

KAY POWER AND PAPER LIMITED



**25th
Annual Report
2015-2016**



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 FIFTH ANNUAL GENERAL MEETING
MONDAY, 19TH SEPTEMBER, 2016

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 Fifth Annual General Meeting of the Members of M/ S. KAY POWER AND PAPER LIMITED will be held at 3.00 p.m. on Monday, 19th September, 2016 at the Registered Office of the Company at Gat No. 454/457, Village Borgaon, Tal./Dist. Satara - 415 519, 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, 2016, the reports of the Board of Directors and Auditors thereon;
2. To appoint a Director in place of Mrs. Deepa Agarwal (DIN: 00452947), who retires by rotation at this Annual General Meeting and being eligible has offered herself 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:

"RESOLVED THAT consent of the Company be and is hereby accorded to re-appoint M/s. Godbole & Company, Chartered Accountants (Membership No. 104822) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting

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 approve re-appointment of Mr. Niraj Chandra, Chairman and Managing Director of the Company.

To consider and if thought fit, to pass with or without modification(s), the following

resolution as a Special Resolution

"RESOLVED THAT pursuant to approval of the Board and subject to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification or re-enactment thereof) read with Schedule- V of the Companies Act, 2013 and Article 160 of Articles of Association of the Company, approval of the members of the Company be and is hereby accorded to the re-appointment of Mr. Niraj Chandra, Chairman and Managing Director of the Company for a further period of 5 (five) years with effect from 01/01/2017, without remuneration, as offered by him, in the present conditions of the Company, with liberty to the Board of Directors to make such alteration / modifications as be necessary and to give effect to the decisions taken herein."

RESOLVED FURTHER THAT wherein any financial year, during the tenure of Mr. Niraj Chandra as the Chairman and Managing Director, if the board decides to pay remuneration to him and the Company has no profits or its profits or its profits are inadequate, the Company will pay him that remuneration, as minimum remuneration, subject to the provisions of schedule V to the Companies Act, 2013."

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution".

RESOLVED FURTHER THAT Mr. Sagar Mohite, Company Secretary & Compliance officer, be and is hereby authorized to take such steps and to do all such acts, deeds, matters and things as may be required to give effect to the



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, 12th September, 2016 to Monday, 19th September, 2016 (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 Meeting 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:-

M/s. System Support Services,
Unit: KAY POWER AND PAPER LTD

Gala No 209, Shivai Industrial,
Near Logitech Park, 89,
Andheri Kurla Road, Sakinaka,
Andheri (E), Mumbai - 400072
Tel No: 28500835 (5 Lines) (F) 28501438
sysss72@yahoo.com/zoebsss@hotmail.com

7. The shares of the Company are compulsorily traded in demat. The shareholders who have not dematerialised their shares are requested to opt for dematerialisation of their shareholding 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 company website fill up the same and send to the Registrar and Share Transfer Agent (RTA) on given address or Email- syssss72@yahoo.com / zoebsss@hotmail.com or kppl.secretarial@gmail.com.

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 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 (2015-16).
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. System Support Services, Unit:- Kay Power and Paper Limited, Gala No 209, Shivai Industrial, Near Logitech Park, 89, Andheri Kurla Road, Sakinaka, Andheri (E), Mumbai - 400072. 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) 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 25th 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:

- (i) The voting period begins on Friday, 16th September, 2016 at 9.00 am and ends on Sunday, 18th September, 2016 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 of 12th September, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to

www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

- (viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> ● 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. ● 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.
Dividend Bank Details OR Date of Birth (DOB)	<p>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.</p> <ul style="list-style-type: none"> ● 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).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) 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.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

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- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) 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.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) 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 on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) 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 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.
 - 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 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.
- (xxi) 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, under help section or write an email to helpdesk.evoting@cdslindia.com.
- II.a) M/s. Neha Doshi & Co. Company Secretaries has been appointed as Scrutinizer to Scrutinize voting process in a fair and transparent manner.
- b) The Scrutinizer shall within a period not exceeding three (3) working days from



the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the chairman of the company.

- c) The result shall be declared on or after the AGM of the company. The result declared along with the Scrutinizers' Report shall be available for inspection and also placed on the website (www.kaypowerandpaper.com) within prescribed period

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

Mr. Niraj Chandra was appointed as the Chairman and Managing Director of the Company for a period of five years w.e.f. 01-01-2012. Accordingly his term of appointment expires on 31.12.2016. The board of directors, in its meeting held on 20th July, 2016 have recommended the re- appointment of Mr. Niraj Chandra as a Chairman and Managing Director of the company for the further period of five years with effect from 1st January, 2017, to the members for the want of disinterested quorum. Mr. Niraj Chandra had offered his services without payment of any salary from 01.01.2007.

The Board of Directors have appreciated the feelings of Mr. Niraj Chandra and opined to modify the salary as and when the situation permits.

Information pursuant to 1.2.5 of the Secretarial Standard on General Meetings (SS- 2) regarding Director seeking appointment / re-appointment

Age	52 Years
Qualifications	B.com
Experience	25 Years
Terms and conditions of appointment or re-appointment	<ul style="list-style-type: none"> (i) Tenure of this appointment shall be five years with effect from January 1, 2017 (ii) The Managing Director of the Company is the Whole Time Director of the Company and shall not be liable to retire by rotation. The Managing Director would be employed on a whole-time basis and will not be permitted to undertake any other business, work or public office, honorary or remunerative, except with the written permission of the Competent Authority in each case (iii) The Managing Director shall be entitled to such other privileges, allowance, facilities and amenities in accordance with rules and regulations as may be applicable to other employees of the Company and as may be decided by the Board, within the overall limits prescribed under the Act (iv) Managing Director will cease to be Director on cessation of his employment with the Company (v) The appointment shall be governed by Section 196, 197, 203 read with Schedule V of the Companies Act, 2013 and rules made thereunder (vi) The separation from this engagement could be effected by either side giving three month's notice
Last drawn remuneration	NIL
Date of first appointment on the Board	15/05/1991
No. of share held	16,52,100 Equity Shares
Relationship with Directors, Managers & KMP	Director, Mrs. Deepa Agarwal is wife of Mr. Niraj Chandra
Number of Board Meeting attended during FY 2015-16	5
Other Directorship	<ul style="list-style-type: none"> 1. Kay Bouvet Engineering Limited. 2. Kay Nitroxigen Private Limited 3. Kay Chandra Iron Engineering Works Private Limited 4. Kay Amines And Sugars Private Limited 5. Kay Inns and Investment Private Limited 6. Chandra Trading and Investment Private Limited 7. Kay Inns Pvt Ltd
Chairman/ Member of the Committees of Boards of other companies	<ul style="list-style-type: none"> 1. Kay Bouvet Engineering Limited Member Banking and Finance Committee

The Board of Directors recommends the proposed resolution as set out in item No. 4 of the notice for your approval.

Except Mr. Niraj Chandra and Mrs. Deepa Agarwal being relative are interested in the resolution, none of the other Directors, Key Managerial Personnel of the Company or their respective relatives are in any way concerned or interested in the said Resolution.

Item no. 5

Pursuant to sub-section 1 section 188 of the Companies act 2013 and rules made there under, except with the prior approval of the shareholders of the company by a resolution, a company shall not enter into a transaction or transactions, where the transaction or transactions are not on arms length basis to be entered into-

- (i) Sale, purchase or supply of any goods or materials, directly or through appointment of agent, exceeding ten percent of the turnover of the company or rupees one hundred crore, whichever is lower
- (ii) selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent, exceeding ten per cent of net worth of the company or rupees one hundred crore, whichever is lower.
- (iii) Leasing of property of any kind exceeding ten percent of the net worth of the company or ten percent of turnover of the company or rupees one hundred crore, whichever is lower, as mentioned in clause (c) of sub-section (1) of section 188;
- (iv) availing or rendering of any services, directly or through appointment of agent, exceeding ten percent of the turnover of the company or rupees fifty crore, whichever is lower.

Further pursuant to Regulation 23(4) of the Securities and Exchange Board of India (listing obligations and Disclosure requirements) regulations, 2015 and as per the related party policy of the company, except with the prior approval of the shareholders of the company by a resolution, a company shall not enter into a transaction or transactions, where the transaction or transactions where exceeding the 10% of last annual consolidated turnover

of the company.

Further Pursuant to sub-section (3) of section 188, where any contract or agreement is entered into by the directors or any other employee, without obtaining the consent of the Board or approval by a resolution in the general meeting as stated above and if it is not ratified by the board or, as the case may be, by the shareholders at a meeting with in three months from the date on which such contract and arrangement was entered into, such contract or arrangement shall be voidable at the option of the board.

The proviso to section 188 also states that nothing in section 188(1) will apply to any transaction entered into by the company in its ordinary course of business and at arm's length basis.

Board of Directors in its meeting held on 20th July, 2016 has approved the material related party transaction, subject to approval of members of the company in general meeting to be entered with the related party M/s. Kay Bouvet Engineering Limited for design, manufacturing, supplying, erecting and commissioning the paper machinery worth of Rs. 10, 00, 00,000/- (Ten Crores Only) plus taxes extra on prevailing market price.

The aforesaid related party transaction to be entered with the M/s Kay Bouvet Engineering Limited is on prevailing market conditions hence on arm's length basis. The said related party transaction is exceeding the 10% of annual turnover of the company hence contract is considered as a material in nature.

Information as per the rule 3 of the companies (Meeting of the Board and its powers) second amendment rule, 2014

1. Name of the Related Party - M/s. Kay Bouvet Engineering Limited
2. Name of the Director or Kay managerial Personnel who is related, if any -
 1. Mr. Niraj Chandra
 2. Mrs. Deepa Agarwal
3. Nature of Relationship- Mr. Niraj Chandra holds position as a Managing Director in both the companies and Mrs. Deepa Agarwal wife of Mr. Niraj Chandra holding



DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting Twenty Fifth Annual Report on the business and operations of your Company and Audited Financial Statement for the year ended 31ST March, 2016.

FINANCIAL RESULTS :

	(Rs. in lacs)	
	2015-16	2014-15
Revenue from operations (Net)	3477.36	3052.60
Misc Sale (Net)	0.23	0.23
Other Income	195.08	310.75
Total Revenue	3672.67	3363.58
Less: Expenses		
Cost of material consumed	2588.04	2632.58
Changes in Inventories of finished Goods & Work in Progress	25.61	-11.89
Manufacturing Expenses	585.75	422.96
Employee Benefit Cost	86.70	97.80
Depreciation and amortisation Expenses	79.47	61.61
Other Expenses	147.83	153.07
Total Expenses	3513.42	3356.14
Net Profit	159.26	7.43

OPERATIONS :

During the year under review, only Paper Division was operational throughout the year and produced 15096.18 M.T of Kraft Paper and achieved sales of Rs. 3477.36 Lacs as against 12968.43 M.T ' and Rs. 3052.59 Lacs of the previous year. The net profit was Rs.

159.26 Lacs as against Rs. 7.43 Lacs of the previous year.

Company could not run Power Division due to non availability of bagasse, 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.

During the financial year, company has expanded its current capacity of paper division from 15000 TPA to 20000 TPA . Therefore we are expecting the additional production of 5000 M.T of kraft paper every year. Further company is planning to expand capacity of paper division upto 25000 TPA in financial year 2016-17.

REHABILITATION SCHEME :

As you aware that, company had been declared as a sick industrial unit by BIFR in 2007 and thereafter filed the rehabilitation scheme through our operating agency M/s. Indian Renewable Energy Development Agency Ltd (IREDA) to the BIFR. Although BIFR in its order dated 11.11.2014 had de-registered stating that there is a delay in submission of rehabilitation scheme. Consequently company had filed the appeal to the Appellate Authority for Industrial and Financial Reconstruction (AAIFR) against the aforesaid order of BIFR. Subsequently AAIFR on order dated 22.04.2015 remanded the case back to BIFR accepting the company's submission. Honourable BIFR has suggested certain modification in the Draft Rehabilitation scheme already submitted and now accordingly company has re-submitted draft rehabilitation scheme (DRS) duly incorporating the modifications, suggestions suggested through operating agency on 08/12/2015. The company has also filed special miscellaneous application 04/07/2016 requesting honourable BIFR to circulate the DRS at the earliest. Now it is expected that DRS scheme will be approved in the coming



financial year.

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, 2016, 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. 30 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:

Mrs. Deepa Agarwal, director of the company retire by rotation in ensuing general meeting and being eligible offers herself 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 was appointed as a Chairman and Managing Director of the Company for a period of five years w.e.f. 01-01-2012. Accordingly his term of appointment expires on 31.12.2016. The board of directors, in its meeting held on 20th July, 2016 have recommended the re- appointment of Mr. Niraj Chandra as a Chairman and Managing Director of the company for the further period of five years with effect from 1st January, 2017. The necessary resolution is being put in the Notice of the ensuing Annual General Meeting for the consideration of the Members.

BOARD EVALUATION

Pursuant to the 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 5 (five) 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, 2016 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:

M/s. Godbole & Company, Chartered Accountants (M. No. 104822) , Satara Statutory Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

The Company has received letters from him to the effect that their re-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 re-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 thereon 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 2015-16, as required under Section 204 of the Companies Act, 2013 and Rules there under. The secretarial audit report for FY 2015-16 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:**

Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 2015-16. Hence company has not appointed cost auditor for the financial year 2016-17.

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.

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 2016-17.

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-
chairmanauditcommittee@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

ACKNOWLEDGEMENT:

Your Directors appreciate valuable contribution of employees at all levels. Your Directors place on record their 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 in coming years.

For and on behalf of the Board of Directors

Date : 20th July, 2016
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, 2016, 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 15000 TPA to 20000 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. 700,00,000/- (Seven Crores Only) plus taxes extra
e	Date of approval by the Board	25/06/2015
f	Amount paid as advances, if any	-

On June, 25, 2015, 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 14, 2015, the shareholders ratify the aforesaid related party agreement/ contract with the M/s. Kay Bouvet Engineering Limited.

For and on behalf of the Board of Directors

Date: - 20th July, 2016
Place: - Satara

Niraj Chandra
Chairman and Managing Director

**Annexure -II
Form No. MR-3****SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2016**

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 2016 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 2016 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

4. 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 and thereafter filed the rehabilitation scheme through our operating agency M/s. Indian Renewable Energy Development Agency Ltd (IREDA) to the BIFR. Now scheme of seeking relief concessions

and assistance from Secured Creditors and Central and State Government, Semi Government and Local bodies is under consideration of BIFR. During the year, the company has filed modified draft rehabilitation scheme through its operating agency as suggested by BIFR. Further the company has also filed special miscellaneous application on 04/07/2016 requesting honourable BIFR to circulate the Draft Rehabilitation Scheme (DRS) at the earliest.

B. The allotment against the Share Application money is pending for Rs. 9,36,00,000/-. As informed to us, it is proposed to allot the same, under rehabilitation scheme submitted to BIFR for which the sanction is awaited.

C. The quarterly results are not accompanied by the Limited Review Report for first 2 quarters as per the Clause 41(l)(c)(i) and 41(l)(h) of Listing Agreement and 1 quarter 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 Clause 41 VI (a) and (III) (b) of the Listing Agreement 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 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 is done as per the provisions of the Companies Act, 1956 and does not amount to KMP due to non applicability of the concerned provisions.

L. 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: 10th July, 2016

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, accountability and integrity. The Company recognizes the accountability 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, 2016.

Sr. No.	Name of the Director	Category	No. of other Directorships ¹	Committee positions ²		No. of Shares Held in the Company as at 31.03.2016
				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 1.4.2015 to 31.3.2016, Five Board Meetings were held on 28.05.2015, 25.06.2015, 14.08.2015, 13.11.2015 and 06.02.2016,

The last Annual General Meeting was held on 14th September, 2015.



Name of the Director	No. of Board Meetings attended	Attendance at last AGM
Mr. Niraj Chandra	5	Present
Ms. Deepa Agarwal	5	Present
Mr. A. V. Kulkarni	5	Present
Mr. Kaustubh Wadikar	5	Present
Mr. Sandeep Shahapurkar	5	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, 2016.

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, s. The role also includes making recommendations to the Board, re-appointment of statutory auditors and fixation of audit fees.

The attendance of the members at the meeting was as follows:

The audit committee Meeting were held on 28.05.2015, 25.06.2015, 14.08.2015, 13.11.2015 and 06.02.2016

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. Mr. A. V. Kulkarni	Member	5	5

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 an 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:

- o Ability to contribute to and monitor our corporate governance practices
- o Ability to contribute by introducing international best practices to address top-management issues
- o Active participation in long-term strategic planning
- o 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:

Name of the members	Status
Mr. Kaustubh Wadikar	Chairman
Mr. 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, 2016

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	5000	-	-	5000
Mr. Sandeep Shahapurkar	5000	-	-	5000

\$ 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.

M/s. System Support Services is acting as Registrar and Transfer Agent of the Company.

The committee shall review and ensure 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 Chanda, 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
2012-13	27.08.2013	3.00 p.m	Gat No.454/457, A/P. Borgaon, T/D. Satara - 415 519.	None
2013-14	22.09.2014	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

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, .19th September, 2016.

Ms. Deepa Agarwal, wife of Mr. Niraj Chandra CMD, is B.A. (hons.) and belongs to a reputed business family. She is actively involved in operations of the Private Limited Companies and holds directorships in M/s. Kay Nitroxigen Private Limited, M/s. Chandra trading and Investment Private Limited and M/s. Kay Industrial Gases Private Limited. She holds 741100 shares of the company.

Mr. Niraj Chandra age 52 years is having rich experience of more than 28 years with good rapo with various industries, duly carrying the operations of the Company as Chairman and Managing Director for last 24 years. He holds 16, 52,100 Equity Shares of the company. Also there is no other relationship with directors of the company except with Mrs. Deepa Agarwal as a relative.

- b) The transactions with related parties were undertaken 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 behaviour, actual or suspected fraud or violation of the company's code of conduct and confirm that no personnel has been denied access to the audit committee. The details of establishment of such mechanism has been disclosed on company website on following link - <http://www.kaypowerandpaper.com/download/Annoncement-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%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/TermConditionsforAppointmentIndependentDirectors.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
- h) The company has been 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

MEANS OF COMMUNICATION :

Recommendation	Compliance
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 30.6.2016 Financial reporting for the quarter ending 30.9.2016 Financial reporting for the quarter ending 31.12.2016 Financial reporting for the quarter ending and year ending 31.3.2017 Annual General Meeting Venue	Before 14 th August, 2016 Before 14 th November, 2016 Before 14 th February, 2017 April/May, 2017 19 th September, 2016 at 3.00 p.m. Regd. Office : Gat No. 454/457, A/P. Borgaon, T/D Satara - 415 519.	
Listing of Equity Shares on Stock Exchange	Bombay Stock Exchange Ltd.	
Plant Location	Gat No. 454/457, A/P. Borgaon, T/D Satara - 415 519.	
Registrar and share transfer agent	System Support Services. Gala No 209, Shivai Industrial, Near Logitech Park, 89, Andheri Kurla Road, Sakinaka, Andheri (E), Mumbai - 400072 Tel No: 28500835 (5 Lines) (F) 28501438 sysss72@yahoo.com/ zoebsss@hotmail.com	
Stock Code Stock Exchange	530255 Bombay Stock Exchange Ltd.	
Book closure date	From 12 th September, 2016 to 19 th September, 2016	
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, 2016.



No. of shares	No of Shareholders	% of Shareholders	Total face value Rs.	% of total Value
Upto 500	4550	84.951	682983	6.419
501-1000	333	6.217	293066	2.754
1001-2000	143	2.670	230684	2.168
2001-3000	86	1.606	220114	2.069
3001-4000	40	0.747	142561	1.340
4001-5000	40	0.747	190973	1.795
5001-10000	66	1.232	496830	4.669
10001 and above	98	1.830	8382789	78.786
TOTAL	5356	100.00	10,64,00,000	100.00

Categories of shareholders as on 31st March, 2016.

Category	No. of shares held	Voting Strength (%)
Promoters, Relatives and Associate Companies	47,52,647	44.67
Public	43,08,756	40.50
NRI/FII's/OCB's	3,71,822	3.49
Domestic Companies (Including financial institution)	12,06,775	11.34

MARKET PRICE DATA

The monthly high and low quotations of Shares traded on Bombay Stock Exchange Ltd., during April, 2015 to March, 2016.

Month and year	High Price	Low Price
April 2015	6.54	5.06
May 2015	7.34	4.91
June 2015	5.6	4.11
July 2015	5.4	3.6
August 2015	4.8	3.24
September 2015	3.58	2.74
October 2015	3.36	2.64
November 2015	4.03	3.36
December 2015	4.1	3.51
January 2016	4.7	4.04
February 2016	3.96	3.52
March 2016	3.59	3.15



Investor service cell	Mr. Sagar Mohite Company Secretary & Compliance Officer Liason 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 : 20th July, 2016
Place : Satara

Niraj Chandra
Chairman and
Managing Director

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, 2016, 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.

Place: Satara
Date: 20th July, 2016

Niraj Chandra
Chairman & Managing Director

TO THE MEMBERS OF KAY POWER AND PAPER LIMITED

Schedule V of the SEBI Listing Regulations for the period December 1, 2015 to March 31, 2016.

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, 2016, as stipulated in:
 - a. Clause 49 (excluding clause 49 (VII) (E) of the Listing Agreements of the Company with stock exchanges) for the period April 1, 2015 to November 30, 2015.
 - b. Clause 49 (VII) (E) of the Listing Agreements of the Company with stock exchanges for the period April 1, 2015 to September 1, 2015.
 - c. Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) for the period September 2, 2015 to March 31, 2016 and
 - d. Regulations 17 to 27 (excluding regulation 23 (4)) and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of

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 : 20th July, 2016
Place : Satara

Ashutosh Godbole
Proprietor



Annexure- IV
Form NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2016

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.	System Support Services. Gala No 209, Shivai Industrial, Near Logitech Park, 89, Andheri Kurla Road, Sakinaka, Andheri (E), Mumbai - 400072 Tel No: 28500835 (5 Lines) (F) 28501438 sysss72@yahoo.com/zoebsss@hotmail.com

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-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A	Promoters									
	(1) Indian									
	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	–	–	–	–	–	–	–	–	–
	Sub-Total (A) (1)	4752647		4752647	44.67	4752647		4752647	44.67	–
[2]	Foreign	–	–	–	–	–	–	–	–	–
	Sub-Total (A) (2)	–	–	–	–	–	–	–	–	–
	Total shareholding of Promoter (A) = (A)(1)+(A)(2)	4752647		4752647	44.67	4752647		4752647	44.67	–
B.	Public Shareholding									
1.	Institutions	–	–	–	–	–	–	–	–	–
	Sub-total (B)(1):-	–	–	–	–	–	–	–	–	–
2.	Non-Institutions									
a)	Bodies Corp.									
	i) Indian	2109016	32600	2141616	20.13	1174175	32600	1206775	11.34	8.79
	ii) Overseas	–	3500	3500	0.03	–	3500	3500	0.03	–
b)	Individuals									
	i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1203183	534600	1737783	16.33	1441486	532600	1974086	18.55	-2.22
	ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1874091	–	1874091	17.61	2334670	–	2334670	21.94	-4.33
c)	Others (specify)									
	Non Resident Indians (non REP)	4866	–	4866	0.04	232709	–	232709	2.19	-2.15
	Non Resident Indians (REP)	12497	113000	125497	1.18	23613	112000	135613	1.27	-0.09
	Sub-total (B)(2):-	5203653	683700	5887353	55.33	5206603	680700	5887353	55.33	–
	Total Public Shareholding (B)=(B)(1)+ (B)(2)	5203653	683700	5887353	55.33	5206603	680700	5887353	55.33	–
C.	Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
	Grand Total (A+B+C)	9956300	683700	10640000	100	9959300	680700	10640000	100	–



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, 2016.

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, 2015 to 31St March, 2016	-	-	288519	2.7116
	At the end of the year			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, 2015 to 31St March, 2016	-	-	280367	2.6350
	At the end of the year			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, 2015 to 31St March, 2016			228210	2.1448
	At the end of the year			228210	2.1448
4.	Mridul Securities Pvt Ltd				



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
	At the beginning of the year	167302	1.5724	167302	1.5724
	Transactions (Purchase/sale) form the 1st April, 2015 to 31st March, 2016	-	-	167302	1.5724
	At the end of the year			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, 2015 to 31st March, 2016	-	-	146144	1.3735
	At the end of the year			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, 2015 to 31st March, 2016	-	-	104668	0.9837
	At the end of the year			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, 2015 to 31st March, 2016	52068	0.4894	102068	0.9593
	At the end of the year			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, 2015 to 31st March, 2016	-	-	102000	0.9586
	At the end of the year			102000	0.9586
9	Headfirst Vinimay Private Limited				
	At the beginning of the year	100000	0.9398	100000	0.9398
	Transactions (Purchase/sale) form the 1st April, 2015 to 31st March, 2016	-	-	100000	0.9398
	At the end of the year			100000	0.9398
10	Sudhir Sharma				
	At the beginning of the year	100000	0.9398	100000	0.9398
	Transactions (Purchase/sale) form the 1st April, 2015 to 31st March, 2016	-	-	100000	0.9398
	At the end of the year			100000	0.9398
11	BAMPSL Securities Ltd				
	At the beginning of the year	503688	4.7339	503688	4.7339
	Transactions (Purchase/sale) form the 1st April, 2015 to 31st March, 2016	-503688	-4.7339	-	-
	At the end of the year			-	-
12.	ADROIT Fin Ser Pvt Ltd				
	At the beginning of the year	365796	3.438	345796	3.438
	Transactions (Purchase/sale) form the 1st April, 2015 to 31st March, 2016	-320296	-3.1983	25500	0.2397
	At the end of the year			25500	0.2397

**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
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
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
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
Indebtedness at the beginning of the financial year				
i) Principal Amount	8,80,97,859/-	14,15,11,814/-	-	22,96,09,673/-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	8,80,97,859/-	14,15,11,814/-	-	22,96,09,673/-
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	1,75,60,000/-	2,70,24,805/-	-	4,45,84,805/-
Net Change	(1,75,60,000)	(2,70,24,805)	-	(4,45,84,805)
Indebtedness at the end of the financial year				
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	-	-	-	-
Total (i+ii+iii)	7,05,37,859/-	11,44,87,009/-	-	18,50,24,868/-

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	5000 - -	5000 - -	- - -	10000 - -
	Total (1)			-	-
2	Other Non-Executive Directors Fee for attending board committee meetings Commission Others, please specify	- - - -	- - - -	- - - 3,00,000	- - - 3,00,000
	Total (2)	-	-	3,00,000	3,00,000
	Total (B)=(1+2)	5000	5000	3,10,000	3,10,000
	Total Managerial Remuneration Overall Ceiling as per the Act	5000 Note No.1	5000 Note No.1	3,10,000 Note No.2	3,10,000



Note:

1. Maximum limit for payment of sitting fess if 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 a professional capacity. Further as per section 196 and 197 and rules made there under, the limit of yearly remuneration payable is Rs. 30,00,000/- 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	6,04,708	1,44,683	7,49,391
(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	-	-	-
	Total	6,04,708	1,44,683	7,49,391

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties / punishment / compounding of offences for the year ending March 31, 2016.



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, 2016.

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 equipments 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 equipments 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 equipments for minimum consumption of electricity.
13. Switching off internal street lights at the time of non-working hours of the company.
14. The company is continuously maintaining all machineries 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.
15. 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.

C) Foreign Exchange Earnings and Outgo:	2015-2016	2014-2015
Earnings	-	-
Outgo	62, 69,575.00	49, 39,355.06

**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 2016	Remuneration in fiscal 2015	% increase of Remuneration in 2016 as compared to 2015	Ratio of remuneration to MRE	Ratio of remuneration to	
						Revenues (fiscal 2016)	Net Profit (fiscal 2016)
Mr. Sagar Mohite	Company Secretary	6,04,708	4,12,913	46.44	8.71	0.00	0.03
Mr. Ganesh H, Rotithor	Chief Financial Officer	1,44,683	2,16,000	-33.01	3.20	0.00	0.00

Note:-

1. The Median Remuneration of Employees (MRE) was '69,424' and '67,396' in fiscal 2016 and 2015 respectively. The increase in MRE over the fiscal 2015 was 2.92%
2. The number of permanent employees on the rolls of the Company as of March 31, 2016 and March 31, 2015 was 35 and 55 respectively.
3. The revenue growth during fiscal 2016 over fiscal 2015 was 9.19 % and net profit growth was 2042.34%. The aggregate remuneration of employees excluding WTD decreased by 33.78% over the previous fiscal. The aggregate increase in salary of KMPs was 19.16% in fiscal 2016 over fiscal 2015.
4. Our market capitalization of the company was decreased by 38.17% to Rs. 3,35,47,500/- as of March 31, 2016 from Rs. 5,42,64,000/- as March 31, 2015. The Price Earnings Ratio was 2.10 and 72.86 as of March 31, 2016 and 2015 respectively. The closing price of the company's shares on the BSE as of March 31, 2016 was Rs. 3.15 and as of March 31, 2015 was Rs. 5.10.

List of top ten employees in terms of remuneration drawn in the Year 2015-16 as per Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016

Sr. No.	Name of the Employee	Salary in fiscal 2016
1	Mr. Sagar S. Mohite	6,04,708
2	Mr. Ashok. V. More	4,47,500
3	Mr. Shankar. R. Yadav	3,99,591
4	Mr. Dayasing S. Shukla	3,14,830
5	Mr. Pradeep. V. Kshirsagar	3,13,300
6	Mr. Arvind S. Patil	2,97,051
7	Mr. Vasant M. Singh	2,60,000
8	Mr. Hindurao D. Shinde	1,97,045
9	Mr. Rajesh Kumar Singh	1,96,055
10	Mr. Lalasaheb V. Kavade	1,68,219

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

**ANNEXURE VII: - MANAGEMENT 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, 2017" 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.

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. 36.69 Crores. This has been much improved performance over the last year.

STRATEGY

During the year company has expanded its

current capacity of paper division from the 15000 TPA to 20000 TPA and further company is planning to expand capacity paper division upto 25000 TPA in financial year 2016-17.

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 : 20/07/2016

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, 2016, 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, 2016,
- (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 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, 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 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.

For GODBOLE & COMPANY
Chartered Accountants

Place : Satara
Date : 28th May, 2016

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, 2016

- 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 31/3/2016 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 31/3/2016 for a period more than six months from the date they became payable except net liability of MVAT pertaining to period from financial year 2007-08 to 2014-15 amounting to Rs.486.92 Lacs which is withheld by the Company in anticipation of grant of deferral of the same under rehabilitation scheme sanction of which is awaited.
- 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 instalments 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 : 28th May, 2016

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

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 2016 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, 2016 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 : 28th May, 2016

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



BALANCE SHEET AS AT 31 MARCH, 2016

Particulars	Note No.	As at	As at
		<u>31 March, 2016</u> Rupees	<u>31 March, 2015</u> Rupees
EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	2	106400000.00	106400000.00
Reserve and surplus	3	(128459817)	(144385857)
		<u>(22059817)</u>	<u>(37985857)</u>
Share application money pending allotment	4	93600000.00	93600000.00
Non-Current Liabilities			
Long -term borrowings	5	269881272.00	314466077.00
Current Liabilities			
Trade Payables	6	111555512.00	23022397.00
Other Current Liabilities	7	9126522.00	3540454.00
Short term provision	8	269559.00	118578.00
TOTAL		<u>462373048.00</u>	<u>396761649.00</u>
ASSETS			
Non current assets			
Fixed assets			
Tangible Assets	9	389052026.00	324959621.00
Non-Current investments	10	31500.00	31500.00
Long term loans annd advances	11	6145247.00	6990122.00
Other non-current assets	12	58750.00	58750.00
Current Assets			
Current Investment	13	202648.00	1530000.00
Inventories	14	24787909.00	38154552.00
Trade Receivables	15	35792441.00	22681451.00
Cash and bank balance	16	1823391.00	1865931.00
Short term loans and advances	17	4479136.00	489722.00
TOTAL		<u>462373048.00</u>	<u>396761649.00</u>
Significant Accounting Policies followed by company	1		

The accopmanyng notes are an integarl 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 : 28th May, 2016

Place : Satara
Date : 28th May, 2016

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2016**

Particulars	Note No.	As at	As at
		31 March, 2016	31 March, 2015
		Rupees	Rupees
REVENUE FROM OPERATION			
Revenue from operations (Gross)	18	369035738.00	324460125.00
Less : Excise duty		21298946.00	19200161.00
Revenue from operations (Net)		347736792.00	305259964.00
Misc. Sale (Gross)		25988.00	25493.00
Less : Excise duty		2888.00	2833.00
Misc. Sale (Net)		23100.00	22660.00
		347759892.00	305282624.00
Other Income	19	19508129.00	31074940.00
Total Revenue		367268021.00	336357564.00
EXPENSES			
Cost of material consumed	20	258804433.00	263257833.00
Changes in inventories of Finished goods and work-in-progress	21	2561563.00	(1189136)
Manufacturing Expenses	22	58575760.00	42296415.00
Employee benefits expenses	23	8670050.00	9780379.00
Depreciation and amortisation expenses	9	7947128.00	6161345.00
Other expenses	24	14783047.00	15307335.00
Total Expenses		351341981.00	335614171.00
Profit / (Loss) before tax		15926040.00	743393.00
Tax Expense:		0.00	0.00
Profit for the year after tax		15926040.00	743393.00
Basic and diluted earning per share (in Rs.)		1.50	0.07
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 GODBOLE & COMPANY
Chartered Accountants

Ashutosh Godbole
Proprietor

Place : Satara
Date : 28th May, 2016

For and on behalf of the Board of Directors

Niraj Chandra
Chairman and
Managing Director

Sagar Mohite
Company Secretary

Deepa Agarwal
Director

Ganesh H. Rotithor
Chief Financial Officer

Place : Satara
Date : 28th May, 2016

Cash Flow Statement for the year ended 31 March, 2016

	<u>31 March, 2016</u>	<u>31 March, 2015</u>
	Rupees	Rupees
A. Cash flow Operating Activities		
Net profit/(loss) Before Tax & Extra Ordinary item	15926040.00	743393.00
Adjustment for Depreciation	7947128.00	6161345.00
Add expenses related to non- operating Activities		
Interest and Bank Charges	0.00	0.00
Operating Profit/(Loss) Before working capital changes	23873168.00	6904738.00
(Increase)/Decrease in current Assets	-2888886.00	34702128.00
Inventories	13366643.00	23627522
Trade Receivable	-13110990.00	-2091946
Long term Loans and advances	844875.00	12873162
Short terms Loans and advances	-3989414.00	293390
Increase/ (Decrease) in Current Laibilities	94270164.00	8696206.00
Trade payable	88533115.00	5873669
other Laibilities	5586068.00	2853069
Provisions	150981.00	-30532
Cash Generated form Operations	115254446.00	50303072.00
Less Tax Paid	0	0
Net cash form Operating Activities	115254446.00	50303072.00
B. Cash Flow form Investing Activities		
(Purchase) / of fixed Assets	-72039532	-79667
Sale of Fixed Assets	0	50000
Net Cash Flow from Investing Activities	-72039532	-29667
C. Cash Flow From Financial Activities		
Increase / (Decrease) in Borrowing	-44584805.00	-48136346.00
Interest Paid	0	0
Share Application Money	0	0
(Increase)/Decrease in Non Currrent Assets	1327352.00	-1530000
Net Cash Flow from Financial Activities	-43257453.00	-49666346.00
Net Increase in Cash and cash Equivalent	-42539.00	607059.00
cash and cash equivalents at beginning of period	1865931.00	1258872.00
cash and cash equivalents at End of period	1823392.00	1865931.00

For and on behalf of the Board of Directors

 Sagar Mohite
 Company Secretary

 Niraj Chandra
 Chairman and Managing Director

 Deepa Agarwal
 Director

 Pune, 28th May, 2016

 Ganesh H. Rotithor
 Chief Financial Officer

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 2016 reported upon by us on 28th May, 2016. 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

Ashutosh Godbole - Proprietor

 Satara, 28th May, 2016

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2016****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, 2016 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. Durign 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, 2016

	As at 31 March, 2016 Rupees	As at 31 March, 2015 Rupees
Note 2 : Share Capital		
Authorised		
1,50,00,000 Equity Shares of Rs.10/- each	150000000.00	150000000.00
Issued, Subscribed and fully Paid-up		
shares 1,06,40,000 Equity shares of Rs.10/- each	106400000.00	106400000.00
Total (2)	106400000.00	106400000.00

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.	31 March, 2016		31 March, 2015	
	No. of shares held	% of holding	No. of share held	% of holding
1 Mr. Niraj Chandra	1652100	15.53	1652100	15.53
2 Mrs. Deepa Agarwal	741100	6.97	741100	6.97
3 Mr. Sushil Chandra	675100	6.34	675100	6.34
4 Mrs. Usha Gupta	1177100	11.06	1177100	11.06
5 Mr. Niraj Chandra (HUF)	317700	2.98	317700	2.98

	As at 31 March, 2016 Rupees	As at 31 March, 2015 Rupees
Note 3 : Reserves & Surplus		
Securities Premium Account	257136.00	257136.00
Special capital incentive of Govt. of Maharashtra	5000000.00	5000000.00
Surplus in statement of profit and loss		
Balance as per last balance sheet	(144385857)	(146461848)
Balance in the statement of Profit and loss	15926040.00	743393.00
Accumulated Depreciation	0	(3924538)
Total (3)	(128459817)	(144385857)

Note 4 : Share Application Money Pending Allotment

Preferential allotment pending subject to sanction of Rehabilitation Scheme from BIFR	93600000.00	93600000.00
Total (4)	93600000.00	93600000.00



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2016

	<u>As at 31 March, 2016</u> Rupees	<u>As at 31 March, 2015</u> Rupees
Note 5 : Long Term Borrowings		
Term loan from Indian renewable energy development agency Ltd. (IREDA) (Secured by First Mortgage and charge on all fixed assets both movable and immovable of the company)	<u>70537859.00</u>	<u>60936042.00</u>
Additional Term loan from Indian Renewable energy development agency ltd. (IREDA) (Secured by First Mortgage and charge on all fixed assets both movable and immovable of the company)	<u>0.00</u>	<u>27161817.00</u>
Sub Total	<u><u>70537859.00</u></u>	<u><u>88097859.00</u></u>
Unsecured Loan		
Intercorporate Deposits (The terms of repayment of these deposits are not defined)	<u>114487009.00</u>	<u>141511814.00</u>
Deferred Liability for Sales tax (Maharashtra sales tax department has granted facility of deferral of sales tax liability under packaged scheme of incentive. The company has proposed extension of the scheme under the reconstruction proposal submitted to B.I.F.R)	<u>84856404.00</u>	<u>84856404.00</u>
Sub Total	<u><u>199343413.00</u></u>	<u><u>226368218.00</u></u>
Total (5)	<u><u>269881272.00</u></u>	<u><u>314466077.00</u></u>
Note 6 : Trade Payables		
Due to Micro, Small and Medium Enterprises* others	<u>11155512.00</u>	<u>23022397.00</u>
Total (6)	<u><u>11155512.00</u></u>	<u><u>23022397.00</u></u>

* 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, 2016

	As at 31 March, 2016 Rupees	As at 31 March, 2015 Rupees
Note 7 : Other Current Liabilities		
Salary Payables	323292.00	259233.00
Wages Payables	290318.00	193140.00
TDS Constructors Payable	7007.00	13535.00
Imprest Account	0.00	3263.00
TDS Salary Payable	9820.00	18880.00
Vat Payable	6524530.00	3052403.00
Excise Duty Payable	1971555.00	0.00
Total (7)	9126522.00	3540454.00

Note 8 : Other Short Term Provisions		
Labour charges payables	231264.00	88493.00
Professional tax payables	4250.00	2575.00
Unpaid wages	11669.00	10283.00
Unpaid Salary	3250.00	2000.00
Employees PF Payables	3228.00	1281.00
Water charges payable	15898.00	13946.00
Total (8)	269559.00	118578.00



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2016
Note 9 : Fixed Assets

Sr. Name of Asset No PAPER DIVISION	Useful Life	Gross Block					Depreciation					Net Block	
		As on 01/04/15	Addition	Deduction	As on 31/03/16	As on 01/04/15	Write off to Reserves	For the year	As on 31/03/16	As on 31/03/16	As on 01/04/15		
1 Freehold Land		573245	0	0	573245	0	0	0	573245	573245	573245		
2 Site Development		1349328	0	0	1349328	0	0	0	1349328	1349328	1349328		
3 Building	30	21016940.95	0	0	21016940.95	8317906	846052	9163958	11852982.95	12699034.95	12699034.95		
4 Well & Irrigation Scheme	5	4302456	0	0	4302456	4052704	34629	4087333	215123	249752	249752		
5 E.T. Plant	25	5097469.64	0	0	5097469.64	3041188	233843	3275031	1822438.64	2056281.64	2056281.64		
6 Weigh Bridge	15	766872.15	0	0	766872.15	622013	32306	654319	112553.15	144859.15	144859.15		
7 Boiler	25	9615999.66	0	0	9615999.66	4658225	389134	5047359	4568840.66	4957774.66	4957774.66		
8 Plant & Machinery	25	114084054	70825507.8	0	184709561.8	62398737	6155775	68554512	116155049.8	51685316.98	51685316.98		
9 Laboratory Equipment	10	255345.75	50398	0	305743.75	136466.7	19022	155468.7	150255.05	118879.05	118879.05		
10 Furniture & Fixture	10	247562	0	0	247562	229927.45	1051	230978.45	16583.55	17634.55	17634.55		
11 Office Equipment	5	1180128	107417	0	1287545	1062984.15	30508	1093492.15	194052.85	117143.85	117143.85		
12 Vehicle	10	2755464	1256210	0	4011644	1560514	204808	1765322	2246322	1194820	1194820		
13 Software & licence	3	28000	0	0	28000	26600	0	26600	1400	1400	1400		
A TOTAL		161272835	72039533	0	233312368	86107265	7947128	94054393	139257975	75165570	75165570		
POWER DIVISION													
1 Land & site Development	0	1122850	0	0	1122850	0	0	0	1122850	1122850	1122850		
2 Building	30	15218490	0	0	15218490	1727584	0	1727584	13490926	13490926	13490926		
3 Cooling Tower	25	2134719	0	0	2134719	332887	0	332887	1801832	1801832	1801832		
4 D M Plant	25	1317022	0	0	1317022	202428	0	202428	1114594	1114594	1114594		
5 Steam Line	25	481300	0	0	481300	88289	0	88289	393011	393011	393011		
6 L T Electrical Panel	25	3310485	0	0	3310435	476023	0	476023	2834412	2834412	2834412		
7 Bagasse Handling System	25	54346274	0	0	54346274	9955924	0	9955924	44390350	44390350	44390350		
8 Boiler	25	82909042	0	0	82909042	15031985	0	15031985	67877057	67877057	67877057		
9 T G Set with H T Panel	25	141447609	0	0	141447609	24900948	0	24900948	116546661	116546661	116546661		
10 Furniture & Fixture	10	56781	0	0	56781	11317	0	11317	45464	45464	45464		
11 Kiosk Unit	15	180163	0	0	180163	3269	0	3269	176894	176894	176894		
B TOTAL (A + B)		302524685	72039533	0	302524685	52730634	7947128	52730634	249794051	249794051	249794051		
TOTAL (A + B)		463797520	72039533	0	535837053	138837889	7947128	146785027	389052026	324959621	324959621		

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, 2016

	As at 31 March, 2016 Rupees	As at 31 March, 2015 Rupees
Note 10 : Non Current Investment		
1500 Equity Shares of Rs.10/- each of National General Industries Lts.	22,500.00	22,500.00
900 Equity Shares of Rs.10/- each of Ambala Cement Ltd.	9,000.00	9,000.00
Total (10)	31,500.00	31,500.00
Note 11 : Long Term Loans and Advances		
Sundry Deposits	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)	2806120.00	2806120.00
Telephone Deposits	25027.00	25027.00
Imprest	70193.00	0.00
TDS Receivable	22516.00	29945.00
Sunstar Securities	94813.00	1000000.00
Prepaid Factory Licence Fee	42000.00	84000.00
Margin Money Receivable From Sicom	30048.00	0.00
Indian Infoline Commodities Ltd	9500.00	0.00
Total (11)	6145247.00	6990122.00
Note 12 : Other Non Current Assets		
Balances with Scheduled Bank in Fixed Deposits	33750.00	33750.00
Fixed Deposit as security for Bank Guarantee For MPCB	25000.00	25000.00
Total (12)	58750.00	58750.00
Note 13 : Current Investment		
Fix Deposit With IDBI Bank	0.00	1500000.00
Accrued Income	202648.00	30000.00
Sub Total (13)	202648.00	1530000.00
Note 14 : Inventories		
Tools and spares (Value at cost price)	3975463.00	4149826.00
Raw Material (Value at cost price)	17662638.00	28293355.00
Finished goods (Value at cost of production)	3149808.00	5711371.00
Total (14)	24787909.00	38154552.00



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2016

	As at 31 March, 2016 Rupees	As at 31 March, 2015 Rupees
Note 15 : Trade Receivables		
(Unsecured and considered goods)		
Outstanding over six months	376634.00	323791.00
Others	35415807.00	22357660.00
Total (15)	35792441.00	22681451.00
Note 16 : Cash and Bank Balances		
Cash in hand	350713.00	370359.00
Balances with bank	1472678.00	1495572.00
Total (16)	1823391.00	1865931.00
Note 17 : Short Term Loans and Advances		
Balances with statutory / public authorities advance recoverable in cash or in kind or for value to be recoverable		
Total (17)	4479136.00	489722.00
Note 18 : Revenue from Operation (Gross)		
Kraft Paper		
Gross Sales	369035738.00	324460125.00
Less . Excise Duty	21298946.00	19200161.00
Net Sales	347736792.00	305259964.00
Misc Sale (Scrap)	25988.00	25493.00
Less . Excise Duty	2888.00	2833.00
	23100.00	22660.00
Total (18)	347759892.00	305282624.00
Note 19 : Other Income		
Foreign Exchange Rate Diff.	99934.00	85342.00
Interest Received	313382.00	321653.00
Discount Received	0.00	12830.00
Profit on Trading in derivatives	19094813.00	30633426.00
Misc. / Sundry Other Income	0.00	21689.00
Total (19)	19508129.00	31074940.00

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2016

	<u>As at 31 March, 2016</u> Rupees	<u>As at 31 March, 2015</u> Rupees
Note 20 : Cost of material consumed		
Raw Material Consumed		
Opening Stock	28293355.00	52780083.00
Add. Purchases	248173716.00	238771105.00
Less. Closing Stock	17662638.00	28293355.00
Total (20)	<u><u>258804433.00</u></u>	<u><u>263257833.00</u></u>
Note 21 : Changes in inventories of finished goods, work-in-progress and stock-in-Hand		
Stock at opening		
Finished goods	5711371.00	4522235.00
Less. Stock at closing		
Finished goods	3149808.00	5711371.00
Total (21)	<u><u>2561563.00</u></u>	<u><u>(1189136)</u></u>
Note 22 : Manufacturing Expenses		
Carriage Inward	637599.00	392264.00
Power & Fuel	36456500.00	31914258.00
Repairs and Maintainance	9934544.00	5233234.00
Other Manufacturing Expenses	11547117.00	4756659.00
Total (22)	<u><u>58575760.00</u></u>	<u><u>42296415.00</u></u>
Note 23 : Employee Benefits Expense		
Salary and wages	8626469.00	9728036.00
Welfare Expenses	4838.00	14145.00
Contribution to P.F.	38743.00	38198.00
Total (23)	<u><u>8670050.00</u></u>	<u><u>9780379.00</u></u>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2016**

	As at 31 March, 2016 Rupees	As at 31 March, 2015 Rupees
Note 24 : Other Expenses		
CDSL Issuer Fees	45000.00	33708.00
Legal & Professional Fees	410249.00	530516.00
Packing & Forwarding	3231.00	10491.00
ROC Filing Fees	2886.00	31429.00
Directors Sitting Fees	10000.00	6000.00
Factory Licence Fees	42000.00	42000.00
MPCB Fees	125100.00	11509.00
Boiler Inspection Fees	8700.00	2800.00
BSE Listing Fees	224720.00	100000.00
Audit Fees	23000.00	30000.00
Membership & Subscription	0.00	4500.00
Excise Duty Expenses	0.00	208398.00
Service Tax Exps	1663.00	0.00
MPCB Cess / Testing Fees	10910.00	37521.00
Professional tax - company	2500.00	2500.00
Printing & Stationary	140049.00	80223.00
Postage & Telephone Expenses	105764.00	83813.00
Insurance	166492.00	63267.00
Rent, Rates & Taxes	246607.00	280778.00
Dealer Discount	11308440.00	11785446.00
Vehicle Repairs & Maintainance	89370.00	111289.00
Fuel for vehicle	154922.00	134830.00
Kraft Paper Loading charges	1110152.00	770555.00
Advertisement Charges	24650.00	10000.00
Local Conveyance	75245.00	116493.00
Carriage outward	17000.00	8800.00
Travelling Expenses	107360.00	98543.00
Miscellaneous Office Expenses	136287.00	133364.00
Stay Order Charges	0.00	85317.00
Drinking Water Charges	37220.00	16059.00
Professional tax - Directors	2500.00	0.00
Water Charges	140260.00	379117.00
E-Voting Charges	3000.00	5219.00
Custom Duty	0.00	92850.00
Swach Bharat Cess	7770.00	0.00
Total (24)	14783047.00	15307335.00

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2016

Note 25 : Contingent Liabilities : Gurarntee executed in favour of customs for EPCG has been expired and unascertained duty for unfulfilled export obligation is outstanding.

Note 26 : The provisions of Employees State Insurance Act are not applicable to the Company.

Note 27 : 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 28 : C.I.F. value of imported west paper Rs. Rs. 62,69,575.00 (Rs.49,39,355.06)

Note 29 : Consumption of Raw Material for the year 2015-2016

Consumption of Raw Material for the year 2015-2016

Item Name	Opening Stock		Purchases		Total		Consumption		Closing Stock	
	Qty	Value	Qty	Value	Qty	Value	Qty	Value	Qty	Value
Bagasse	5558 (14922)	12457529 (35100342)	6834 (9155)	13779602 (18860537)	12392 (24077)	26237131.00 (53960879)	9650 (18519)	20431696 (41503350)	2742 (5558)	5805435 (12457529)
Firewood	1855 (1265)	3597244 (2534460)	5099 (3176)	8873062 (6130941)	6954 (4441)	12470306 (8665401)	4689 (2586)	8405660 (5068157)	2265 (1855)	4064646 (3597244)
Coal	0 (78)	0 (383263)	319 (0)	125041 (0)	319 (78)	125041 (383263)	319 (78)	125041 (383263)	0 (0)	0 (0)
Indian Waste Paper	679 (465)	9305755 (11558853)	16164 (14407)	205056954 (198267269)	16843 (14872)	214362709 (209826122)	16432 (14193)	209135527 (200520367)	411 (679)	5227182 (9305755)
Imported Waste Paper	120 (115)	2011839 (1984043)	455 (368)	9827268 (6369110)	575 (483)	11839107 (8353153)	498 (363)	10258662 (6341314)	77 (120)	1580445 (2011839)
Chemicals	0 (0)	751550 (1094373)	0 (0)	6679936 (6184963)	0 (0)	7431486 (7279336)	0 (0)	6598617 (6527786)	0 (0)	832869 (751550)
Packing Material	0 (0)	169438 (124749)	0 (0)	3831853 (2958285)	0 (0)	4001291 (3083034)	0 (0)	3849230 (2913596)	0 (0)	152061 (169438)
Total	8212 (16845)	28293355 (52780083)	28871 (27106)	248173716 (238771105)	37083 (43951)	276467071 (291551188)	31588 (35739)	258804433 (263257833)	5495 (8212)	17662638 (28293355)



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2016

Note 30 : 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,	769.64	119.36
2) Kay Nitrox Pvt Ltd.	0.24	0

b) Transaction with Key Managerial Personnel - NIL,

2) Outstanding Balance as on 31.03.2016 :

- a) Related Parties (Companies) - Rs.Rs.7,90,30,294/-
- b) Key Management Personnel - NIL

Note 31 : Segmentwise Reporting :

The company has mainly two divisions viz Paper and power. During the current year 2015-16 only paper Division was operational, hence segmentwise results are not given

Note 32 : 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 : 28th May, 2016

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 : 28th May, 2016

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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 Fifth Annual General Meeting, to be held on Monday, 19th September, 2016 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 Mrs. Deepa Agarwal who retires by rotation (Ordinary Resolution)		
3.	Appointment of Auditors and fixing their remuneration (Ordinary Resolution)		
4.	To approve re-appointment of Mr. Niraj Chandra, Chairman & Managing Director of the Company. (Special Resolution)		
5.	To approve the Material Related Party Transaction (Special Resolution)		
6.	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 Company's Registered Office. (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 FIFTH 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, 19th, September, 2016.

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