

KAY POWER AND PAPER LIMITED



**27th
Annual Report
2017-2018**



KAY POWER AND PAPER LIMITED

- BOARD OF DIRECTORS** : 1. Mr. Niraj Chandra - Chairman and Managing Director
2. Mrs. 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. A. C. DOSHI & CO.
Chartered Accountants
472/A, Shrijay Apts,
Near Kadam Baug, Sadar Bazar
Satara -: 415001
- 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 SEVENTH ANNUAL GENERAL MEETING
MONDAY 24th SEPTEMBER, 2018

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

3. Register of Members and Share Transfer Books of the Company will be closed from Monday 17th, September 2018 to Monday, 24th, September 2018 (Both Days inclusive).
4. In case, members wish to ask for any information about accounts and operations of the Company, they are requested to send their queries in writing at least 7 days in advance of the date of the Meetings so that the information can be made available at the time of the Meeting.
5. Shareholders can send all documents/transfers, share certificates and all communications directly to Registrar and Transfer Agent at the address given below:-

M/s. Link Intime India Private Limited.,
Unit: KAY POWER AND PAPER LTD.
C 101, 247 Park, 1st Floor, L.B.S. Marg,
Vikhroli (W), Mumbai - 400083.
Tel No: 022 49186000 (F) 49186060
Email ID:-dematremat@linkintime.co.in/
rnt.helpdesk@linkintime.co.in .
6. The shares of the Company are compulsorily traded in demat. The shareholders who have not dematerialized their shares are requested to opt for dematerialization 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.
7. 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's website fill up the same and send to the Registrar and Share Transfer Agent (RTA) on given address or Email-dematremat@linkintime.co.in \ rnt.helpdesk@linkintime.co.in or kppl.secretarial@gmail.com.

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

8. 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 and Bank Account details to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details and Bank Account Details to the Company or RTA.
9. 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 (2017-18).
10. 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 dematerialized form, this information should be passed on directly to their respective Depository Participants and not to the Company/ RTA
11. In terms of Section 72 of the Companies Act, 2013, nomination facility is available to an Individual Member. Members holding share physical form may utilize the nomination facility available by sending prescribed Form SH. 13 duly filled to our Registrars and Share Transfer Agents Viz.M/s.Link Intime India Private Limited, Unit:- Kay Power and Paper Limited, C 101, 247 Park, 1st Floor, L.B.S. Marg, Vikhroli (W), Mumbai - 400083. Members holding shares in dematerialized form has to send their "nomination" request to the respective Depository Participants.
12. In all correspondence with the Company, members are requested to quote their account/ folio numbers and in case their shares are held in the dematerialized form, they must quote their DP ID. and Client ID. No(s).

13. 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 27th AGM by electronic means and the business may be transacted through e-voting services. The facility of casting votes by the members using an electronic voting system from a place other than venue of the AGM ('remote e-voting') will be provided by Central Depository Services (India) Limited (CDSL).

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

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

The instructions for shareholders voting electronically are as under:

The voting period begins on Friday, 21st September 2018 at 9.00 am. and ends on Sunday 23rd September 2018 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 17th September 2018 may cast their vote electronically. The e-voting module shall be



disabled by CDSL for voting thereafter.

The shareholders should log on to the e-voting website www.evotingindia.com.

Click on Shareholders / Members

Now Enter your User ID

For CDSL: 16 digits beneficiary ID,

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

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

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

If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

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

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details	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.
OR Date of Birth (DOB)	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).

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

Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily

enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

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

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

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

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

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

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

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

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

Shareholders can also cast their vote using CDSL's mobile app M-Voting available for android

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting Twenty Seventh Annual Report on the business and operations of your Company and Audited Financial Statement for the year ended 31st March 2018.

FINANCIAL RESULTS :

	(Rs. in lacs)	
	<u>2017-18</u>	<u>2016-17</u>
Revenue from operations (Net)	4173.61	3467.93
Other Income	1597.82	386.67
Total Revenue	5771.43	3854.60
Less: Expenses		
Cost of material consumed	3052.63	2595.27
Changes in Inventories of finished Goods & Work in Progress	9.88	16.05
Manufacturing Expenses	598.27	612.96
Employee Benefit Cost	119.20	91.69
Finance cost	12.25	40.76
Depreciation and amortisation Expenses	85.87	90.63
Other Expenses	252.03	219.96
Total Expenses	4130.13	3667.32
Exceptional Items	1574.80	-
Net Profit	66.50	187.28

OPERATIONS :

During the year under review, Paper Division was operational throughout the year and produced 16094.32 M.T. of Kraft Paper and achieved sales of Rs. 4173.61 Lacs as Compared to 15238.48 M.T. and Rs. 3467.94 Lacs of the previous year. The net profit was Rs. 66.50 Lacs as against

Rs. 187.28 Lacs of the previous year.

During the year under the review, Shareholders of the company have passed special resolution through Postal ballot for sale of assets of power division of the company, accordingly company has sold out major portion of Machineries of power division.

PROSPECTS :

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

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 relates on the date of this report.

FIXED DEPOSIT:

As on 31st March 2018, 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

Related Party Transactions (RPT) excluding the material related party transaction that were entered into during the financial year were on an arm's length basis and in the ordinary course of business.

Material related party transaction which were entered during the period are relating to the contract which had been approved by the shareholders of the company at the Annual General Meeting held on 19th Sept, 2016.

During the year, company has not entered into any material contract/arrangement which required prior approval of Board or shareholders of the company, hence report in the form AOC 2 under the sub-section 2 of section 188 of the Company's act 2013 is not provided in this Board Report.

The policy on dealing with RPT as approved by the Board is uploaded on the Company's website (<http://www.kaypowerandpaper.com>) The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties. This Policy specifically deals with the review and approval of RPT, keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions. All RPT are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for RPT that are of repetitive nature and / or entered in the ordinary course of business and are at arm's length. All RPT are subjected to independent review by a statutory auditor to establish compliance with the requirements of RPT under the Companies Act, 2013 and Regulation 23 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Your Directors draw your attention to Note No. 33 to the financial statements which sets out related party transaction.

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 retires 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.

BOARD EVALUATION

Pursuant to provisions of the Companies Act 2013 and SEBI Regulations mandates that the Board shall monitor and review the Board evaluation framework. The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors.

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

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

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

NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW:

The Company had 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 2018 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) The accounts for the Financial Year ended on 31st March, 2018 have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and under recognized accounting practices and policies to the extent applicable. Beginning April 1, 2017, the company has for the first time adopted Ind AS with a transition date of April 1, 2016.
- (f) 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.
- (g) 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:

At the Annual General Meeting held on 18th September 2017 M/s. A. C. Doshi & Co. (M. No. 103730) Chartered Accountant, Satara were appointed as statutory auditors of the company to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2022. In the terms of the first proviso to section 139 of the companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s. A. C. Doshi & Co. (M. No. 103730) Chartered Accountant, Satara, as statutory auditors of the company, is placed for ratification by the shareholders.

The Company has received letter 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 2017-18, as required under Section 204 of the Companies Act, 2013 and Rules there under. The secretarial audit report for FY 2017-18 forms part of the Annual Report as Annexure I to the Board's report.

SECRETARIAL AUDITOR'S REPORT :

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



CORPORATE GOVERNANCE:

Pursuant to regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirement) LODR regulations 2015 report on Corporate Governance along with Auditor's certificate on its compliance is attached as Annexure II 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 III 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 2018-19.

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 IV 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 V 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 2018-19.

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/Announcement-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 VI, forming a part of the Corporate Governance is part of this Annual Report

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary and trainees) are covered under this policy. No complaints pertaining to sexual harassment were received during F.Y. 2017-18.

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 : 14th August 2018
Place : Satara
Niraj Chandra
Chairman and
Managing Director
DIN : 00452637



Annexure I
Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2018
Company CIN 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 2018 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 2018 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
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. As informed by the company, the company is in process to settle sale tax deferred liability with the Maharashtra sales tax dept' and in touch with the Commissioner of Custom and Director General of Foreign Trade (DGFT), Pune to for fix the liability for unfulfilled export obligation under EPCG. Further company has fully repaid his secured term loan of M/s. Indian Renewable

Energy Development Agency Limited (IREDA) during the year.

- B. The Company had been declared as a sick industrial unit by BIFR (Board for Industrial and Financial Reconstruction) in 2007. The Ministry of Finance vide a notification dated 25th November 2016, has repealed the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) with effect from 1st Dec.2016. In view of this, the company has decided not to go for NCLT application to get the protection under the Insolvency and Bankruptcy Code, 2016. Accordingly, the company has decided to refund the share application money of Rs.9,36,00,000/- which is pending for allotment subject compliance of applicable provision of the companies Act, 2013.
- C. The quarterly results are accompanied by the Limited Review Report as per Regulation 33 (1) (d) & 33 (3) (c) (LODR) Regulation 2015. As informed by the Company, its Statutory Auditor has not subjected himself to the peer review process, of the ICAI - Institute of Chartered Accountants of India, and he does not hold a valid certificate issued by the Peer Review Board of the ICAI.
- D. The company has not published public notices and un-audited/audited quarterly result in English daily newspaper as required to be published under Regulation 47 of (Listing Obligations and Disclosure Requirements) Regulations, (LODR) 2015. As informed by the Company, due to carry forward losses and inadequate profit during the year, company could not spend money on publication of financial result in English newspaper. The aforesaid results are made available on the company website and also on the website of the Bombay stock exchange Ltd for downloading.



E. As per Regulation 17 of the LODR (Listing Obligation & Disclosure Requirements) regulation 2015, if Chairman is Executive Director then half of the board shall be independent. Considering this term, presently company has total five directors. The management's opinion is that out of the total Directors, Three Directors are Independent Directors as per the definition clause 16 (B) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

F. The Company has two divisions, paper and power. Paper Division was operational throughout the year. The shareholders of the company passed special resolution by way of postal ballot to sale the power division of the company and major machineries of power division is sold out during the year.

Based on this, the management declared that the companies not carrying multiple business activity and it is in compliance with the provisions of Section 203 (1) of the Companies Act, 2013.

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: 14/07/2018

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure A'

To,
The Members
Kay Power and Paper Limited
Satara

Our report of even date is to be read along with this letter

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For, Neha Doshi & Co.
Company Secretaries

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

Place: Satara
Date: 14/07/2018

**ANNEXURE II : 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 its decision on every individual who meets 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 2018.

Sr. No.	Name of the Director	Category	No. of other Directorships ¹	Committee positions ²		No. of Shares Held in the Company as at 31.03.2018
				As Chairman	As Member	
1	Mr. Niraj Chandra	Executive	1	Nil	2	16, 52,100
2	Mrs. Deepa Agarwal	Non Executive	Nil	1	1	7,41,100
3	Mr. Arvind V.Kulkarni	Non Executive	1	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 01.04.2017 to 31.03.2018, Five Board Meetings were held on 30.05.2017; 25.07.2017;14.08.2017;14.11.2017 and 14.02.2018

The last Annual General Meeting was held on 18th September 2017.



Name of the Director	No. of Board Meetings attended	Attendance at last AGM
Mr. Niraj Chandra	5	Present
Mrs. Deepa Agarwal	5	Present
Mr. Arvind 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 4 times during the financial year ended 31st March 2018.

Terms of Reference

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

The audit committee Meeting were held on 30.05.2017;14.08.2017; 14.11.2017 and 14.02.2018.The attendance of the members at the meeting was as follows:

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

4. Nomination and Remuneration Committee

In accordance with the amended regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013, Company has constituted the Nomination and Remuneration Committee in its board meeting dated 14.11.2014. The committee comprises one executive and two non-executive independent directors in the committee.

Terms of Reference

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



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

Remuneration policy-

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

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

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

TERM/TENURE:

a) Managing Director/Whole-time Director:

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

b) Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of 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 Directors, 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 deciding, 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 have not paying any remuneration to its Managing Director / Whole-time Directors of the company Due to the heavy losses suffered by the Company)

2) Remuneration to Non- Executive / Independent Directors:

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



d) Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:

- i) The Services are rendered by such Director in his capacity as the professional; and
- ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

3) Remuneration to Key Managerial Personnel and Senior Management:

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

Mechanism for evaluating Board members:

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

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

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

The members of Nomination and remuneration committee as follows:

Name of the members	Status
Mr. Kaustubh Wadikar	Chairman
Mrs. 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, 2018

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	-	#	-	-
Mrs.Deepa Agarwal	-	-	-	-
Mr.Arvind V.Kulkarni	-	#	-	-
Mr. Kaustubh Wadikar	9,000	-	-	9,000
Mr. Sandeep Shahapurkar	9,000	-	-	9,000

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

Mr.Arvind 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. Arvind V. Kulkarni, are members of the committee and Mr.Sagar Mohite, Secretary of the committee.

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

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

6. Risk Management Committee

As per the applicable provisions of the Companies Act 2013, Company has constituted the Risk Management Committee in its board meeting dated 14.11.2014 and Mr. Niraj Chandra, Mrs. Deepa Agarwal, Mr. Arvind V. Kulkarni directors of the company and Mr. Ganesh Hari Rotithor Chief Financial Officer are members of the committee.

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

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

7. General Body Meetings

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

AGM for the Financial Year	Date	Time	Venue	Special Resolution Passed
2014-15	14.09.2015	3.00 p.m	Gat No.454/457, A/P. Borgaon, T/D. Satara - 415 519.	To ratify the related party transaction under section 188 of the Companies Act 2013 which has been entered into M/s. Kay Bouvet Engineering Limited
2015-16	19.09.2016	3.00 p.m	Gat No.454/457, A/P. Borgaon, T/D. Satara - 415 519.	1. To approve re-appointment of Mr. Niraj Chandra, Chairman and Managing Director of the Company.



AGM for the Financial Year	Date	Time	Venue	Special Resolution Passed
2015-16	19.09.2016	3.00 p.m	Gat No. 454/457, A/P. Borgaon,	2.To approve material Related Party Transaction under section 188 of the Companies T/D.Satara- 415519. Act 2013. 3. Maintaining and keeping the Company's registers required to be maintained under Section 88 of the Companies Act, 2013 and copies of annual returns filed under Section 92 of the Companies Act, 2013 or any one or more of them, at a place other than companies registered office.
2016-17	18.09.2017	3.00 p.m.	GatNo.454/457, A/P.Borgaon, T/D.Satara-415519.	1. To borrow money, where the money to be borrowed, together with the money already borrowed by the company will exceed aggregate of its paid-up share capital and free re serves, apart from temporary loans obtained from the company's bankers.

B) POSTAL BALLOT:-

During the year, pursuant to the provisions of Section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 ("The Rules") {including any statutory modification(s) or re-enactment(s) thereof for the time being in force}, certain resolutions were passed by shareholders by postal ballot including electronic Voting (E- voting). The Notice of postal ballot was mailed to all shareholders along with postage prepaid envelopes. M/s. Neha Doshi, Company Secretaries, had been appointed as scrutinizer for the postal ballots and E voting, who submitted his reports to the Chairman, Mr. Niraj Chanda. The details of the postal ballots are given below: -

Sr. No.	Date of Announcement of Result	Description	Total No. of Votes Polled	No. of votes in favour	No. of votes in Against	No. of votes in Invalid
1	28/09/2017	To Sell, Lease or otherwise dispose of Assets of the Power Division of the Company and	4770391	4769791	600	0
2	28/09/2017	To Create a Charge on the Assets of the Company	4770591	4770191	400	0

C) Procedure adopted for Postal Ballot

- (i) The Board at its meeting approves the items to be passed through postal ballot and authorizes one of the functional Directors and the Company Secretary to be responsible for the entire process of postal ballot.
- (ii) A professional such as a Chartered Accountant/ Company Secretary, who is not in employment of the Company, is appointed as the Scrutinizer for the poll process.
- (iii) Notice of postal ballot along with the ballot papers are sent to the shareholders along with a self-addressed envelope addressed to the Scrutinizer.
- (iv) An advertisement is published in a newspaper about the dispatch of ballot papers and notice of postal ballot.



- (v) The duly completed postal ballot papers are received by the Scrutinizer. (vi) Scrutinizer gives his report to the Chairman.
- (vii) The Chairman announces the results of the postal ballot in a meeting convened for the same.
- (viii) Results are intimated to the Stock Exchange and are put up on the Notice Board of the Company as well as on the Company's Website.

D) None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through postal ballot.

DISCLOSURE:

- a) Information in respect of the Director seeking re-appointment at the Annual General Meeting to be held on Monday 24th September 2018.
- Mrs. Deepa Agarwal, wife of Mr. Niraj Chandra C&MD, 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 Nitroxygen 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.
- 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 behavior, actual or suspected fraud or violation of the company's code of conduct and confirm that there are no personnel has been denied access to the audit committee. The details of establishment of such mechanism has disclosed on company website on following link - <http://www.kaypowerandpaper.com/download/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, familiarization 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 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 30.6.2018 Financial reporting for the quarter ending 30.9.2018 Financial reporting for the quarter ending 31.12.2018 Financial reporting for the quarter ending and year ending 31.03.2019 Annual General Meeting Venue	Before 14 th August, 2018 Before 14 th November, 2018 Before 14 th February, 2019 Before 30 th May 2019 24 th September, 2018 at 3.00 p.m. Regd. Office : Gat No. 454/457, A/P. Bargaon, T/D Satara - 415 519.	
Listing of Equity Shares on Stock Exchange	Bombay Stock Exchange Ltd.	
Plant Location	Gat No. 454/457, A/P. Bargaon, T/D Satara - 415 519.	
Registrar and share transfer agent	M/s. Link Intime India Private Limited C 101,247, Park 1st Floor L.B.S. Marg, Vikhroli (W), Mumbai - 40008. Tel No: 022-49186000, 022- 49186060 E-mail: dematremat@linkintime.co.in	
Stock Code	530255	
Stock Exchange Book closure date	Bombay Stock Exchange Ltd. From 17 th September, 2018 to 24 th September, 2018	
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	1	1
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, 2018.**

No. of shares	No of Shareholders	% of Shareholders	Total face value Rs.	% of total Value
Upto 500	4484	85.31	668265	6.28
501-1000	319	6.07	283355	2.66
1001-2000	137	2.61	221969	2.09
2001-3000	81	1.54	208245	1.96
3001-4000	34	0.65	121214	1.14
4001-5000	39	0.74	186618	1.75
5001-10000	72	1.37	538693	5.06
10001 and above	90	1.71	8411641	79.06
TOTAL	5256	100.00	10,64,00,000	100.00

Categories of shareholders as on 31st March, 2018

Category	No. of shares held	Voting Strength (%)
Promoters, Relatives and Associate Companies	47,52,647	44.67
Public	47,51,058	44.66
NRI/FII's/OCB's	3,45,709	3.24
Domestic Companies (Including financial institution)	7,90,586	7.43

MARKET PRICE DATA

The monthly high and low quotations of Shares traded on Bombay Stock Exchange Ltd., during April, 2017 to March, 2018.

Month and year	High Price	Low Price
April 2017	4.90	3.71
May 2017	5.99	4.89
June 2017	6.68	5.28
July 2017	7.93	6.46
August 2017	7.60	5.67
September 2017	5.67	5.06
October 2017	5.94	5.09
November 2017	6.32	5.72
December 2017	5.80	5.00
January 2018	6.11	5.48
February 2018	5.80	5.18
March 2018	5.10	4.90



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

Date : 14th August 2018
Place : Satara

Niraj Chandra
Chairman and
Managing Director
DIN : 00452637

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, 2018, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

Date: 14th August 2018
Place: Satara

Niraj Chandra
Chairman & Managing Director
DIN : 00452637



TO THE MEMBERS OF KAY POWER AND PAPER LIMITED

1. We have examined the compliance of conditions of Corporate Governance by KAY POWER AND PAPER LIMITED ("the Company"), for the year ended on March 31, 2018, as stipulated in:
 - a. Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) and
 - b. Regulations 17 to 27 (excluding regulation 23 (4)) and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations.

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

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

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

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

For A.C. Doshi & Co.
Chartered Accountants

Date : 14th August 2018
Place : Satara

Abhijit Doshi
Proprietor
M. No. 103730



**Annexure- III
FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2018**

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

I. REGISTRATION & OTHER DETAILS:

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

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

S. No.	Name and Description of main products / services	NIC Code of the Product/services	% 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-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% 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	927094	32600	959694	9.020	757986	32600	790586	7.43	-1.58
ii)	Overseas	-	3500	3500	0.033	-	3500	3500	0.033	-
b)	Individuals									
i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh	2125422	531800	2657222	24.97	1320825	531300	1852125	17.41	-7.56
ii)	Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1901647	-	1901647	17.873	2573378	-	2573378	24.19	+6.32
c)	Others (specify) HUF	-	-	-	-	292094	-	292094	2.75	+2.75
	Non Resident Indians (non REP)	235709	110000	345709	3.249	235709	110000	345709	3.25	
	Non Resident Indians (REP)	17513	-	17513	0.165	15024	-	15024	0.14	-0.024
	Clearing Member	2068	-	2068	0.020	14937	-	14937	0.14	+0.12
	Sub-total (B)(2):-	5209453	677900	5887353	55.33	5209953	677400	5887353	55.33	-
	Total Public Shareholding (B)=(B)(1)+ (B)(2)	5209453	677900	5887353	55.33	5209953	677400	5887353	55.33	-
C.	Shares held by Custodian for GDRs & ADRs									
	Grand Total (A+B+C)	9962100	677900	10640000	100	9962600	677400	10640000	100.00	-


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, 2018.

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, 2017 to 31st March, 2018	-	-	288519	2.7116
	At the end of the year	288519	2.7116	288519	2.7116
2	Richi Khemka				
	At the beginning of the year	280367	2.6350	280367	2.6350
	Transactions (Purchase/sale) form the 1st April, 2017 to 31st March, 2018	-	-	280367	2.6350
	At the end of the year	280367	2.6350	280367	2.6350
3	Padmanabha Dhas Murugesan				
	At the beginning of the year	228210	2.1448	228210	2.1448
	Transactions (Purchase/sale) form the 1st April, 2017 to 31st March, 2018			228210	2.1448
	At the end of the year	228210	2.1448	228210	2.1448
4.	Richi Khemka (On behalf of				



SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Shree Mahadev Traders a partnership firm				
	At the beginning of the year	167302	1.5724	167302	1.5724
	Transactions (Purchase/sale) form the 1st April, 2017 to 31st March, 2018			167302	1.5724
	At the end of the year	167302	1.5724	167302	1.5724
5.	Pooja Goal				
	At the beginning of the year	146144	1.3735	146144	1.3735
	Transactions (Purchase/sale) form the 1st April, 2017 to 31st March, 2018	-	-	146144	1.3735
	At the end of the year	146144	1.3735	146144	1.3735
6.	Rochak Vinimay Pvt Ltd				
	At the beginning of the year	104668	0.9837	104668	0.9837
	Transactions (Purchase/sale) form the 1st April, 2017 to 31st March, 2018	-	-	104668	0.9837
	At the end of the year	104668	0.9837	104668	0.9837
7.	Uma S.				
	At the beginning of the year	102068	0.9593	102068	0.9593
	Transactions (Purchase/sale) form the 1st April, 2017 to 31st March, 2018			102068	0.9593
	At the end of the year	102068	0.9593	102068	0.9593
8.	Vijay Kumar Goyal				
	At the beginning of the year	102000	0.9586	102000	0.9586
	Transactions (Purchase/sale) form the 1st April, 2017 to 31st March, 2018	-	-	102000	0.9586
	At the end of the year	102000	0.9586	102000	0.9586
9.	Sudhir Sharma				
	At the beginning of the year	100000	0.9398	100000	0.9398
	Transactions (Purchase/sale) form the 1st April, 2017 to 31st March, 2018	-	-	100000	0.9398
	At the end of the year	100000	0.9398	100000	0.9398
10.	D R Sharma (Dhani Ram)				
	At the beginning of the year	100	0.0009	100	0.0009
	Transactions (Purchase/sale) form the 1st April, 2017 to 31st March, 2018			88339	0.8302
	At the end of the year	88439	0.8312	88439	0.8312

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. Niraj Chandra				
	At the beginning of the year	1652100	15.53	1652100	15.53
	Purchase/ Sale	Nil	Nil	1652100	15.53
	At the end of the year	1652100	15.53	1652100	15.53
2.	Mrs. Deepa Agarwal				
	At the beginning of the year	741100	6.97	741100	6.97
	Purchase/ Sale	Nil	Nil	741100	6.97
	At the end of the year	741100	6.97	741100	6.97
3.	Mr. Arvind V. Kulkarni				
	At the beginning of the year	200	0.00	200	0.00
	Purchase/ Sale	Nil	Nil	200	0.00
	At the end of the year	200	0.00	200	0.00
4.	Mr. Kaustubh Narayan 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	3,98,07,859/-	11,44,87,009/-	–	15,42,94,868/-
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	3,98,07,859/-	11,44,87,009/-	–	15,42,94,868/-
Change in Indebtedness during the financial year				
* Addition	–	–	–	–
* Reduction	(3,98,07,859)	(3,78,00,000)	–	(7,76,07,859)
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	–	7,66,87,009/-	–	7,66,87,009/-
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	0.00	7,66,87,009/-	–	7,66,87,009/-

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. Arvind Kulkarni	
1	Independent Directors Fee for attending board 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	– 4000 – –	– 4000 – –	– – – 3,00,000	– 8,000 – 3,00,000
	Total (2)	–	–	3,00,000	3,00,000
	Total (B)=(1+2)	9000	9000	3,00,000	3,18,000
	Total Managerial Remuneration	9000	9000	3,00,000	3,18,000
	Overall Ceiling as per the Act	Note No.1	Note No.1	Note No.2	

Note:

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

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

SN	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total
1	Gross salary	6,68,984	2,63,790	9,32,774
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
(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	6,68,984	2,63,790	9,32,774

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties / punishment / compounding of offenses for the year ending March 31, 2018.



ANNEXURE IV : 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 2018.

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

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

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

C) Foreign Exchange Earnings and Outgo:	2017-2018	2016-2017
Earnings	-	-
Outgo	1, 27, 83,287	74, 48,752



Annexure V - 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 2018	Remuneration in fiscal 2017	% increase of Remuneration in 2018 as compared to 2017	Ratio of remuneration to MRE
Mr. Sagar Mohite	Company Secretary	6,68,984	6,43,338	3.98%	7.07%
Mr. Ganesh Rotithor	Chief Financial Officer	2,63,790	2,37,110	11.24%	2.79%

Note:-

1. The Median Remuneration of Employees (MRE) was "94,528" and "70,591" in fiscal 2018 and 2017 respectively. The Increase in MRE over the fiscal 2017 was 33.91%
2. The number of permanent employees on the rolls of the Company as of March 31, 2018 and March 31, 2017 was 59 and 57 respectively.



List of top ten employees in terms of remuneration drawn in the Year 2017-18 as per Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016.

Sr. No.	Name of the Employee	Salary in fiscal 2018
1	Mr. Sagar S. Mohite	6,68,984
2	Mr. Ashok. V. More	5,00,000
3	Mr. Dayasing S. Shukla	3,76,200
4	Mr. Arvind S. Patil	2,97,409
5	Mr. Vasant M. Singh	2,84,175
6	Mr. Rajesh Kumar Singh	2,83,130
7	Mr. M.L. Nagpure	2,79,365
8	Mr. Ganesh H. Rotithor	2,63,790
9	Mr. Bipin. V. Sane	2,10,360
10	Mr. H.D. Shinde	2,09,636

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

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

The Indian Paper Industry accounts for about 1.6% of the world's production of paper and Paper board. Paper in India is expected to see an average growth of 7 per cent during the next year according to prediction by the Indian Pulp and Paper Technical Association.

The paper industry in India has become more promising as 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.

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

Paper Industry plays a vital role in the economic growth of a country through revenue generation, foreign exchange earnings, and employment generation. Paper finds its usage in recording, storage and dissemination of information. In addition to these, paper is a widely used medium for wrapping and packaging of several products.

Despite the technological revolution leading to increased computerization of operations, paper still holds on to its existence and has become an essential commodity

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

The paper industry can be classified into 4 categories namely, paperboard and industrial packaging paper, writing and printing papers, newsprint, and specialty papers. Kay Power and Paper Ltd is a paper mill which is strategically located at Satara and is manufacturing Kraft paper using Indian and imported waste paper. Kraft paper has the largest consumption (52.5%) in the 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 in 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. India has 15 percent of the world's population, but consumes less than 2 percent of the world's paper. But per capita consumption has almost doubled in the last decade.

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 fiber 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 of recyclable waste paper to contain imports.

At the same time, it may face competition due

to proliferation of capacities in the country.

SWOT analysis - Indian paper industry

Competitive strengths

1. Large and growing domestic paper market
2. Up to date research institute (CPPRI)
3. Know how in non-wood pulping and applications
4. Well-developed printing industry
5. Local market knowledge

Competitive weaknesses

1. Fiber shortage, especially virgin wood Fiber
2. Small and fragmented industry structure, many non-competitive mills/machines.
3. Highly skilled and job specific manpower is not available
4. Quality and availability of some of the domestic pigments and chemicals
5. Environmental problems of most of the small pulp mills and also some big mills
6. Low standard of converting industry
7. Infrastructure, transportation
8. High cost of raw material including wood, non-wood and waste paper
9. High energy costs
10. High cost of financing
11. Impact of high local taxes
12. Low input into mill level R&D

Competitive opportunities

1. Domestic market potential
2. Modern, world scale paper machine would be cost competitive in most grades
3. Forest plantation potential
4. Integration of combined wood and agro based paper making
5. Government literacy program - increasing

demand for printing/writing papers

6. Low labor costs (allow eg. cost effective sorting of imported mixed waste)

7. Export potential

Competitive threats

1. Unprepared mills for international competition (WTO entry) both on price and quality

2. Decline in capacity due to environmental pressures

3. Decline in capacity as some of the segments/group of mills are unable to compete at national and international levels with respect to quality and cost of products.

4. Delayed forest plantations, deficit of wood fiber.

5. Weakening competitiveness of domestic industry due to shortage and cost of basic input

SEGMENT-WISE OR PRODUCT WISE PERFORMANCE

The Company has two divisions 1) Paper Division and 2) Power Division. The paper division was operational throughout the year. During the year, shareholders of the company have passed the special resolution through postal ballot to sale the power division, accordingly company has sold out the major machineries of power division.

REVIEW OF PERFORMANCE

During the year, Company's Sales and other operating income were Rs. 57.71 Crores. This is a much improved performance compared to last year.

STRATEGY

The company is continuously increasing its quality of paper as per the requirement in the market and to compete with the other market players. Further the company have been adopting the latest technology for production of various

grades of paper in the plant. During the year company has supplied the highest quality of Kraft paper to the customers and our customer base is increasing day by day.

OUTLOOK, RISK AND CONCERN MANAGEMENT PERCEIVES

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

The company is deriving its revenue from paper/paperboard manufacturing the availability of raw material and rates of raw material due to competition among the related paper mills are matters of concern.

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 a 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 59.

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
DIN : 00452637

Place: Satara

Date : 14th August, 2018

AUDITORS' REPORT

To Members of Kay Power And Paper Limited

REPORT ON THE INDIAN ACCOUNTING STANDARDS (IND AS) 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, 2018, and the Statement of Profit and Loss (including other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the 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, cash flows and Changes in Equity 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 (Indian Accounting Standards) Rules, 2015 (as amended). 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 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. 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 aforesaid 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: of the state of affairs of the Company as at March 31, 2018 and its total comprehensive income (comprising of profit and other comprehensive income), its cash flows and the changes in equity for the year ended on that date

OTHER MATTER

The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2017 and March 31, 2016 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were

audited by the predecessor auditor who expressed an unmodified opinion vide reports dated May 30, 2017 and May 28, 2016 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

Our opinion is not qualified in respect of these matters.

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 (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act except IND AS 19 regarding 'Employee Benefits' on account of non-provision for liability towards post-employment defined benefit plans like gratuity payable to employees as described in the para j of Notes to accounts.
 - (e) On the basis of written representations received from the directors as on March 31, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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 as on March 31, 2018 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 as on March 31, 2018.

applicable to the Company for the year ended March 31, 2018.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended on March 31, 2018.

For A C Doshi & Co.
Chartered Accountants

Place : Satara
Date : May 28, 2018

CA Abhijit Doshi
Proprietor
Mem. No.103730
FRN : 117550W

iv. The reporting on disclosures relating to Specified Bank Notes is not

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, 2018

- | | |
|---|---|
| <p>i. a) The Company has maintained proper records showing full particulars including quantitative details and situation of the fixed assets.</p> <p>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.</p> <p>c) The title deeds of immovable properties are held in the name of the company;</p> <p>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.</p> <p>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.</p> <p>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.</p> | <p>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.</p> <p>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.</p> <p>vii. 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 31/3/2018 for a period more than 6 months from the date they become payable.</p> <p>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 31/3/2018 for a period more that six months from the date they became payable. According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, sales-tax, service-tax, value added tax, goods and service tax with effect from July 1, 2017</p> |
|---|---|



- which have not been deposited on account of any dispute.
- 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 During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- 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. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (IndAS) 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- 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 A C Doshi & Co.
Chartered Accountants

Place : Satara
Date : May 28, 2018

CA Abhijit Doshi
Proprietor
Mem. No.103730
FRN : 117550W

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 2018 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, 2018 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 A C Doshi & Co.
Chartered Accountants

Place : Satara
Date : May 28, 2018

CA Abhijit Doshi
Proprietor
Mem. No.103730
FRN : 117550W


BALANCE SHEET AS AT 31ST MARCH, 2018

Particulars	Note No.	As at	As at	As at
		31 March, 2018	31 March, 2017	1 April, 2016
		Rupees	Rupees	Rupees
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	2	199488524.00	381655953.00	389050626.00
(b) Capital work-in-progress	3	3000000.00	0.00	0.00
(c) Other Intangible assets	2	1400.00	1400.00	1400.00
(d) Financial Assets				
(i) Non - Current Investments	4(a)	31500.00	31500.00	31500.00
(iii) Long term Loans and advances	4(b)	6936669.00	6475378.00	6145247.00
(e) Other non-current assets	5	58750.00	58750.00	58750.00
Current assets				
(a) Inventories	6	27680107.00	19063642.00	24787909.00
(b) Financial Assets				
(i) Investments	7(a)	0.00	0.00	202648.00
(ii) Trade receivables	7(b)	43637195.00	29965766.00	35792441.00
(iii) Cash and cash equivalents	7(c)	2178365.00	702618.00	1823391.00
(c) Loans	8	581499.00	802807.00	4479136.00
(d) Other current assets	9	95480310.00	34596600.00	0.00
Total Assets		<u>406074319.00</u>	<u>473354414.00</u>	<u>462373048.00</u>
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	10	106400000.00	106400000.00	106400000.00
(b) Other Equity	11	(103081897)	(109731771)	(128459817)
LIABILITIES				
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	12(a)	123936678.00	229218575.00	269881272.00
(ii) Other financial liabilities	12(b)	93600000.00	93600000.00	93600000.00
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	13(a)	646798.00	1133464.00	0.00
(ii) Trade payables	13(b)	182648624.00	145067552.00	111555512.00
(b) Other current liabilities	14	1670922	7129399	9126522.00
(c) Provisions	15	253194.00	537195.00	269559.00
Total Equity and Liabilities		<u>406074319.00</u>	<u>473354414.00</u>	<u>462373048.00</u>

The accompanying notes are an integral part of these financial statements

As per our report of even date

For A.C. Doshi & Co.
Chartered Accountants

Abhijit C. Doshi
Proprietor
(M. No. 103730)

Place : Satara
Date : 28th May, 2018

For and on behalf of the Board of Director

Niraj Chandra
Chairman and
Managing Director
DIN : 00452637

Sagar Mohite
Company Secretary
M. No. 25807

Deepa Agarwal
Director
DIN : 00452947

Ganesh H. Rotithor
Chief Financial Officer
PAN : AJEPRO110P

Place : Satara
Date : 28th May, 2018

**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2018**

Particulars	Note No.	As at	As at
		31 March, 2018	31 March, 2017
		Rupees	Rupees
Revenue From Operations	16	417360568.00	346793741.00
Other Income	17	159782827.00	38666273.00
Total Income		577143395.00	385460014.00
EXPENSES			
Cost of materials consumed	18	305262556.00	259527112.00
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	19	987717.00	1605210.00
Employee benefits expense	20	11920030.00	9169364.00
Finance costs	21	1224888.00	4075890.00
Depreciation and amortization expense	2	8587331.00	9062541.00
Other expenses			
(A) Manufacturing	22(a)	59827316.00	61296346.00
(B) Selling, Administrative and other Expenses	22(b)	25203585.00	21995506.00
Total other expenses (A+B)		85030901.00	83291852.00
Total expenses		413013423.00	366731969.00
Profit/(loss) before exceptional items and tax		164129972.00	18728045.00
Exceptional Items	23	157480098.00	0.00
Profit/(loss) before tax		6649874.00	18728045.00
Tax expense:			
(1) Current tax		0	0
(2) Deferred tax		0	0
Profit (Loss) for the period from continuing operations		6649874.00	18728045.00
Other Comprehensive Income		0.00	0.00
Total Comprehensive Income		6649874.00	18728045.00
Earnings per equity share (for continuing operation):			
(1) Basic		0.62	1.76
(2) Diluted		0.62	1.76
Significant account policies	1		

The accompanying notes are an integral part of these financial statements

As per our report of even date

For A.C. Doshi & Co.
Chartered Accountants

Abhijit C. Doshi
Proprietor
(M. No. 103730)

Place : Satara
Date : 28th May, 2018

For and on behalf of the Board of Director

Niraj Chandra
Chairman and
Managing Director
DIN : 00452637

Sagar Mohite
Company Secretary
M. No. 25807

Place : Satara
Date : 28th May, 2018

Deepa Agarwal
Director
DIN : 00452947

Ganesh H. Rotithor
Chief Financial Officer
PAN : AJEPR0110P

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

	<u>31 March, 2018</u>	<u>31 March, 2017</u>
	Rupees	Rupees
A. Cash flow Operating Activities		
Net profit/(loss) Before Tax & Extra Ordinary item	6649874.00	18728045.00
Adjustment for Depreciation	8587331.00	9062541.00
Add expenses related to non-operating Activities (Loss on sale of assets)	157480098.00	
Interest and Bank Charges	0.00	0.00
Operating Profit/(Loss) Before working capital changes	172717303.00	27790586.00
(Increase)/Decrease in current Assets	-83411587.00	-19496812.00
Inventories	-8616465.00	5724267.00
Trade Receivable	-13671429.00	5826675.00
Long term Loans and advances	-461291.00	-330131.00
Short terms Loans and advances	221308.00	3676329.00
(Increase)/Decrease in other Current Assets	-60883710.00	-34393952.00
Increase/ (Decrease) in Current Laibilities	31838594.00	31782553.00
Trade payable	37581072.00	33512040.00
other Laibilities	-5458477.00	-1997123.00
Provisions	-284001.00	267636.00
Cash Generated form Operations	121144310.00	40076327.00
Less Tax Paid	0	0
Net cash form Operating Activities	121144310.00	40076327.00
B. Cash Flow form Investing Activities		0
(Purchase) / of fixed Assets	-3000000.00	-1667868.00
Sale of Fixed Assets	16,100,000.00	0
Net Cash Flow from Investing Activities	-1390000	-1667868
C. Cash Flow From Financial Activities		
Increase / (Decrease) in Borrowing	-105768563.00	-39529233.00
Interest Paid	0	0
Share Application Money	0	0
Net Cash Flow from Financial Activities	-105768563.00	-39529233.00
Net Increase in Cash and cash Equivalent	1475747.00	-1120774.00
cash and cash equivalents at beginning of period	702618.00	1823392.00
cash and cash equivalents at End of period	2178365.00	702618.00

For and on behalf of the Board of Director

 Sagar Mohite
 Company Secretary
 M. No. 25807

 Niraj Chandra
 Chairman and Managing Director
 DIN : 00452637

 Deepa Agarwal
 Director
 DIN : 00452947

 Place : Satara,
 Date : 28th May, 2018

 Ganesh H. Rotithor
 Chief Financial Officer
 PAN : AJEPR0110P

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 2018 reported upon by us on 28th May, 2018. 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 A.C. Doshi & Co.
 Chartered Accountants

Abhijit C. Doshi - Proprietor (M. No. 103730)

 Satara, 28th May, 2018



STATEMENT OF CHANGES IN EQUITY AS AT 31ST MARCH, 2018

(Amount in Rupees)

	Equity Share Capital	
Balance as at 1st April, 2016	Changes in equity share capital during the period	Balance as at 31st March, 2017
10,64,00,000	0	10,64,00,000
Balance as at 1st April, 2017	Changes in equity share capital during the period	Balance as at 31st March, 2018
10,64,00,000	0	10,64,00,000

Other equity

	Reserves and Surplus				
	Share application money pending allotment	Other Reserves (Special Capital Incentive of Govt. of Maharashtra)	Securities Premium Reserve	Retained Earnings	Total
Balance as on 1st April, 2016	93600000	5000000	257136	-133716952	-128459816
Changes in accounting policy or prior period errors	-93600000	0	0	0	0
Restated balance at the beginning of the reporting period	0	0	0	0	0
Profit for the year				18728045	18728045
Total Comprehensive Income for the year 31st March, 2017	0	5000000	257136	-114988907	-109731771
Dividends			0	0	0
Profit for the year			0	6649874	6649874
Balance as on 31st March, 2018	0	5000000	257136	-108339033	-103081897

As per our report of even date

For A.C. Doshi & Co.
Chartered AccountantsAbhijit C. Doshi
Proprietor
(M. No. 103730)Place : Satara
Date : 28th May, 2018

For and on behalf of the Board of Director

Niraj Chandra
Chairman and
Managing Director
DIN : 00452637Deepa Agarwal
Director
DIN : 00452947Sagar Mohite
Company Secretary
M. No. 25807Ganesh H. Rotithor
Chief Financial Officer
PAN : AJEPRO110PPlace : Satara
Date : 28th May, 2018

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES****1 General Information**

Kay Power and Paper limited, registered under the company's act 1956 and having its registered office at Gat No. 454/457, Village Bargaon Satara-415519., mainly belongs to Paper Industry and operates in manufacturing of Kraft paper in various category. The Company's manufacturing facilities is located at Village Bargaon, Satara.

The Company is public limited company and is listed on the Bombay Stock Exchange (BSE)

The Financial Statements were authorised for issue in accordance with resolution passed by the Board of Directors of the Company on May 28, 2018.

2. Summary of significant accounting policies**a. Basis of preparation**

The standalone financial statements of the Company have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015.

For all periods up to and including the year ended 31st March 2017, the Company prepared its Financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or Previous GAAP). These Financial statements for the year ended 31st March 2018 are the first the Company has prepared in accordance with Ind AS. Refer note No.34 for information on how the Company adopted Ind AS.

The Financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either, in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;

Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

b. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is current when it is:



- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within the operating cycle or twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within the operating cycle or twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle of the Company is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Company's normal operating is assumed to be twelve months.

c. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory

and credit risks.

Excise Duty, GST/ VAT/ sales tax is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods:

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable. Interest income is included in other income in the statement of profit and loss.

d. Property, plant and equipment

Property, plant and equipment, Capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as are placement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in statement of profit or loss as incurred. No decommissioning liabilities are expected or be incurred on the assets of plant and equipment.

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



remaining 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.

Intangible Assets

Computer software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Separately acquired software are recorded as intangible assets and amortised from the point at which the asset is available for use.

Computer software: 3 years

e. Inventory

Inventory comprises of stock of raw material, completed products for sale and work-in-progress. Inventories valued at cost or net realizable value whichever is lower.

f. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds.

g. Taxes

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss of the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rate enacted or substantially enacted at the reporting date. However, due to accumulated losses in the books as well as income tax computation no income tax is required to be paid for the year.

Deferred tax

Deferred tax is recognised in respect of

temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets are recognised for deductible temporary differences, the carry forward of unused tax credits and any unused tax losses to the extent that it is probable that taxable profit will be available against which those can be utilised. The deferred tax assets are not recognized in the year as there is lack of reasonable certainty that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are re-assessed at each reporting date and will be recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

h. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

i. Provisions and Contingent liability

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are disclosed in the Notes. Contingent liabilities are disclosed for

- i. possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- ii. present obligations arising from past



events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

j. Employee benefits

Short-term obligations

Short-term employee benefit are expensed as the related service is provided. Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within one year after the end of the period in which the employees render the related service are the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Post-employment obligations

The Company operates the following post-employment schemes:

- i. defined benefit plans such as gratuity and
- ii. defined contribution plans such as provident fund

Defined benefit plans

The liability for defined benefit obligation towards gratuity is recognised in the year of payment and in view of the heavy accumulated losses and due to the small eligible staff strength, no actuarial working is taken to avoid extra expenditure for it. The liability or asset in respect of defined benefit gratuity plans is not recognised in the balance sheet.

Defined contribution plans

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

k. Financial instruments

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value.

The classification depends on the Company's business model for managing the financial asset and the contractual terms of the cash flows. The Company classifies its financial assets in the following measurement categories:

- i. those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss),
- ii. those measured at amortised cost, and

Subsequent measurement

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. All other financial assets are measured at amortised cost, using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss.

Impairment of financial assets

The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss financial assets that are not fair valued.

The Company follows 'simplified approach' for recognition of impairment loss for trade receivables and lease receivables resulting from transactions within the scope of Ind AS 17 that have no significant financing component. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on life time ECLs at each reporting date, right from its initial recognition.

For all other financial assets, expected credit losses are measured at an amount



equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at life time ECL.

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized, is recognized under the head 'other expenses' in the statement of profit and loss. The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

De-recognition of financial assets

The Company derecognizes a financial asset when -

- i. the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under IND AS 109.
- ii. it retains contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

When the entity has neither transferred a financial asset nor retained substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to extent of continuing involvement in the financial asset.

Financial liabilities

Initial recognition

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification, as described below:

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within one year after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least one year after the reporting period. Where there is a breach of a material provision of a long-term loan



arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

i. Earnings per share

The basic earnings per share is computed by dividing the net profit for the year attributable equity shareholders by the weighted average number of equity shares outstanding during the period. The Company does not have any potential equity share or warrant outstanding for the periods reported, hence diluted earnings per share is same as basic earnings per share of the Company.

m. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Board of Directors of the Company, assesses the financial performance and position of the Company, and makes strategic decisions. The Board of Directors is therefore considered to be the chief operating decision maker.

n. Standards issued but not yet effective

Appendix B to Ind AS 21, foreign currency transactions and advance consideration:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company is in process of evaluating the impact on the financial statements.

Ind AS 115- Revenue from Contract with Customers:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The standard permits two possible methods of transition:

1. Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors.
2. Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach).

The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

o. Critical estimated and judgements

i Impairment of Trade receivables

The Company estimates the uncollectability of accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

ii Income Taxes

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.



**Note to the financial statement for the year ended 31st March 2018
Note 2 (a): Property, Plant and Equipment and Other Intangible Assets**

Sr. NO.	Name of Assets	GROSS BLOCK				Depreciation			Net Block		
		Usefull Life	Deemed Cost As on 31/3/17	Addition	Deduction	As on 31/3/18	As on 31/3/17	Accum. Dep. On Assets sold	For the year	As on 31/3/18	As on 31/3/17
PAPER DIVISION											
	Paper Division										
1	Freehold Land		573245	0	0	573245	0	0	0	573245	573245
2	Site Development		1349328	0	0	1349328	0	0	0	1349328	1349328
3	Building	30	11852983	0	0	11852983	846052	846052	1692104	10160879	11006931
4	Well & Irrigation Scheme	5	215123	0	0	215123	0	0	0	215123	215123
5	Effluent Treatment Plant	25	1822438	0	0	1822438	233843	233843	467686	1354752	1588595
6	Weigh Bridge	15	112553	0	0	112553	12797	12797	25594	86569	99756
7	Boiler	25	4568641	0	0	4568641	389134	389134	778268	3790373	4179507
8	Plant & Machinery	25	116155050	0	-5469362	110685688	7113696	6627592	11633961	99021727	109041354
9	Laboratory Equipment	10	150255	0	0	150255	21790	21790	43580	106675	128465
10	Furniture & Fixtures	10	16584	0	0	16584	1051	1051	2102	14482	15533
11	Office Equipment	5	194053	0	0	194053	39627	21391	61018	133035	154426
12	Vehicles	10	3914190	0	0	3914190	404551	433681	836232	3076958	3509639
13	Software & Licenses	3	140923943	0	-5469362	135456481	9062541	8587331	15572545	119883336	131863302

Sr. NO.	Name of Assets	GROSS BLOCK				Depreciation			Net Block		
		Usefull Life	Deemed Cost As on 31/3/17	Addition	Deduction	As on 31/3/18	As on 31/3/17	Write Off to Reserves	For the year	As on 31/3/18	As on 31/3/17
POWER DIVISION											
	Power Division										
1	Land & Site Devp.	0	1122860			1122860	0	0	0	1122860	1122860
2	Building	30	13490926		-13490926	0	0	0	0	0	13490926
3	Cooling Tower	25	1801832		-1801832	0	0	0	0	0	1801832
4	D M Plant	25	1114594		-1114594	0	0	0	0	0	1114594
5	Stream Line	25	383011		-383011	0	0	0	0	0	383011
6	L T Electrical Panels	25	2834412		-2834412	0	0	0	0	0	2834412
7	Bagase handling system	25	44390350		-44390350	0	0	0	0	0	44390350
8	Boiler	25	67877057		-67877057	0	0	0	0	0	67877057
9	TG Set with HT Panels	25	116546661		-38285881	78260780	0	0	0	78260780	116546661
10	Furniture & Fixtures	10	45464			45464	0	0	0	45464	45464
11	Kiosk Unit	15	176894			176894	0	0	0	176894	176894
Total			249794051	0	-170188063	79605988	9062541	-2077327	15572545	79605988	249794051
Grand Total			390719894	0	-175657425	215062469	9062541	8587331	15572545	199486924	381657353

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



**Note to the financial statement for the year ended 31st March 2018
Note 2 (b): Property, Plant and Equipment and Other Intangible Assets**

Sr. NO.	Name of Assets	GROSS BLOCK				Depreciation			Net Block		
		Usefull Life	Deemed Cost As on 31/3/16	Addition	Deduction	As on 31/3/17	As on 31/3/16	Write off to Reserves	For the year	As on 31/3/17	As on 31/3/16
	PAPER DIVISION										
	Paper Division										
1	Freehold Land		573245	0	0	573245	0	0	0	573245	573245
2	Site Development		1349328	0	0	1349328	0	0	0	1349328	1349328
3	Building	30	11852983	0	0	11852983	0	846052	846052	11006931	11852983
4	Well & Irrigation Scheme	5	215123	0	0	215123	0	0	0	215123	215123
5	Effluent Treatment Plant	25	1822438	0	0	1822438	0	233843	233843	1588695	1822438
6	Weigh Bridge	15	112553	0	0	112553	0	12797	12797	99756	112553
7	Boiler	25	4568641	0	0	4568641	0	389134	389134	4179507	4568641
8	Plant & Machinery	25	116150050	0	0	116150050	0	7113696	7113696	109041354	116150050
9	Laboratory Equipment	10	150255	0	0	150255	0	21790	21790	128465	150255
10	Furniture & Fixtures	10	16584	0	0	16584	0	1051	1051	15533	16584
11	Office Equipment	5	194053	0	0	194053	0	39627	39627	154426	194053
12	Vehicles	10	2246322	1667868	0	3914190	0	404551	404551	3508639	2246322
13	Software & Licenses	3	1400	0	0	1400	0	0	0	1400	1400
			139257975	1667868	0	140925843	0	9062541	9062541	131863302	139257975

Sr. NO.	Name of Assets	GROSS BLOCK				Depreciation			Net Block		
		Usefull Life	Deemed Cost As on 1/4/16	Addition	Deduction	As on 1/4/16	As on 31/3/17	Write Off to Reserves	For the year	As on 31/3/17	As on 31/3/16
	POWER DIVISION										
	Power Division										
1	Land & Site Devp.	0	1122850			1122850	0	0	0	1122850	1122850
2	Building	30	13490926			13490926	0	0	0	13490926	13490926
3	Cooling Tower	25	1801832			1801832	0	0	0	1801832	1801832
4	DM Plant	25	1114594			1114594	0	0	0	1114594	1114594
5	Stream Line	25	393011			393011	0	0	0	393011	393011
6	LT Electrical Panels	25	2834412			2834412	0	0	0	2834412	2834412
7	Bagasse handling system	25	44390350			44390350	0	0	0	44390350	44390350
8	Boiler	25	67877057			67877057	0	0	0	67877057	67877057
9	TG Set with HT Panels	25	116546661			116546661	0	0	0	116546661	116546661
10	Furniture & Fixtures	10	45464			45464	0	0	0	45464	45464
11	Kiosk Unit	15	176894			176894	0	0	0	176894	176894
	Total		249794051	0	0	249794051	0	0	0	249794051	249794051
	Grand Total		389052026	1667868	0	390719894	0.0	9062541	9062541	381657353	389052026



Note to the financial statement for the year ended 31st March 2018
Note 2 (c): Property, Plant and Equipment and Other Intangible Assets - Additional disclosure

PAPER DIVISION	Gross Block as on 31/03/2016	Accumulated Depreciation as on 01/04/2016	Net Block as on 01/04/2016	Gross Block as on 31/03/2017	Accumulated Depreciation as on 31/03/2017	Net Block as on 31/03/2017	Gross Block as on 31/03/2018	Accumulated Depreciation as on 31/03/2018	Net Block as on 31/03/2018
Paper Division									
1 Freehold Land	573245	0	573245	573245	0	573245	573245	0	573245
2 Site Development	1349328	0	1349328	1349328	0	1349328	1349328	0	1349328
3 Building	21016941	9163958	11852983	21016941	10010010	11006931	21016940.95	10856062	10160878.95
4 Well & Irrigation Scheme	4302456	4087333	215123	4302456	4087333	215123	4302456	4087333	215123
5 Effluent Treatment Plant	5097470	3275031	1822439	5097469	3508974	1588595	5097469.64	3742717	1354752.64
6 Weigh Bridge	768872	654319	112553	766873	667116	99757	766872.15	679913	86859.15
7 Boiler	9616000	5047359	4568641	9616000	5436493	4179507	9615999.66	5825627	3790372.66
8 Plant & Machinery	184709561	68554512	116155049	184709561	75668208	109041353	166393882.8	67372156	99021726.8
9 Laboratory Equipment	305744	155469	150275	305744	177279	128465	305743.75	199088.7	106675.05
10 Furniture & Fixtures	247562	230978	16594	247562	232029	15533	247562	233080.45	14481.55
11 Office Equipment	1287545	1093492	194063	1287545	1133119	154426	1287545	1154510.15	133034.85
12 Vehicles	4011644	1765322	2246322	5679512	2169873	3509639	5679512	2603554	3075988
13 Software & Licenses	28000	26600	1400	28000	26600	1400	28000	26600	1400
	233312368	94054393	139257975	234980236	103116934	131863302	216664557	96780621.3	119883935.7

POWER DIVISION	Gross Block as on 31/03/2016	Accumulated Depreciation as on 01/04/2016	Net Block as on 01/04/2016	Gross Block as on 31/03/2017	Accumulated Depreciation as on 31/03/2017	Net Block as on 31/03/2017	Gross Block as on 31/03/2018	Accumulated Depreciation as on 31/03/2018	Net Block as on 31/03/2018
Power Division									
1 Land & Site Devp.	1122850	0	1122850	1122850	0	1122850	1122850	0	1122850
2 Building	15218490	1727564	13490926	15218490	1727564	13490926	0	0	0
3 Cooling Tower	2134719	332887	1801832	2134719	332887	1801832	0	0	0
4 D M Plant	1317022	202428	1114594	1317022	202428	1114594	0	0	0
5 Stream Line	481300	88289	393011	481300	88289	393011	0	0	0
6 L T Electrical Panels	3310435	476023	2834412	3310435	476023	2834412	0	0	0
7 Bagasse handling system	54346274	9955924	44390350	54346274	9955924	44390350	0	0	0
8 Boiler	82909042	15031985	67877057	82909042	15031985	67877057	0	0	0
9 TG Set with HT Panels	141447609	24900948	116546661	141447609	24900948	116546661	93823042	15562262	78260780
10 Furniture & Fixtures	56781	11317	45464	56781	11317	45464	56781	11317	45464
11 Kiosk Unit	180163	3269	176894	180163	3269	176894	180163	3269	176894
Total	302524685	52730634	249794051	302524685	52730634	249794051	95182836	15576848	79609888
Grand Total	536837053	146785027	389052026	537504921	155847588.0	381657353	311847393	112357469.3	199489923.7



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

	As at 31st March 2018	As at 31st March 2017	As at 1st April, 2016
NOTE 3. CAPITAL WORK IN PROGRESS			
Opening balance	0.00	0.00	0.00
Add: Additions during the year	30000000.00	0.00	0.00
Less:-Capitlised during the year	0.00	0.00	0.00
Closing balance	30000000.00	0.00	0.00

NOTE 4: NON-CURRENT FINANCIAL ASSETS**Note 4 (a). Non-current Investment**

"1500 Equity shares of Rs. 10/- each of "National General Industries Ltd. "	22500.00	22500.00	22500.00
"900 equity shares of Rs.10 /- each of "Ambala Cement Ltd. "	9000.00	9000.00	9000.00
Total 4(a)	31500.00	31500.00	31500.00

Note 4(b): Long Term Loans and Advances

Sundry Deposits (Pune Mumbai Court)	23000.00	23000.00	23000.00
Deposits with irrigation Dept.	35000.00	35000.00	35000.00
Security deposits with Delhi High Court	2944900.00	2944900.00	2944900.00
M.S.E.D.C.L. Deposits (Lift Scheme)	42130.00	42130.00	42130.00
M.S.E.D.C.L. Deposits (HT Connection)	3506180.00	3234680.00	2806120.00
Telephone Deposits	25027.00	25027.00	25027.00
Imprest	21017.00	16981.00	70193.00
TDS Receivable	65467.00	49347.00	22516.00
TCS Receivable	14697.00	0.00	0.00
Sunstar Securities	94813.00	94813.00	94813.00
Prepaid Factory Licence Fee	137238.00	0.00	42000.00
Margin Money Receivable From Sicom	0.00	0.00	30048.00
Indian Infoline Commodities Ltd	9500.00	9500.00	9500.00
Staff Advance	17700.00	0.00	0.00
Total 4 (b)	6936669.00	6475378.00	6145247.00

NOTE 5: OTHER NON CURRENT ASSETS

Balances with scheduled bank in fixed deposits	33750.00	33750.00	33750.00
Fixed Deposit as security for bank gaurantee for MPCB	25000.00	25000.00	25000.00
Total (5)	58750.00	58750.00	58750.00

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

	As at 31st March 2018	As at 31st March 2017	As at 1st April, 2016
NOTE 6: INVENTORIES			
Tools and spares (Valued at cost price)	4684374.00	4512077.00	3975463.00
Raw Material (Valued at cost price)	22253132.00	12840169.00	17662638.00
Finished goods (Valued at cost of production)	556881.00	1544598.00	3149808.00
Oil And Lubricants	185720.00	166798.00	0.00
Total (6)	<u>27680107.00</u>	<u>19063642.00</u>	<u>24787909.00</u>
NOTE 7: CURRENT FINANCIAL ASSETS			
Note 7(a): Current Investment			
Accrued Income	0.00	0.00	202648.00
Total 7 (a)	<u>0.00</u>	<u>0.00</u>	<u>202648.00</u>
Note 7(b): Trade Receivable			
(Unsecured and considered goods)			
Outstanding over six months	376634.00	376634.00	376634.00
Others	43260561.00	29589132.00	35415807.00
Total 7 (b)	<u>43637195.00</u>	<u>29965766.00</u>	<u>35792441.00</u>
Note 7(c): Cash and Bank Balances			
Cash in hand	98651.00	171243.00	350713.00
Balances with bank	2079714.00	531375.00	1472678.00
Total 7(c)	<u>2178365.00</u>	<u>702618.00</u>	<u>1823391.00</u>
NOTE 8: SHORT TERM LOANS AND ADVANCES			
Balances with statutory / public authorities advance recoverable in cash or in kind or for value to be recoverable			
	581499.00	802807.00	4479136.00
Total (8)	<u>581499.00</u>	<u>802807.00</u>	<u>4479136.00</u>
NOTE 9: OTHER CURRENT ASSETS			
Other Current Asset	95480310.00	34596600.00	0.00
Total (9)	<u>95480310.00</u>	<u>34596600.00</u>	<u>0.00</u>



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

	As at 31st March 2018 Rupees	As at 31st March 2017 Rupees	As at 1st April, 2016 Rupees
NOTE 10 : SHARE CAPITAL			
AUTHORISED, ISSUED AND PAID-UP			
1,50,00,000 equity share of Rs.10/- each	150000000.00	150000000.00	150000000.00
"Issued, subscribed and fully paid up "shares 10640000 equity shares of Rs. 10 /- each "	106400000.00	106400000.00	106400000.00
Total (10)	106400000.00	106400000.00	106400000.00

Movements in equity share capital	No. of Shares	Amount
As at 1st April, 2016	10640000	106400000
Share issued during the year	0.00	0
Shares brought back during the year	0.00	0
Redemptions of Shares	0.00	0
As at 31st March, 2017	10640000	106400000
Share issued during the year	0.00	0
Shares brought back during the year	0.00	0
Redemptions of Shares	0.00	0
As at 31st March, 2018	10640000	106400000

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. No.	Name of Shareholders	31st March 2018		31st March 2017	
		No of Shares Held	% of Holding	No of Held Shar	% of Holding
1.	Mr.Niraj Chandra	1652100	15.53%	1652100	15.53%
2.	Mrs.Usha Gupta	1177100	11.06%	1177100	11.06%
3.	Mrs.Deepa Agarwal	741100	6.97%	741100	6.97%
4.	Mr.Sushil Chandra	675100	6.34%	675100	6.34%

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

	As at 31st March 2018	As at 31st March 2017	As at 1st April, 2016
NOTE 11: OTHER EQUITY			
Securities Premium Account*	257136	257136.00	257136.00
Special capital incentive of Govt.of Maharashtra	5000000	5000000.00	5000000.00
Balance as per last balancesheet	(114988907)	(133716952)	(144385857)
Surplus as per statement of Profit and loss	6649874.00	18728045.00	15926040.00
Total (11)	<u>(103081897)</u>	<u>(109731771)</u>	<u>(128459817)</u>

*Securities Premium Reserve is premium on issue of shares. The reserve is utilised in accordance with the Provisions of the companies act 2013

NOTE 12: NON-CURRENT FINANCIAL LIABILITIES
Note 12(a): 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)"	0.00	39807859.00	70537859.00
Sub-Total	0.00	39807859.00	70537859.00

Unsecured Loan

Intercompany Deposits (The terms of repayment of these deposits are not defined)	76687009.00	114487009.00	114487009.00
Diferred liability for sales tax (Maharashtra sales tax department has granted facility of differal of sales tax liability under package scheme of incentive)	47249669.00	74923707.00	84856404.00
Sub-Total	<u>123936678.00</u>	<u>189410716.00</u>	<u>199343413.00</u>
Total 12 (a)	<u>123936678.00</u>	<u>229218575.00</u>	<u>269881272.00</u>

Note 12(b) : Other financial liabilities

Pending for Refund- Share Application Money	93600000.00	93600000.00	93600000.00
Total 12(b)	<u>93600000.00</u>	<u>93600000.00</u>	<u>93600000.00</u>



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

	As at 31st March 2018	As at 31st March 2017	As at 1st April, 2016
NOTE 13 : CURRENT FINANCIAL LAIBILITIES			
Note 13(a): Short term borrowings			
HDFC Bank Vehicle Loan [(Toyota Innova), MH-11 BV -6217	646798.00	1133464.00	0.00
Total 13(a)	646798.00	1133464.00	0.00
Note 13(b) : Trade Payables			
Due to Micro, Small and medium Enterprises*			
Others	182648624.00	145067552.00	111555512.00
Total 13(b)	182648624.00	145067552.00	111555512.00
* 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			
NOTE 14 : OTHER CURRENT LIABILITIES			
Salary Payables	393132.00	334408.00	323292.00
Wages Payables	439634.00	435383.00	290318.00
TDS Constructors Payable	124684.00	88389.00	7007.00
Imprest Account	405913.00	1984651.00	0.00
TDS Salary Payable	9700.00	17540.00	9820.00
Vat Payable	0.00	4267528.00	6524530.00
Excise Duty Payable	0.00	0.00	1971555.00
Staff Advance	0.00	1500.00	0.00
Interest Payable	297859.00	0.00	0.00
Total (14)	1670922.00	7129399.00	9126522.00
NOTE 15 : OTHER SHORT TERM PROVISIONS			
Labour charges payables	160935.00	189272.00	231264.00
Professional tax payables	7850.00	7000.00	4250.00
Unpaid wages	0.00	20832.00	11669.00
Unpaid Salary	0.00	0.00	3250.00
Employees PF Payables	10104.00	11118.00	3228.00
Water charges payable	69466.00	297162.00	15898.00
ESIC Payable	4839.00	11811.00	0.00
Total (15)	253194.00	537195.00	269559.00

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

	As at 31st March 2018	As at 31st March, 2017
	Rupees	Rupees
NOTE 16 : REVENUE FROM OPERATION (GROSS)		
Kraft Paper		
Gross Sales	424013851.00	367919985.00
Less . Excise Duty	6653283.00	21234512.00
Net Sales	417360568.00	346685473.00
Misc Sale	0.00	121802.00
Less . Excise Duty	0.00	13534.00
		<u>108268.00</u>
Total (16)	<u>417360568.00</u>	<u>346793741.00</u>
NOTE 17 : OTHER INCOME		
Foreign Exchange Rate Diff.	909335.00	146844.00
Account Written Off	771464.00	105155
Interest Received	354930.00	394053.00
Sundry Income	870440.00	0.00
Profit on Trading in Shares	156876658.00	38020221.00
Total (17)	<u>159782827.00</u>	<u>38666273.00</u>
NOTE 18 : COST OF MATERIAL CONSUMED		
Raw Material Consumed		
Opening Stock	12840169.00	17662638.00
Add. Purchases	314675519.00	254704643.00
Less. Closing Stock	22253132.00	12840169.00
Total (18)	<u>305262556.00</u>	<u>259527112.00</u>
NOTE 19 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK - IN - PROGRESS AND STOCK - IN - HAND		
Stock at opening		
Finished goods	1544598.00	3149808.00
Less. Stock at closing		
Finished goods	556881.00	1544598.00
Total (19)	<u>987717.00</u>	<u>1605210.00</u>
NOTE 20 : EMPLOYEE BENEFIT EXPENSES		
Salary and wages	11633174.00	9112317.00
Welfare Expenses	6505.00	545.00
Contribution to P.F.	116514.00	46171.00
ESI Contribution	163837.00	10331.00
Total (20)	<u>11920030.00</u>	<u>9169364.00</u>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

	As at 31st March 2018	As at 31st March, 2017
NOTE 21 : FINANCE COST		
Bank Charges / commission /Intrest	1224888.00	4075890.00
Total (21)	<u>1224888.00</u>	<u>4075890.00</u>
NOTE 22 : OTHER EXPENSES		
Note 22(a) Manufacturing Expenses		
Carriage Inward	1010428.00	609571.00
Power & Fuel	40082920.00	39828078.00
Repairs and Maintainance	9106054.00	10385861.00
Other Manufacturing Expenses	<u>9627914.00</u>	<u>10472836.00</u>
Total 22(a)	<u>59827316.00</u>	<u>61296346.00</u>
(b) Selling and Administrative Expenses		
CDSL Issuer Fees	45000.00	55510.00
Legal & Professional Fees	231646.00	535863.00
Packing & Forwarding	3429.00	32181.00
ROC Filing Fees	6000.00	4815.00
Directors Sitting Fees	18000.00	22000.00
Factory Licence Fees	68619.00	42000.00
Boiler Inspection Fees	6300.00	0.00
BSE Listing Fees	250000.00	200000.00
Audit Fees	25000.00	35000.00
Membership & Subscription	15000.00	600.00
Excise Duty Expenses	0.00	4860.00
MPCB Cess / Testing Fees	0.00	4020.00
Professional tax - company	2500.00	2500.00
Printing & Stationary	170822.00	164141.00
Postage & Telephone Expenses	225274.00	104856.00
Insurance	223297.00	235082.00
Rent, Rates & Taxes	258245.00	395639.00
Carbon Credit Expenses	0.00	235427.00
Dealer Discount	20217117.00	16395531.00
Vehicle Repairs & Maintainance	252423.00	309185.00
Fuel for vehicle	156442.00	159599.00
Kraft Paper Loading charges	1162111.00	1138333.00
Advertisement Charges	25780.00	22700.00
Local Conveyance	78354.00	79483.00
Travelling Expenses	135217.00	95083.00

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

	As at 31st March 2018	As at 31st March, 2017
Miscellaneous Office Expenses	105916.00	918648.00
Drinking Water Charges	34200.00	44700.00
Professional tax - Directors	2500.00	2500.00
Water Charges	798377.00	659557.00
E-Voting Charges	29641.00	2500.00
Swach Bharat Cess	6412.00	25380.00
Krishi Kalyan Cess	6408.00	20438.00
Custodian Fees	0.00	30000.00
Weigh Bridge Insp.Fees	3150.00	8150.00
Appeal Fees	0.00	9225.00
Labour Court Satara	112225.00	0.00
Vat Assessment Charges	125680.00	0.00
Commission and Brokrage	402500.00	0.00
Total 22(b)	25203585.00	21995506.00
Total 22(a)+22(b)	85030901.00	83291852.00

NOTE 23 : EXCEPTIONAL ITEM

Loss on sale of old assets

(Refer Note no. 25 of note on financial Statement)

	157480098.00	0.00
Total (23)	157480098.00	0.00

NOTE 24 : CONTINGENT LIABILITIES : Gurarntee executed in favour of customs for EPCG has been expired and unascertained duty for unfulfilled export obligation is outstanding.

NOTE 25 : Loss on sale of assets of power Division and paper division of the company -

During the Year the company has closed its power division and Major part of machinery was disposed off by way of sale. Building used for power division was also scrapped. Old machinery in paper division which was not in use was also disposed off during the year. These items of property, plant and equipments are derecognised on their disposal. The company incurred loss on sale of these assets. Loss arising from derecognition of assets is included in profit and loss account as exceptional item as per provisions of IND AS -16.

NOTE 26 : 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 27 : C.I.F. value of imported west paper Rs.1,27,83,287.12 (Rs. 74,48,752 .00)

NOTE 28 : The company has carried out trading in shares and derivative transactions during the year. It has earned net profit are reducing expenses incurred for share trading of Rs.1568.76 Lakhs. The profit is treated as other income in profit and loss account. Value of share held in company's name for sale as on 31/03/2018 and amount receivable from broker against share transactions are shown as other current assets.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

NOTE : 29 FAIR VALUE MEASUREMENT

Financial Instruments by category:-

Particulars	31st March, 2018			31st March, 2017			1st April, 2016		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Financial Assets									
Investment									
Equity Instruments	31500.00			31500.00			31500.00		
Trade receivables			43637195.00			29965766.00			35792441.00
Cash and cash equivalents			2178365.00			702618.00			1823391.00
Other bank balances			58750.00			58750.00			58750.00
Derivative Financial assets									
Security deposits									
Loans			7518168.00			7278185.00			10624383.00
Others			95480310.00			34596600.00			0.00
Total Financial assets	31500.00		148872788.00	31500.00		72601919.00	31500.00		48298965.00
Financial liabilities									
Borrowings			124583476			230352039			269881272
Public Deposits									
Deferral Sales Tax									
Trade payables			182648624			145067552			111555512
Capital creditors									
Security deposits taken									
Other Financial liabilities			95270922			100729399			102726522
Total Financial liabilities			402503022			476148990			484163306

i) This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

The following table provides the fair value measurement hierarchy of the company's financial assets and liabilities that are measured at fair value or where the fair value disclosure is required.

Financial Assets and Liabilities measured at fair value - recurring fair value measurement at 31st March, 2018	Notes	Level 1	Level 2	Level 3	total
Financial Assets					
Financial Investment at FVPL	4(a)				
Equity Instruments				31500	31500
Total Financial Assets				31500	31500
Financial Liabilities		0	0	0	0
Total Financial Liability		0	0	0	0

Financial Assets and Liabilities measured at fair value - recurring fair value measurement at 31st March, 2017	Notes	Level 1	Level 2	Level 3	total
Financial Assets					
Financial Investment at FVPL	4(a)				
Equity Instruments				31500	31500
Total Financial Assets				31500	31500
Financial Liabilities		0	0	0	0
Total Financial Liability		0	0	0	0

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Financial Assets and Liabilities measured at fair value - recurring fair value measurement at 31st March, 2016	Notes	Level 1	Level 2	Level 3	total
Financial Assets					
Financial Investment at FVPL	4(a)				
Equity Instruments				31500	31500
Total Financial Assets				31500	31500
Financial Liabilities		0	0	0	0
Total Financial Liability		0	0	0	0

Level- 3 If one or more of the significant is no based on observable data. The instrument is included in level three. This is the case for unlisted equity securities.

(ii) Valuation technique used to determine fair value

The following methods and assumptions were used to estimate the fair value of the level 3 financial instruments included in the above tables:

The investment in unquoted equity instrument represents investment in equity shares of Ambala Cements Ltd and National General Industries Ltd. The fair value arrived at is after taking into account the relevant financial indicators of the respective companies.

(iii) As per Ind AS 107 "Financial Instrument: Disclosure", fair value disclosures are not required when the carrying amounts reasonably approximate the fair value. Accordingly fair value disclosures have not been made for the following financial instruments:-

1. Trade receivables
2. Cash and cash equivalent
3. Other bank balances
4. Security deposits
5. Borrowings
6. Trade payables
7. Employee dues
8. Other payables

NOTE 30: FINANCIAL RISK MANAGEMENT

The Company's business activities are exposed to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's senior management has the overall responsibility for establishing and governing the Company's risk management framework. The Company has constituted a Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Audit Committee of the Company.

a. MANAGEMENT OF CREDIT RISK

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations and arises principally from the company's receivables from customers

i) Trade receivables:-

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to 436.37 lakhs and 299.66 lakhs as of 31 March 2018 and 31 March 2017, respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers located in India. Credit risk has always been managed by the company through credit approvals, establishing credit limits and

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business.

The company have stop supply mechanism in place in case outstanding goes beyond agreed limits. Based on prior experience and an assessment of the current economic environment, management believes there is no further credit risk provision required.

ia. Ageing Analysis of Trade Receivables**Rs. In Lakhs**

Particulars	31/03/2018	31/03/2017	01/04/2016
More Than 6 months	3.77	3.77	3.77
Others	432.61	295.89	354.16

ib. Other financial assets:-

Credit risk on cash and cash equivalents is limited as the company generally invests in deposits with banks and financial institutions with good reputation. The Company's maximum exposure to credit risk is the carrying value of each class of financial assets.

b. MANAGEMENT OF LIQUIDITY RISK

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses or risking damage to company's reputation. In doing this, management considers both normal and stressed conditions. Management monitors the rolling forecast of the company's liquidity position on the basis of expected cash flows. This monitoring includes financial ratios and takes into account the accessibility of cash and cash equivalents. The company has access to funds from debt markets through loan from banks. The company invests its surplus funds in bank deposits.

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet date.

Particulars	Contractual Cash Flows As on 31/03/2018 Rs. In Lakhs				
	Carrying Value	Total	Within 12 months	1-5 Years	More than 5 Years
Non- Current					
Borrowings	1239.37	1239.37		1239.37	
Other Financial Liabilities	936.00	936.00		936.00	
Current					
Short Term Borrowings	6.47	6.47	6.47		
Trade Payables	1826.49	1826.49	1826.49		
Other Current Liabilities	1.67	1.67	1.67		

Particulars	Contractual Cash Flows As on 31/03/2017 Rs. In Lakhs				
	Carrying Value	Total	Within 12 months	1-5 Years	More than 5 Years
Non- Current					
Borrowings	2292.18	2292.18	398.08	1894.10	
Other Financial Liabilities	936.00	936.00		936.00	
Current					
Short Term Borrowings	11.33	11.33	4.86	6.47	
Trade Payables	1450.68	1450.68	1450.68		
Other Current Liabilities	71.29	71.29	71.29		

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	Contractual Cash Flows As on 01/04/2016 Rs. In Lakhs				
	Carrying Value	Total	Within 12 months	1-5 Years	More than 5 Years
Non- Current Borrowings*	2698.81	2698.81		2698.81	
Other Financial Liabilities	936.00	936.00		936.00	
Current					
Short Term Borrowings					
Trade Payables	1115.56	1115.56	1115.56		
Other Current Liabilities	91.26	91.26	91.26		

* Borrowing includes Inter-Corporate deposits. Repayment period of ICDs is not stipulated but it is assumed that they will be repaid over a period of five years.

c. MANAGEMENT OF MARKET RISK:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of fluctuation in market prices. These comprise three types of risk i.e. currency rate, interest rate and other price related risks. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments. Regular interaction with bankers, intermediaries and the market participants help us to mitigate such risk.

i) Foreign currency risk

The company makes payment in foreign currency for material imported. The transactions in foreign currency constitute very small proportion of total transaction. Hence, foreign exchange risk is not material market risk to the Company. During the period under audit or in comparative period presented the company has not made any derivative financial instruments related transaction to cover foreign exchange risk or otherwise. The company did not have any unhedged foreign currency exposure as on 31/03/2018 or any other earlier two preceding years.

ii) Interest rate risk exposure

Interest rate risk is the risk that the fair value or future cash flows on a financial instrument will fluctuate because of changes in market interest rates. The management is responsible for the monitoring of the company's interest rate position. Various variables are considered by the management in structuring the company's investment to achieve a reasonable competitive cost of funding. Only interest bearing loan outstanding is small amount of loan against vehicle bearing fixed interest. The company has not borrowed any other funds bearing interest.

NOTE 31 : CAPITAL MANAGEMENT
(a) Risk management

The Company's capital comprises equity share capital, share premium, retained earnings and attributable to equity holders.

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

The company had incurred heavy loss in past resulting in complete erosion of its net worth. Net worth has turned position as on 31/03/2018. But the company is not yet in position to pay dividend to share holder.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

NOTE 32 : CONSUMPTION OF RAW MATERIAL FOR THE YEAR 2017-2018

Consumption of Raw Material for 2017-2018

Item Name	Opening Stock		Purchases		Total		Consumption		Closing Stock	
	Qty	Value	Qty	Value	Qty	Value	Qty	Value	Qty	Value
Bagasse	1274 (2742)	3250788 (5805435)	6683 (6500)	13949545 (17776050)	7957 (9242)	17200333.00 (23581485)	5358 (7968)	11587104 (20330697)	2599 (1274)	5613229 (3250788)
Firewood	4071 (2265)	7593258 (4064646)	7267 (6622)	14067809 (12532535)	11338 (8887)	21661067.00 (16597181)	5717 (4816)	10923006 (9003923)	5621 (4071)	10738061 (7593258)
Coal	0 (0)	0 (0)	0 (331)	0 (1519041)	0 (331)	0.00 (1519041)	0 (331)	0 (1519041)	0 (0)	0 (0)
Indian Waste Paper	28 (411)	359889 (5227182)	17104 (15734)	258858464 (203711925)	17132 (16145)	259218353.00 (208939107)	17033 (16118)	257701224 (208579218)	99 (28)	1517129 (359889)
Imported Waste Paper	57 (77)	1038628 (1580445)	725 (587)	16013915 (8873543)	782 (664)	17052543.00 (10453988)	607 (607)	13243155 (9415360)	175 (57)	3809388 (1038628)
Chemicals	0 (0)	437231 832869	0 (0)	6917014 (5989075)	0 (0)	7354245.00 (6821944)	0 (0)	6946068 (6384713)	0 (0)	408177 (437231)
Packing Material	0 (0)	160375 (152061)	0 (0)	4868772 (4302474)	0 (0)	5029147.00 (4454535)	0 (0)	4861999 (4294160)	0 (0)	167148 (160375)
Total	5430 (5495)	12840169 (17662638)	31779 (29774)	314675519 (254704643)	37209 (35269)	327515688 (272367281)	28715 (29840)	305262556 (259527112)	8494 (5430)	22253132 (12840169)

NOTE 33 : 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 Nitroxigen Pvt Ltd.

b. Key Management Personnel -

- 1) Mr. Niraj Chandra, Chairman and Managing Director
- 2) Mrs. 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.	6.14	1.35
2) Kay Nitroxigen Pvt Ltd.	0.52	0

Material Related party transactions on arm's length basis

	Purchases	Services
Kay Bouvet Engineering Ltd.	354.00*	0.00

*This Material Related Party Transaction is approved by shareholders in the Annual General Meeting held on 19th Sept, 2016.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

- b) Transaction with Key Managerial Personnel - NIL,
 2) Outstanding Balance as on 31.03.2018 : Rs. in Lakhs
 a) Related Parties (Companies) - Rs. 1074.47/-
 b) Key Management Personnel - NIL

There are no loans and advances given in the nature of loans to above mentioned related parties.

c) Payment to Statutory Auditor

Particular	2017-18	2016-17
For Audit Fee	25,000/-	25,000/-

NOTE 34: FIRST TIME ADOPTION OF IND AS

These are the company's first financial statement prepared in accordance with Ind AS. For periods up to and including the year ended 31st March 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP or Indian GAAP). The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS balance sheet at 1st April 2016 (Company's transition date). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with Previous GAAP. An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial performance and cash flows is set out in the following tables and notes.

Ind AS 101 allows first-time adopters certain exemptions/exception from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions/exception:

(a) Exemptions from full retrospective application:

aa. Business combinations :-

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date. The Company does not have any business combination occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

ab. Deemed cost:-

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its Property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for Intangible assets covered by Ind AS 38.

Accordingly, the Company has elected to measure all of its Property, plant and equipment and Intangible assets at the Previous GAAP carrying value as on transition date.

ac. Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

The Company does not have any lease assets.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018****(b) Mandatory exceptions:****ba. (i) Estimates**

An entity's estimate on the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1st April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Investment in equity instruments carried at FVPL;
- Impairment of financial assets based on expected credit loss model; and
- Fair valuation of financial assets and liabilities

bb. (ii) Derecognition of financial assets and financial liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS -109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

bc (iii) Classification and measurement of financial assets :-

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

(c) Reconciliations between previous GAAP and Ind AS

No significant difference arises from the transition from previous GAAP to Ind AS in accordance with Ind AS 101 any of the amounts.

NOTE 35 : SEGMENTWISE REPORTING :

The company has mainly two divisions viz Paper and power. During the current year 2017-18 only paper Division was operational, hence segmentwise results are not given. Further company has closed its power division and some of the machineries of power division are sold out during the year. Pl refer note no. 25

NOTE 36 : PENDING FOR REFUND - SHARE APPLICATION MONEY -

The company have not repaid the pending share application money during the year, hence said pending share application money shown in note no.12(b) as an other financial liabilities in the Financial Statement.

NOTE 37 : 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 these financial statements

As per our report of even date

For and on behalf of the Board of Director

For A.C. Doshi & Co.
Chartered Accountants

Niraj Chandra
Chairman and
Managing Director
DIN : 00452637

Deepa Agarwal
Director
DIN : 00452947

Abhijit C. Doshi
Proprietor
(M. No. 103730)

Sagar Mohite
Company Secretary
M. No. 25807

Ganesh H. Rotithor
Chief Financial Officer
PAN : AJEPR0110P

Place : Satara
Date : 28th May, 2018

Place : Satara
Date : 28th May, 2018



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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 Seventh Annual General Meeting, to be held on Monday, 24th September 2018 At 3.00 p.m. at Registered Office of the company at Gat No. 454/457, A/P - Borgaon, Tal Dist - Satara- 415519 and at any adjournment thereof in respect of such resolutions as are indicated below:

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

S.N.	Resolutions	For	Against
1.	Consider and adopt: Audited Financial Statement, Reports of the Board of Directors and Auditors (Ordinary Resolution)		
2.	Re-appointment of Mr. Deepa Agarwal who retires by rotation (Ordinary Resolution)		
3.	Ratification of Appointment of Auditors and fixing their remuneration (Ordinary 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 SEVENTH 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 24th September 2018.

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