form the 1st April, 2016 to 31St March, 2017	-	-	288519	2.7116
	At the end of the year	288519	2.7116	288519	2.7116
2	Richi Khemka				
	At the beginning of the year	280367	2.6350	280367	2.6350
	Transactions ( Purchase/sale) form the 1st April, 2016 to 31St March, 2017	-	-	280367	2.6350
	At the end of the year	280367	2.6350	280367	2.6350
3	Padmanabha Dhas Murugesan				
	At the beginning of the year	228210	2.1448	228210	2.1448
	Transactions ( Purchase/sale) form the 1st April, 2016 to 31St March, 2017			228210	2.1448
	At the end of the year	228210	2.1448	228210	2.1448
4.	Richi Khemka (On behalf of				



SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Shree Mahadev Traders a partnership firm				
	At the beginning of the year	0	0	0	0
	Transactions ( Purchase/sale) form the 1st April, 2016 to 31St March, 2017	167302	1.5724	167302	1.5724
	At the end of the year	167302	1.5724	167302	1.5724
5.	Pooja Goal				
	At the beginning of the year	146144	1.3735	146144	1.3735
	Transactions ( Purchase/sale) form the 1st April, 2016 to 31St March, 2017	-	-	146144	1.3735
	At the end of the year	146144	1.3735	146144	1.3735
6.	Rochak Vinimay Pvt Ltd				
	At the beginning of the year	104668	0.9837	104668	0.9837
	Transactions (Purchase/sale) form the 1st April, 2016 to 31St March, 2017	-	-	104668	0.9837
	At the end of the year	104668	0.9837	104668	0.9837
7.	Uma S.				
	At the beginning of the year	50000	0.4699	50000	0.4699
	Transactions ( Purchase/sale) form the 1st April, 2016 to 31St March, 2017	52068	0.4894	102068	0.9593
	At the end of the year	102068	0.9593	102068	0.9593
8.	Vijay Kumar Goyal				
	At the beginning of the year	102000	0.9586	102000	0.9586
	Transactions ( Purchase/sale) form the 1st April, 2016 to 31St March, 2017	-	-	102000	0.9586
	At the end of the year	102000	0.9586	102000	0.9586
9.	Sudhir Sharma				
	At the beginning of the year	100000	0.9398	100000	0.9398
	Transactions ( Purchase/sale) form the 1st April, 2016 to 31St March, 2017	-	-	100000	0.9398
	At the end of the year	100000	0.9398	100000	0.9398
10.	Ram Yadav				
	At the beginning of the year	87999	0.8270	87999	0.8270
	Transactions ( Purchase/sale) form the 1st April, 2016 to 31St March, 2017			87999	0.8270
	At the end of the year	87999	0.8270	87999	0.8270


**E) Shareholding of Directors and Key Managerial Personnel:**

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Nraj Chandra				
	At the beginning of the year	1652100	15.53	1652100	15.53
	Purchase/ Sale	Nil	Nil	1652100	15.53
	At the end of the year	1652100	15.53	1652100	15.53
2.	Mrs. Deepa Agarwal				
	At the beginning of the year	741100	6.97	741100	6.97
	Purchase/ Sale	Nil	Nil	741100	6.97
	At the end of the year	741100	6.97	741100	6.97
3.	Mr. Arvind V. Kulkarni				
	At the beginning of the year	200	0.00	200	0.00
	Purchase/ Sale	Nil	Nil	200	0.00
	At the end of the year	200	0.00	200	0.00
4.	Mr. Kaustubh Narayam Wadikar				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Purchase/ Sale	Nil	Nil	Nil	Nil
	At the end of the year			Nil	Nil
5.	Mr. Sandeep Ramesh Shahapurkar				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Purchase/ Sale	Nil	Nil	Nil	Nil
	At the end of the year			Nil	Nil
6.	Mr. Sagar Mohite ( Company Secretary)				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Purchase/ Sale	Nil	Nil	Nil	Nil
	At the end of the year			Nil	Nil
7.	Mr. Ganesh Hari Rotithor ( Chief Financial Officer )				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Purchase/ Sale	Nil	Nil	Nil	Nil
	At the end of the year			Nil	Nil



**V) INDEBTEDNESS** - Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	7,05,37,859/-	11,44,87,009/-	-	18,50,24,868/-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	7,05,37,859/-	11,44,87,009/-	-	18,50,24,868/-
<b>Change in Indebtedness during the financial year</b>				
* Addition	-	-	-	-
* Reduction	3,07,30,000/-		-	3,07,30,000/-
Net Change	(3,07,30,000)	-	-	(3,07,30,000)
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	3,98,07,859/-	11,44,87,009/-	-	15,42,94,868/-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	3,98,07,859/-	11,44,87,009/-	-	15,42,94,868/-

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager: NIL**

Due to the heavy losses suffered by the Company, Mr. Niraj Chandra, in consultation with the Board had offered his services as Chairman and Managing Director without payment of any salary since 1.7.2002

**B. Remuneration to other directors**

SN.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Kaustubh Wadikar	Mr. Sandeep Shahapurkar	Mr. A. V. Kulkarni	
1	Independent Directors Fee for attending board committee meetings Commission Others, please specify	6000 - -	6000 - -	- - -	12000 - -
	<b>Total (1)</b>			-	-
2	Other Non-Executive Directors Fee for attending board committee meetings Commission Others, please specify	- 5000 - -	- 5000 - -	- - - 3,00,000	- 10,000 - 3,00,000
	<b>Total (2)</b>	-	-	3,00,000	3,00,000
	<b>Total (B)=(1+2)</b>	11000	11000	3,00,000	3,22,000
	Total Managerial Remuneration	11000	11000	3,00,000	3,22,000
	Overall Ceiling as per the Act	Note No.1	Note No.1	Note No.2	

Note:

1. Maximum limit for payment of sitting fees is Rs. 1,00,000/- Per Meeting
2. Mr. A.V. Kulkarni is receiving salary of Rs.25, 000/- P.M. as Manager Banking Operations. As per section 196 and 197 and rules made there under, the limit of yearly remuneration payable is Rs. 60,00,000/- where companies having no profit or inadequate profit without Central Government approval.

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

SN	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total
1	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6,43,338	2,37,110	8,80,448
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	others, specify...	-	-	-
5	Others, please specify	-	-	-
	<b>Total</b>	6,43,338	2,37,110	8,80,448

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

There were no penalties / punishment / compounding of offences for the year ending March 31, 2017.



**ANNEXURE V** : Particulars required to be disclosed under Sub-section (3)(m) of Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, and forming part of the Directors' report for the year ended 31st March, 2017.

**A) Conservation of Energy:** - the company has adopted all necessary steps to conserve the energy like following:

1. Electric motors are the main source where we can save power adequately. Before being installation of electric motor the power load equipment's and HP is calculated exactly and the particular motor is being installed.
2. Company has replaced the low efficiency pumps with high efficiency pumps.
3. Cooling/heating is regulated. It is being operated on need basis.
4. Insulation is being done for piping and where it is necessary
5. Practice adapted to switch off the equipment's which are not in use.
6. By reducing of excessive heating and cooling.
7. Installation of efficient shower head.
8. Measuring and monitoring of electric consumption.
9. Regulating of voltages.
10. Precautions have been taken while starting up and stopping down the high pressure pumps and electric motors so as to avoid shooting up of contract demand.
11. The series of capacitors have been installed to maintain to power factor.
12. Company has adopted the energy saving equipment's for minimum consumption of electricity.
13. Halogen lamps/Tubes total load 4400 watt were converted in to LED of 1092.5 watt.
14. H.T. busbar drop load of 12500 KW removed and replaced by new transformer plus line load of 6003 KWH.
15. Switching off internal street lights at the time of non-working hours of the company.
16. The company is continuously maintaining all machines on standard level and replacing old machinery with new one and adopting the latest technology for producing the paper. Therefore company is getting reduction in electricity consumption.
17. Company has periodically briefed to the staff and operators about consumption of electricity and its benefits

**B) Technology Absorption:** The Company has effected the necessary measures to manufacture Kraft paper varieties at higher yields at better quality.

<b>C) Foreign Exchange Earnings and Outgo:</b>	<b>2016-2017</b>	<b>2015-2016</b>
Earnings	—	—
Outgo	<b>74, 48,752</b>	62, 69,575



**Annexure VI - Particulars of employees**

- a) Information as per Rule 5(1) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Remuneration paid to whole time directors -

Due to the heavy losses suffered by the Company, Mr. Niraj Chandra in consultation with the Board had offered his services as Chairman and Managing Director without payment of any salary since 1.7.2002.

Remuneration paid to independent directors:

During the year, company has not paid any remuneration to its Independent directors except sitting fees for attainment of board and committee meeting of the company

Remuneration of other Key Managerial Personnel (KMP):-

Name of the KMP	Title	Remuneration in fiscal 2017	Remuneration in fiscal 2016	% increase of Remuneration in 2017 as compared to 2016	Ratio of remuneration to MRE
Mr. Sagar Mohite	Company Secretary	<b>6,43,338</b>	6,04,708	6.39%	9.11%
Mr. Ganesh H, Rotithor	Chief Financial Officer	<b>2,37,110</b>	1,44,683	63.88%	3.36%

**Note:-**

1. The Median Remuneration of Employees (MRE) was '70,591" and '69,424" in fiscal 2017 and 2016 respectively. The Increase in MRE over the fiscal 2016 was 1.68% .
2. The number of permanent employees on the rolls of the Company as of March 31, 2017 and March 31, 2016 was 57 and 55 respectively.





List of top ten employees in terms of remuneration drawn in the Year 2016-17 as per Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016

<b>Sr. No.</b>	<b>Name of the Employee</b>	<b>Salary in fiscal 2017</b>
1	Mr. Sagar S. Mohite	643338
2	Mr. Ashok. V. More	488500
3	Mr. Shankar. R. Yadav	344484
4	Mr. Dayasing S. Shukla	302016
5	Mr. Arvind S. Patil	296983
6	Mr. Vasant M. Singh	291000
7	Mr. Rajesh Kumar Singh	258460
8	Mr. G.H.Rotithor	237110
9	Mr. B.V.Sane	206997
10	Mr.Tribhuvkumar Yadav	192578

None of the employees of the Company is in receipt of remuneration in excess of limits prescribed under Rule 5(2)(i) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016.

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**ANNEXURE VII:- MANAGEMENT AND DISCUSSION AND ANALYSIS REPORT****INDUSTRY STRUCTURE AND DEVELOPMENT**

The paper industry in India has become more promising as the domestic demand is on the rise. Increasing population and literacy rate, growth in GDP, improvement in manufacturing sector and lifestyle of individuals are expected to account for the growth in the paper industry of India. Many of the existing players are increasing their capacity to meet the growing demand. The focus of paper industry is now shifting towards more Eco-friendly products and technology. Government of India has established rules and regulations to control the population and degradation of forest. These measures taken by the government has brought the significant changes in the paper industry of India.

According to "India Paper Industry Forecast & Opportunities, 2018" the paper industry in India is expected to grow at the compound annual growth rate (CAGR) of around 9.6% during 2012-2017, which will make the revenues of paper industry of India to reach up to USD 11.83 Billion by 2017. About 70% of the total installed capacity of paper production in India is accounted by Gujarat, West Bengal, Orissa, Andhra Pradesh, Karnataka and Maharashtra. Uttar Pradesh, Tamil Nadu, Haryana, Kerala, Bihar and Assam together account for about 25% of the total paper production in India.

The Indian paper industry has the top 15 global player with an output more than 6 million tonnes annually with an estimated turnover of Rs. 150,000 millions. The Indian paper industry is riding on a strong and on an expanding mood to meet the projected demand of 13 million tonnes by 2020

Paper Industry plays a vital role in the economic

growth of a country through revenue generation, foreign exchange earnings, and employment generation. Paper finds its usage in recording, storage and dissemination of information. In addition to these, paper is a widely used medium for wrapping and packaging of several products. Despite the technological revolution leading to increased computerization of operations, paper still holds on to its existence and has become an essential commodity

There are various reasons which have made the paper industry of India more promising and attractive than ever before. The population of India has been growing at a significant pace which has led to the increase in the paper consumption as each individual utilizes paper and other related products on daily basis. The growth in the GDP of India has helped the paper industry significantly. Growth in economy has led to the increase in the manufacturing activities which has further led to the increase in the demand for paper products specially the paperboard as the paperboard are extensively utilized by the manufacturing sector for carrying out wide range of activity ranging from packing to storage and transportation, etc. The growth in the GDP has also led to the improvement in the purchasing power of the individuals due to which the lifestyle has changed considerably in India.

The paper industry can be classified into 4 categories namely, paperboard and industrial packaging paper, writing and printing papers, newsprint, and specialty papers. The Kay Power and Paper Ltd is paper mill which is strategically located at Satara with all infrastructure facilities. The company is manufacturing the kraft paper by Indian and imported waste paper. Kraft paper is the largest consumption (52.5%) in the paper



and paperboard and industrial packaging market in India.

Over the years company has focused on stringent quality measures, which help to meet all our customers' needs. Our focus on quality has helped us building strong relationship with customers and eliminated supplementary cost.

### **OPPORTUNITIES AND THREATS:**

India's paper industry is expected to grow at 6 to 7 percent year over year, with the packaging industry poised to grow at 22 to 25 percent annually. Advances in education, a fast-growing middle class, strong growth in sectors like fast-moving consumer goods (FMCG)-pharmaceuticals, liquor, cosmetics, and organized retailing are the main drivers of demand for paper and packaging products.

Per capita consumption of paper in India remains woefully low at 22 lbs. compared to 770 lbs. in the United States and 363 lbs. in the European Union in 2010.8 Per capita consumption of paper has almost doubled in the last decade. India has 15 percent of the world's population, but consumes less than 2 percent of the world's paper.

The company has adequate infrastructure facilities such as land, water & power. Apart from this company has the flexibility of various grades of paper, which gives the company distinct competitive advantage.

The availability of raw material has always been a matter of concern for the industry. In India about 850,000-1,000,000 tons of waste paper is being currently recovered annually. The recovery rate works out to about 20% which is much lower in comparison with 65% recovery achieved by many global players. Low recovery is on account of alternate use of paper in wrapping, packing, etc. The utilization rate of recovered fibre is only

47%. Paper mills are heavily dependent on imported waste paper which commands exorbitant price due to inadequate availability. India needs a well-defined and aggressive system for collection, sorting, grading and utilization recyclable waste paper to contain imports.

At the same time, it may face competition due to proliferation of capacities in the country.

### **SEGMENT-WISE OR PRODUCT WISE PERFORMANCE**

The Company has two divisions 1) Paper Division and 2) Power Division. The power division was not operational throughout the year hence segment-wise performances are not given.

### **REVIEW OF PERFORMANCE**

During the year Company's Sales and other operating income were Rs. 38.54 Crores. This has been much improved performance over the last year.

### **STRATEGY**

The company continuously increasing its quality of paper as per the requirement in the market and to compete to the other market players. Further company has adopting the latest technology for production of various grades of paper in the plant. During the year company has supplied the highest quality of Kraft paper to the customers and our customer's base is increasing day by day.

### **OUTLOOK, RISK AND CONCERN MANAGEMENT PERCEIVES**

The Paper Industry is understood to be cyclical in nature and its performance depends on global pulp and paper demand supply situation. However, given the growth potential, outlook of the paper industry is promising, considering the

positive outlook company is ready to face new challenges.

The company is deriving its revenue from paper/paperboard manufacturing not only the availability of raw material is a matter of concern but also rates of raw material due to competition among the related paper mills.

### **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The company has adequate system of internal control to safeguard and protect for loss, unauthorized use or disposition of its assets. All the transaction are properly authorized, recorded and reported to the management, the company is following all the applicable accounting standard for properly maintaining the books of accounts and reporting financial statement. The company has appointed an independent firm of Chartered Accountants for conducting internal audit. The Audit Reports are reviewed by the Management and the Audit committee of the Board from time to time

### **HUMAN RESOURCE DEVELOPMENT/ INDUSTRIAL RELATIONS**

The company has drawn specific program to improve the skill of the workers so as to rationalize the manpower. Further it is providing necessary training to the manpower. There is continuous interaction between the

management and employees. The numbers of people employed during the year were 35.

### **FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE.**

Financial performance with respect to operational performance is explained in details in the beginning of the Directors' Report. The management is taking continuous efforts to improve upon its financial and operational performance.

### **CAUTIONARY STATEMENT**

The management discussion and analysis report contains forward looking statement based upon the data available with the company, assumptions with regards to economic conditions, the government policies etc. the company cannot guarantee the accuracy of assumptions and perceived performance of the company in future, therefore, it is cautioned that the actual result may materially differ from those expressed or implied in the report.

For and on behalf of the Board

Niraj Chandra  
Chairman and  
Managing Director

Place: Satara

Date : 25th July, 2017



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## AUDITORS' REPORT

To Members of Kay Power And Paper Limited

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of Kay Power And Paper Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss and Cash Flow Statement for the year ended as on that date and a summary of significant accounting policies and other explanatory information.

### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the Act) with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 The Act, read with rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance of the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. These Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and fair presentation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**OPINION**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017,
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

- (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014, except AS15 regarding 'Accounting for retirement benefits' on account of non-provision for terminal benefits like gratuity payable to employees as described in the para 9 of Notes to accounts.
- (e) On the basis of written representations received from the directors as on March 31, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of sub-section (2) of Section 164 of the Companies Act, 2013
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company did not have any pending litigation having material impact on its financial position.
  - ii. The Company did not have any long-



term contracts including derivative contracts for which there were any material foreseeable losses.

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. The company had provided requisite disclosure in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to

30th December 2016 and these are in accordance with the books of accounts maintained by the company.

For GODBOLE & COMPANY  
Chartered Accountants

Place : Satara  
Date : 30<sup>th</sup> May, 2017

Ashutosh Godbole  
Proprietor  
Mem. No. 104822  
FRN : 117969W

**Annexure A**

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' Section of our Report of even date to the Members of Kay Power And Paper Limited for the year ended on 31st March, 2017

- i. a) The Company has maintained proper records showing full particulars including quantitative details and situation of the fixed assets.
- b) As per our information and explanations given to us, fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- c) The title deeds of immovable properties are held in the name of the company;
- ii. According to information and explanations given to us, The physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed during such verification.
- iii. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships and other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- iv. In respect of loans, investments, guarantees, and security the provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
- v. In our opinion and according to information and explanations given to us, the Company does not have any deposits accepted from the public during the year under audit.
- vi. The Company is maintaining cost records as prescribed under Section 148 (1) of the Companies Act, 2013. However, we have not verified the same for completeness or accuracy.
- vii. a. According to records of Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund dues and Profession tax. No amount is outstanding as at 31/3/2017 for a period more than 6 months from the date they become payable.
- viii. According to information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, excise duty were in arrears as at 31/3/2017 for a period more that six months from the date they became payable.
- ix. In our opinion and according to information and explanations given to us, the Company had defaulted in repayment of dues to IREDA earlier and it has made agreement for One Time settlement scheme for the repayment of the loan taken from IREDA. The Company has paid all installments due as per scheme of OTS sanctioned by IREDA during the year.
- x. According to information and explanations given to us The company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year
- xi. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year
- xii. The company has not paid or provided for any Managerial Remuneration referred by the provisions of section 197 read with Schedule V to the Companies Act;





- xiii. The company is not a Nidhi Company;
- xiv. Based upon the audit procedures performed and information and explanations given by the management, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;
- xv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review;
- xvi. Based upon the audit procedures performed and information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him within the meaning of the provisions of section 192 of Companies Act, 2013;
- xvii. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For GODBOLE & COMPANY  
Chartered Accountants

Place : Satara  
Date : 30th May 2017

A. G. Godbole  
Proprietor  
Mem. No. 104822  
FRN : 117969W

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**Annexure - B to the Auditors' Report**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Kay Power and Paper Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in



accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2017 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For GODBOLE & COMPANY  
Chartered Accountants

Place : Satara  
Date : 30th May 2017

A. G. Godbole  
Proprietor  
Mem. No. 104822  
FRN : 117969W



**BALANCE SHEET AS AT 31 MARCH, 2017**

Particulars	Note No.	As at	
		31 March, 2017	31 March, 2016
		Rupees	Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share Capital	2	106400000.00	106400000.00
Reserve and surplus	3	(109731771)	(128459817)
		(3331771)	(22059817)
<b>Share application money pending allotment</b>	4	93600000.00	93600000.00
<b>Non-current liabilities</b>			
Long -term borrowings	5	229218575.00	269881272.00
<b>Current Liabilities</b>			
Short term borrowings	6	1133464.00	0.00
Trade Payables	7	145067552.00	111555512.00
Other Current Liabilities	8	7129399.00	9126522.00
Short term provision	9	537195.00	269559.00
<b>TOTAL</b>		<b>473354414.00</b>	<b>462373048.00</b>
<b>ASSETS</b>			
<b>Non current assets</b>			
Fixed assets			
Tangible Assets	10	381655953	389050626
Intangible Assets	10	1400.00	1400.00
Non-Current investments	11	31500.00	31500.00
Long term loans and advances	12	6475378.00	6145247.00
Other non-current assets	13	58750.00	58750.00
<b>Current Assets</b>			
Current Investment	14	0.00	202648.00
Inventories	15	19063642.00	24787909.00
Trade Receivables	16	29965766.00	35792441.00
Cash and Cash Equivalents	17	702618.00	1823391.00
Short term loans and advances	18	802807.00	4479136.00
Other Current Assets	19	34596600.00	0.00
<b>TOTAL</b>		<b>473354414</b>	<b>462373048</b>
Significant Accounting Policies followed by company	1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For and on behalf of the Board of Directors

For GODBOLE & COMPANY  
Chartered Accountants

Niraj Chandra  
Chairman and  
Managing Director

Deepa Agarwal  
Director

Ashutosh Godbole  
Proprietor

Sagar Mohite  
Company Secretary

Ganesh H. Rotithor  
Chief Financial Officer

Place : Satara  
Date : 30<sup>th</sup> May, 2017

Place : Satara  
Date : 30<sup>th</sup> May, 2017

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2017**

Particulars	Note No.	As at	As at
		31 March, 2017	31 March, 2016
		Rupees	Rupees
<b>REVENUE FROM OPERATION</b>			
Revenue from operations (Gross)		<b>367919985.00</b>	369035738.00
Less : Excise duty		<b>21234512.00</b>	21298946.00
Revenue from operations (Net)	20	<b>346685473.00</b>	347736792.00
Misc. Sale (Gross)		<b>121802.00</b>	25988.00
Less : Excise duty		<b>13534.00</b>	2888.00
Misc. Sale (Net)		<b>108268.00</b>	23100.00
		<b>346793741.00</b>	347759892.00
Other Income	21	<b>38666273.00</b>	19508129.00
<b>Total Revenue</b>		<b>385460014.00</b>	367268021.00
<b>EXPENSES</b>			
Cost of material consumed	22	<b>259527112.00</b>	258804433.00
Changes in inventories of Finished goods and work-in-progress	23	<b>1605210.00</b>	2561563
Manufacturing Expenses	24	<b>61296346.00</b>	58575760.00
Employee benefits expenses	25	<b>9169364.00</b>	8670050.00
Finance cost	26	<b>4075890.00</b>	0.00
Depreciation and amortisation expenses	10	<b>9062541.00</b>	7947128.00
Other expenses	27	<b>21995506.00</b>	14783047.00
<b>Total Expenses</b>		<b>366731969.00</b>	351341981.00
Profit / (Loss) before tax		<b>18728045.00</b>	15926040.00
<b>Tax Expense:</b>		<b>0.00</b>	0.00
Profit for the year after tax		<b>18728045.00</b>	15926040.00
Earning per share		<b>1.76</b>	1.50
Significant account policies followed by Company	1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For and on behalf of the Board of Directors

For GODBOLE & COMPANY  
Chartered Accountants

Niraj Chandra  
Chairman and  
Managing Director

Deepa Agarwal  
Director

Ashutosh Godbole  
Proprietor

Sagar Mohite  
Company Secretary

Ganesh H. Rotithor  
Chief Financial Officer

Place : Satara  
Date : 30<sup>th</sup> May, 2017

Place : Satara  
Date : 30<sup>th</sup> May, 2017

**Cash Flow Statement for the year ended 31 March, 2017**

	<u>31 March, 2017</u>	<u>31 March, 2016</u>
	Rupees	Rupees
<b>A. Cash flow Operating Activities</b>		
Net profit/(loss) Before Tax & Extra Ordinary item	<b>18728045.00</b>	15926040.00
Adjustment for Depreciation	<b>9062541.00</b>	7947128.00
Add expenses related to non- operating Activities		
Interest and Bank Charges	<b>0.00</b>	0.00
Operating Profit/(Loss) Before working capital changes	<b>27790586.00</b>	23873168.00
(Increase)/Decrease in current Assets	<b>-19496812.00</b>	-2888886.00
Inventories	<b>5724267.00</b>	13366643
Trade Receivable	<b>5826675.00</b>	-13110990
Long term Loans and advances	<b>-330131.00</b>	844875.00
Short terms Loans and advances	<b>3676329.00</b>	-3989414.00
(Increase)/Decrease in other Current Assets	<b>-34393952</b>	0
Increase/ (Decrease) in Current Laibilities	<b>31782553.00</b>	94270164
Trade payable	<b>33512040.00</b>	88533115
other Laibilities	<b>-1997123.00</b>	5586068
Provisions	<b>267636.00</b>	150981
Cash Generated form Operations	<b>40076327.00</b>	115254446
Less Tax Paid	<b>0</b>	0
<b>Net cash form Operating Activities</b>	<b>40076327.00</b>	115254446
<b>B. Cash Flow form Investing Activities</b>		0
(Purchase) / of fixed Assets	<b>(1,667,868.00)</b>	-72039532
<b>Net Cash Flow from Investing Activities</b>	<b>-1667868</b>	-72039532
<b>C. Cash Flow From Financial Activities</b>		
Increase / ( Decrease) in Borrowing	<b>-39529233.00</b>	-44584805
<b>Net Cash Flow from Financial Activities</b>	<b>-39529233.00</b>	-43257453
<b>Net Increase in Cash and cash Equivalent</b>	<b>-1120774.00</b>	-42539.00
<b>cash and cash equivalents at beginning of period</b>	<b>1823392.00</b>	1865931
<b>cash and cash equivalents at End of period</b>	<b>702618.00</b>	1823392

For and on behalf of the Board of Directors

Sagar Mohite  
Company Secretary  
Pune, 30<sup>th</sup> May, 2017

Niraj Chandra  
Chairman and Managing Director  
Ganesh H. Rotithor  
Chief Financial Officer  
Deepa Agarwal  
Director

**Auditor's Certificate**

The above cash flow statement has been compiled from and is based on the Audited accounts of Kay Power and Paper Limited, for the year ended 31st March 2017 reported upon by us on 30th May, 2017. According to the information and explanations given, the aforesaid Cash Flow Statement has been prepared pursuant to Regulation 34 (2) (c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

For GODBOLE & COMPANY  
Chartered Accountants

Ashtosh Godbole - Proprietor

Satara, 30<sup>th</sup> May, 2017

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2017**

Note 1 : Statement of Significant Accounting Policies.

**1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention on accrual basis except where specified otherwise and in case of significant uncertainties.

**2 Use of Estimates**

Estimates and assumptions used in the preparation of the financial statements are based on management's evaluation of the relevant facts and circumstances as on the date of the Financial Statements, which may differ from the actual results at a subsequent date.

**3 Fixed Assets and Depreciation**

a) Fixed Assets except freehold land are stated at cost of acquisition less accumulated depreciation. Cost includes the purchase price and all other attributable costs incurred for bringing the assets to its working condition for intended use. Freehold land is valued at cost.

**b) Depreciation**

Depreciation on Fixed Assets has been provided at the useful lives provided in Schedule II to the Companies Act, 2013 for SLM method on the opening written down value of the assets. No depreciation on assets of Power Division is charged as power division was not functional and assets in power division remained idle for the whole year. Depreciation on Fixed Assets of Paper Division is charged for the whole year. Depreciation on addition to Fixed Assets is charged on pro-rata basis from date on which asset is put to use.

**4 Impairment of Assets:**

Consideration is given at each balance sheet date to determine whether there is any modification or impairment of the carrying amount of the fixed assets. If any condition exists, an asset's recoverable

amount is estimated. As of March 31, 2017 none of the fixed assets were considered impaired.

**5 Investment**

Long Term investments are valued at cost.

**6 Inventories**

Stock of Raw Material, Stores and Spares, Consumables and packing material is valued at cost price. Cost is ascertained using weighted average method. Stock of finished goods is valued at cost of production ascertained using weighted average method.

**7 Segmental Reporting**

The company's operating business is organised and managed separately according to the products provided as Paper Division and Power Division. The company generally accounts for inter segmental sale at the current market prices. During the year under audit there is not inter segmental sale as power division is not operational,

**8 Deferred Tax Liability**

Deferred Tax Asset is not recognised in the Balance Sheet due to lack of reasonable certainty of realising them in view of accumulated losses.

**9 Retirement Benefits**

The liability for terminal benefits to employees like gratuity is recognised in the year of payment and in view of the heavy losses and due to the skeleton eligible staff strength, no actuarial working is taken to avoid extra expenditure for it.

**10 Foreign Currency**

Transactions Foreign currency transactions are accounted at the rates prevailing on the date of the transaction. The exchange rate differences arising out of such transactions are dealt with in the Profit and Loss Account, except in case of long-term loans where they relate to acquisition of fixed asset, in which case they are adjusted to the carrying cost of such assets.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2017**

	<u>As at 31 March, 2017</u>	<u>As at 31 March, 2016</u>
	Rupees	Rupees
<b>Note 2 : Share Capital</b>		
<b>Authorised</b>		
1,50,00,000 Equity Shares of Rs.10/- each	<u>150000000.00</u>	<u>150000000.00</u>
<b>Issued, Subscribed and fully Paid-up</b>		
shares 1,06,40,000 Equity shares of Rs.10/- each	<u>106400000.00</u>	<u>106400000.00</u>
<b>Total (2)</b>	<u>106400000.00</u>	<u>106400000.00</u>

**a Terms/rights attached to equity shares.**

The company has only one class of equity shares at par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amount. the distribution will be in proportion to the number of equity shares held by the shareholders.

**b Details of shareholders holding more than 5% shares in the company (Equity shares of Rs. 10/- Fully paid )**

Sr. Shareholders Name No.	<u>31 March, 2017</u>		<u>31 March, 2016</u>	
	<u>No. of shares held</u>	<u>% of holding</u>	<u>No. of shares held</u>	<u>% of holding</u>
1. Mr.Niraj Chandra	1652100	15.53%	1652100	15.53%
2. Mrs.Usha Gupta	1177100	11.06%	1177100	11.06%
3. Mrs.Deepa Agarwal	741100	6.97%	741100	6.97%
4. Mr.Sushil Chandra	675100	6.34%	675100	6.34%

	<u>As at 31 March, 2017</u>	<u>As at 31 March, 2016</u>
	Rupees	Rupees
<b>Note 3 : Reserves &amp; Surplus</b>		
Securities Premium Account	257136.00	257136.00
Special capital incentive of Govt.of Maharashtra	5000000.00	5000000.00
Balance as per last balance sheet	(133716952)	(144385857)
Surplus as per statement of Profit and loss	18728045.00	15926040.00
<b>Total (3)</b>	<u>(109731771)</u>	<u>(128459817)</u>

**Note 4 : Share Application Money Pending Allotment**

	<u>As at 31 March, 2017</u>	<u>As at 31 March, 2016</u>
	Rupees	Rupees
Pending preferential allotment	93600000.00	93600000.00
<b>Total (4)</b>	<u>93600000.00</u>	<u>93600000.00</u>





## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2017

	As at 31 March, 2017	As at 31 March, 2016
	Rupees	Rupees
<b>Note 5 : Long Term Borrowings</b>		
Term loan from Indian renewable energy development agency ltd. (IREDA)	<u>39807859.00</u>	<u>70537859.00</u>
<b>Sub Total</b>	<b>39807859.00</b>	70537859.00
<b>Unsecured Loan</b>		
Intercorporate Deposits	<b>114487009.00</b>	114487009.00
Deferred liability for sales tax	<b>74923707.00</b>	84856404.00
<b>Sub Total</b>	<b>189410716.00</b>	199343413.00
<b>Total (5)</b>	<b><u>229218575.00</u></b>	<b><u>269881272.00</u></b>
<b>Note 6: Short term borrowings</b>		
HDFC Bank Vehicle Loan [(Toyota innova) MH-11 BV- 6217]	<u>1133464.00</u>	0.00
<b>Total (6)</b>	<b><u>1133464.00</u></b>	<b><u>0.00</u></b>
<b>Note 7 : Trade Payables</b>		
Due to Micro, Small and medium Enterprises*		
Others	<u>145067552.00</u>	111555512.00
<b>Total (7)</b>	<b><u>145067552.00</u></b>	<b><u>111555512.00</u></b>

\* In absence of any information from the vendors with regard to their registration under the micro, small and medium Enterprise Development act 2006, unable to determine, but the payments are released within credit extended by the vendors and there is no liability towards interest on delayed payments during the year under the said act. There is also no amount of outstanding interest in this regard brought forward from previous year


**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2017**

	<b>As at 31 March, 2017</b>	<b>As at 31 March, 2016</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>Note 8 : Other Current Liabilities</b>		
Salary Payables	<b>334408.00</b>	323292.00
Wages Payables	<b>435383.00</b>	290318.00
TDS Constructors Payable	<b>88389.00</b>	7007.00
Imprest Account	<b>1984651.00</b>	0.00
TDS Salary Payable	<b>17540.00</b>	9820.00
Vat Payable	<b>4267528.00</b>	6524530.00
Excise Duty Payable	<b>0.00</b>	1971555.00
Staff Advance	<b>1500.00</b>	0.00
<b>Total (8)</b>	<b>7129399.00</b>	9126522.00

**Note 9 : Other Short Term Provisions**

Labour charges payables	<b>189272.00</b>	231264.00
Professional tax payables	<b>7000.00</b>	4250.00
Unpaid wages	<b>20832.00</b>	11669.00
Unpaid Salary	<b>0.00</b>	3250.00
Employees PF Payables	<b>11118.00</b>	3228.00
Water charges payable	<b>297162.00</b>	15898.00
ESIC Payable	<b>11811.00</b>	0.00
<b>Total (9)</b>	<b>537195.00</b>	269559.00



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2017**  
**Note 10 : Fixed Assets**

Sr. No	Name of Asset	Useful Life	Gross Block				Depreciation				Net Block	
			As on 01/04/16	Addition	Deduction	As on 31/03/17	As on 01/04/16	Write off to Reserves	For the year	As on 31/03/16	As on 31/03/17	As on 01/04/16
1	Freehold Land		573245	0	0	573245	0	0	0	0	573245	573245
2	Site Development		1349328	0	0	1349328	0	0	0	0	1349328	1349328
3	Building	30	21016940.95	0	0	21016940.95	9163958	846052	10010010	11006930.95	11852382.95	11852382.95
4	Well & Irrigation Scheme	5	4302456	0	0	4302456	4087333	0	4087333	0	215123	215123
5	Effluent Treatment Plant	25	5097469.64	0	0	5097469.64	3275031	233843	3508874	1588595.64	1822438.64	1822438.64
6	Weigh Bridge	15	766872.15	0	0	766872.15	654319	12797	667116	99756.15	112553.15	112553.15
7	Boiler	25	9615999.66	0	0	9615999.66	5047359	389134	5438493	4179506.66	4568640.66	4568640.66
8	Plant & Machinery	25	184709561.8	0	0	184709561.8	6654512	7113696	75668208	109041353.8	116155049.8	116155049.8
9	Laboratory Equipment	10	305743.75	0	0	305743.75	155488.7	21790	172787	128465.05	150255.05	150255.05
10	Furniture & Fixtures	10	247562	0	0	247562	230978.45	1051	232029.45	15532.55	16683.55	16683.55
11	Office Equipment	5	1287545	0	0	1287545	1093492.15	39627	1133119.15	154425.85	194052.85	194052.85
12	Vehicles	10	4011644	1667868	0	5679512	1765322	404551	2169873	3509639	2246322	2246322
13	Software & Licenses	3	28000	0	0	28000	28600	0	28600	1400	1400	1400
<b>A</b>	<b>TOTAL</b>		<b>233312368</b>	<b>1667868</b>	<b>0</b>	<b>234980236</b>	<b>94054393.3</b>	<b>9062541</b>	<b>103116934.3</b>	<b>131863301.7</b>	<b>139257974.7</b>	
1	POWER DIVISION											
1	Land & Site Devp.	0	1122850			1122850	0	0	0	0	1122850	1122850
2	Building	30	15218490			15218490	1727564	0	1727564	13490326	13490326	13490326
3	Cooling Tower	25	2134719			2134719	332887	0	332887	1801832	1801832	1801832
4	DM Plant	25	1317022			1317022	202428	0	202428	1114594	1114594	1114594
5	Stream Line	25	481300			481300	88289	0	88289	393011	393011	393011
6	L T Electrical Panels	25	3310435			3310435	476023	0	476023	2834412	2834412	2834412
7	Bagasse handling system	25	54346274			54346274	9955924	0	9955924	44390350	44390350	44390350
8	Boiler	25	82909042			82909042	15031985	0	15031985	67877057	67877057	67877057
9	TG Set with HT Panels	25	141447609			141447609	24900948	0	24900948	116546661	116546661	116546661
10	Furniture & Fixtures	10	56781			56781	11317	0	11317	45464	45464	45464
11	Kiosk Unit	15	180163			180163	3269	0	3269	176894	176894	176894
<b>B</b>	<b>Total</b>		<b>302524685</b>	<b>0</b>	<b>0</b>	<b>302524685</b>	<b>52730634</b>	<b>0</b>	<b>52730634</b>	<b>249794051</b>	<b>249794051</b>	
<b>Grand Total</b>			<b>535837053</b>	<b>1667868</b>	<b>0</b>	<b>537504921</b>	<b>146785027.3</b>	<b>9062541</b>	<b>155847568.3</b>	<b>381657353</b>	<b>389052026</b>	

**Note:- As the Power division is not started in the year no depreciation is charged on assets of power division**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2017**

	As at 31 March, 2017	As at 31 March, 2016
	Rupees	Rupees
<b>Note 11 : Non Current Investment</b>		
1500 Equity Shares of Rs.10/- each of National General Industries Ltd.	22,500.00	22,500.00
900 Equity Shares of Rs.10/- each of Ambala Cement Ltd.	9,000.00	9,000.00
<b>Total (11)</b>	<b>31,500.00</b>	<b>31,500.00</b>
<b>Note 12 : Long Term Loans and Advances</b>		
Sundry Deposits ( Pune Mumbai Court )	23000.00	23000.00
Deposits with irrigation dept.	35000.00	35000.00
Security deposits with Delhi High Court	2944900.00	2944900.00
M.S.E.D.C.L. Deposits (Lift Scheme)	42130.00	42130.00
M.S.E.D.C.L. Deposits (HT Connection)	3234680.00	2806120.00
Telephone Deposits	25027.00	25027.00
Imprest	16981.00	70193.00
TDS Receivable	49347.00	22516.00
Sunstar Securities	94813.00	94813.00
Prepaid Factory Licence Fee	0.00	42000.00
Margin Money Receiveble From Sicom	0.00	30048.00
Indian Infoline Commodities Ltd	9500.00	9500.00
<b>Total (12)</b>	<b>6475378.00</b>	<b>6145247.00</b>
<b>Note 13 : Other Non Current Assets</b>		
Balances with scheduled bank in fixed deposits	33750.00	33750.00
Fixed Deposit as security for bank guarantee for MPCB	25000.00	25000.00
<b>Total (13)</b>	<b>58750.00</b>	<b>58750.00</b>
<b>Note 14 : Current Investment</b>		
Accrued Income	0.00	202648.00
<b>Sub Total (14)</b>	<b>0.00</b>	<b>202648.00</b>
<b>Note 15 : Inventories</b>		
Tools and spares (Valued at cost price)	4512077.00	3975463.00
Raw Material (Valued at cost price)	12840169.00	17662638.00
Finished goods (Valued at cost of production)	1544598.00	3149808.00
Oil And Lubricants	166798.00	0.00
<b>Total (15)</b>	<b>19063642.00</b>	<b>24787909.00</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2017**

	<b>As at 31 March, 2017</b>	<b>As at 31 March, 2016</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>Note 16 : Trade Receivables</b>		
(Unsecured and considered goods)		
Outstanding over six months	<b>376634.00</b>	376634.00
Others	<b>29589132.00</b>	35415807.00
<b>Total (16)</b>	<b>29965766.00</b>	35792441.00
<b>Note 17 : Cash and Bank Balances</b>		
Cash in hand	<b>171243.00</b>	350713.00
Balances with bank	<b>531375.00</b>	1472678.00
<b>Total (17)</b>	<b>702618.00</b>	1823391.00
<b>Note 18 : Short Term Loans and Advances</b>		
Balances with statutory / public authorities advance recoverable in cash or in kind or for value to be recoverable		
<b>Total (18)</b>	<b>802807.00</b>	4479136.00
<b>Note 19: OTHER CURRENT ASSETS</b>		
Other Current Asset	<b>34596600.00</b>	0.00
<b>Total (19)</b>	<b>34596600.00</b>	0.00
<b>Note 20: Revenue from Operation (Gross)</b>		
Kraft Paper		
Gross Sales	<b>367919985.00</b>	369035738.00
Less . Excise Duty	<b>21234512.00</b>	21298946.00
<b>Net Sales</b>	<b>346685473.00</b>	347736792.00
Misc Sale	<b>121802.00</b>	25988.00
Less . Excise Duty	<b>13534.00</b>	2888.00
<b>Total (20)</b>	<b>108268.00</b>	23100.00
	<b>346793741.00</b>	347759892.00


**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2017**

	As at 31 March, 2017	As at 31 March, 2016
	Rupees	Rupees
<b>Note 21 : Other Income</b>		
Foreign Exchange Rate Diff.	146844.00	99934.00
Account Written Off	105155	0.00
Interest Received	394053.00	313382.00
Profit on Trading in Derivatives	3802021.00	19094813.00
<b>Total (21)</b>	<b>38666273.00</b>	<b>19508129.00</b>
<b>Note 22 : Cost of material consumed</b>		
Raw Material Consumed		
Opening Stock	17662638.00	28293355.00
Add. Purchases	254704643.00	248173716.00
Less. Closing Stock	12840169.00	17662638.00
<b>Total (22)</b>	<b>259527112.00</b>	<b>258804433.00</b>
<b>Note 23 : Changes in inventories of finished goods, work-in-progress and stock-in-Hand</b>		
Stock at opening		
Finished goods	3149808.00	5711371.00
Less. Stock at closing	0.00	0.00
Finished goods	1544598.00	3149808.00
<b>Total (23)</b>	<b>1605210.00</b>	<b>2561563.00</b>
<b>Note 24 : Manufacturing Expenses</b>		
Carriage Inward	609571.00	637599.00
Power & Fuel	39828078.00	36456500.00
Repairs and Maintenance	10385861.00	9934544.00
Other Manufacturing Expenses	10472836.00	11547117.00
<b>Total (24)</b>	<b>61296346.00</b>	<b>58575760.00</b>
<b>Note 25 : Employee Benefits Expense</b>		
Salary and wages	9112317.00	8626469.00
Welfare Expenses	545.00	4838.00
Contribution to P.F.	46171.00	38743.00
ESI Contribution	10331.00	0.00
<b>Total (25)</b>	<b>9169364.00</b>	<b>8670050.00</b>



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2017

	As at 31 March, 2017	As at 31 March, 2016
	Rupees	Rupees
<b>Note 26: FINANCE COST</b>		
Bank Charges / commission /Interest	<b>4075890.00</b>	0.00
<b>Total (26)</b>	<b>4075890.00</b>	0.00
<b>Note 27 : Other Expenses</b>		
CDSL Issuer Fees	<b>55510.00</b>	45000.00
Legal & Professional Fees	<b>535863.00</b>	410249.00
Packing & Forwarding	<b>32181.00</b>	3231.00
ROC Filing Fees	<b>4815.00</b>	2886.00
Directors Sitting Fees	<b>22000.00</b>	10000.00
Factory Licence Fees	<b>42000.00</b>	42000.00
MPCB Fees	<b>0.00</b>	125100.00
Boiler Inspection Fees	<b>0.00</b>	8700.00
BSE Listing Fees	<b>200000.00</b>	224720.00
Audit Fees	<b>35000.00</b>	23000.00
Membership & Subscription	<b>600.00</b>	0.00
Excise Duty Expenses	<b>4860.00</b>	0.00
Service Tax Exps	<b>0.00</b>	1663.00
MPCB Cess / Testing Fees	<b>4020.00</b>	10910.00
Professional tax - company	<b>2500.00</b>	2500.00
Printing & Stationary	<b>164141.00</b>	140049.00
Postage & Telephone Expenses	<b>104856.00</b>	105764.00
Insurance	<b>235082.00</b>	166492.00
Rent, Rates & Taxes	<b>395639.00</b>	246607.00
Carbon Credit Expenses	<b>235427.00</b>	0.00
Dealer Discount	<b>16395531.00</b>	11308440.00
Vehicle Repairs & Maintainance	<b>309185.00</b>	89370.00
Fuel for vehicle	<b>159599.00</b>	154922.00
Kraft Paper Loading charges	<b>1138333.00</b>	1110152.00
Advertisement Charges	<b>22700.00</b>	24650.00
Local Conveyance	<b>79483.00</b>	75245.00
Carriage outward	<b>0.00</b>	17000.00
Travelling Expenses	<b>95083.00</b>	107360.00
Miscellaneous Office Expenses	<b>918648.00</b>	136287.00
Drinking Water Charges	<b>44700.00</b>	37220.00
Professional tax - Directors	<b>2500.00</b>	2500.00
Water Charges	<b>659557.00</b>	140260.00
E-Voting Charges	<b>2500.00</b>	3000.00
Swach Bharat Cess	<b>25380.00</b>	7770.00
Krishi Kalyan Cess	<b>20438.00</b>	0.00
Custodian Fess	<b>30000.00</b>	0.00
Weigh Bridge Insp.Fees	<b>8150.00</b>	0.00
Appeal Fees	<b>9225.00</b>	0.00
<b>Total (27)</b>	<b>21995506.00</b>	14783047.00

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2017**

**Note 28 : Contingent Liabilities :** Guramtee executed in favour of customs for EPCG has been expired and unascertained duty for unfulfilled export obligation is outstanding.

**Note 29 :** The provisions of Employees State Insurance Act is applicable to the Company from January 2017.

**Note 30 :** Net deferred tax has not been recognised in view of uncertainty about future taxable income against asset which the deferred tax asset can be realised.

**Note 31 :** C.I.F. value of imported west paper Rs. 74,48,752 .00 (Rs. 62, 69,575.00)

**Note 32: Disclosure on Specified Bank Notes**

During the year, the Company had Specified Bank Notes (SBNs) or other denomination notes as defined in the MCA notification, G.S.R. 308(E), dated March 31, 2017. The details of SBNs held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination-wise SBNs and other notes as per the notification are as follows :

Particulars	SBNs	Other Denomination Notes	Total
Closing Cash in hand as on 08.11.2016	13000	538008	551008
(+) Permitted Receipts	0	842263	842263
(-) Permitted Payments	0	-1350179	-1350179
(-) Amount Deposited in Banks	-13000	0	-13000
Closing Cash in hand as on 30.12.2016	NIL	30092	30092

For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated November 8, 2016

**Note 33: Consumption of Raw Material for the year 2016-2017**
**Consumption of Raw Material for the year 2016-2017**

Item Name	Opening Stock		Purchases		Total		Consumption		Closing Stock	
	Qty	Value	Qty	Value	Qty	Value	Qty	Value	Qty	Value
Bagasse	2742 (5558)	5805435 (12457529)	6500 (6834)	17776050 (13779602)	9242 (12392)	23581485.00 (53960879)	7968 (9650)	20330697 (20431696)	1274 (2742)	3250788 (5805435)
Firewood	2265 (1855)	4064646 (3579244)	6622 (5099)	12532535 (8873062)	8887 (6954)	16597181 (12470306)	4816 (4689)	9003923 (8405680)	4071 (2265)	7593258 (4064646)
Coal	0 (78)	0 (383263)	331 (319)	1519041 (125041)	331 (319)	1519041 (125041)	331 (319)	1519041 (125041)	0 (0)	0 (0)
Indian Waste Paper	411 (679)	5227182 (9305755)	15734 (16164)	203711925 (205056954)	16145 (16843)	208939107 (214362709)	16118 (16432)	208579218 (209135527)	28 (411)	359889 (5227182)
Imported Waste Paper	77 (120)	1580445 (1984043)	587 (455)	8873543 (9827268)	664 (575)	10453988 (11839107)	607 (498)	9415360 (10258662)	57 (77)	1038628 (1580445)
Chemicals	0 (0)	832869 (751550)	0 (0)	5989075 (6679936)	0 (0)	6821944 (7431486)	0 (0)	6384713 (6598617)	0 (0)	437231 (832869)
Packing Material	0 (0)	152061 (169438)	0 (0)	4302474 (3831853)	0 (0)	4454535 (4001291)	0 (0)	4294160 (3849230)	0 (0)	160375 (152061)
Total	5495 (8212)	17662638 (28293355)	29774 (28871)	254704643 (248173716)	35269 (37083)	272367281 (276467071)	29840 (31588)	259527112 (258804433)	5430 (5495)	12840169 (17662638)





**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2017**

**Note 34 : Related Party Disclosure :**

List of the parties with whom transactions have taken place during the year. -

a. Related Parties

- 1) Kay Bouvet Engineering Ltd. - Unit I & III,
- 2) Kay Nitrox Pvt Ltd.

b. Key Management Personnel -

- 1) Mr. Niraj Chandra, Chairman and Managing Director
- 2) Ms. Deepa Agarwal, Director & Relative
- 3) Mr. Sagar Mohite, Company Secretary
- 4) Mr. Ganesh Hari Rotithor, Chief Financial Officer

1) Details of Transactions are as follows :-

a) Transactions with Related Parties (Companies) (Rs.In lac)

	Purchases	Services
1) Kay Bouvet Engineering Ltd. - Unit I & III,	8.52	1.35
2) Kay Nitrox Pvt Ltd.	0.14	0

b) Transaction with Key Managerial Personnel - NIL,

2) Outstanding Balance as on 31.03.2017 :

- a) Related Parties (Companies) -NIL
- b) Key Management Personnel - NIL

**Note 35 : Segmentwise Reporting :**

The company has mainly two divisions viz Paper and power. During the current year 2016-17 only paper Division was operational, hence segmentwise results are not given

**Note 36 :** the previous year figures have been re-grouped/ reclassified to confirm to current year classification

**Note :** Figures in bracket pertain to previous year or reverse impact

The accompanying notes are an integral part of the financial statements

As per our report of even date

For GODBOLE & COMPANY  
Chartered Accountants

Ashutosh Godbole  
Proprietor

Place : Satara  
Date : 30<sup>th</sup> May, 2017

For and on behalf of the Board of Directors

Niraj Chandra                      Deepa Agarwal  
Chairman and                      Director  
Managing Director

Sagar Mohite                      Ganesh H. Rotithor  
Company Secretary              Chief Financial Officer

Place : Satara  
Date : 30<sup>th</sup> May, 2017

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# KAY POWER AND PAPER LIMITED

CIN- L21099MH1991PLC061709

Registered Office:- Gat No. 454/457, A/P - Borgaon, Tal Dist - Satara- 415519

## PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Members :- Registered Address :-		Email ID :- Folio No./Client ID :- DP ID :-	
---	--	---	--

I/We, being the member (s) of .....shares of the above named company, hereby appoint

1.	2.	3.
Name :-	Name :-	Name :-
Address:-	Address:-	Address:-
Email ID :-	Email ID :-	Email ID :-
or failing him	or failing him	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty Sixth Annual General Meeting, to be held on Monday, 18th September, 2017 At 3.00 p.m. at Registered Office of the company at Gat No. 454/457, A/P - Borgaon, Tal Dist - Satara- 415519 and at any adjournment thereof in respect of such resolutions as are indicated below:

\*\* I wish my above Proxy to vote in the manner as indicated in the box below:

S.N.	Resolutions	For	Against
1.	Consider and adopt: Audited Financial Statement, Reports of the Board of Directors and Auditors (Ordinary Resolution)		
2.	Re-appointment of Mr. Arvind Kulkarni who retires by rotation (Ordinary Resolution)		
3.	Appointment of Auditors and fixing their remuneration (Ordinary Resolution)		
4.	To borrow money, where the money to be borrowed, together with the money already borrowed by the company will exceed aggregate of its paid-up share capital and free reserves, apart from temporary loans obtained from the company's bankers. (Special Resolution)		

Signed this..... day of..... 20....

Signature of shareholder

\_\_\_\_\_  
Signature of first proxy holder

\_\_\_\_\_  
Signature of second proxy holder

\_\_\_\_\_  
Signature of third proxy holder



### Notes.

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. A Proxy need not be a member of the Company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. \*\* This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
6. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.



## KAY POWER AND PAPER LIMITED

Regd. Office:- Gat No. 454/457, A/P - Borgaon, Tal Dist - Satara- 415519  
CIN- L21099MH1991PLC061709

### ATTENDANCE SLIP

To be handed over at the Meeting Hall

Name of the attending Member ( in Block Letters)	Member's
	Ledgers Folio/ D.P. ID & Clint ID
Name of the Proxy ( in Block Letters ) (To be filled in if the proxy attending instead of the Members)	

No. Of shares Held

I hereby record my presence at the TWENTY SIXTH ANNUAL GENERAL MEETING of the Company to be held at Registered office at Gat No. 454/457, A/P - Borgaon, Tal Dist - Satara- 415 519 at 3.00 p.m on Monday, 18th, September, 2017.

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Member's/ Proxy's Signature





BOOK - POST

*If undelivered, please return to :*

**KAY POWER AND PAPER LIMITED**

Plot No. B-54, Old MIDC Area, Satara -415004