

# **KAY POWER AND PAPER LIMITED**



**24th  
Annual Report  
2014-2015**



# KAY POWER AND PAPER LIMITED

(Formerly KAY PULP AND PAPER MILLS LTD.)

- BOARD OF DIRECTORS** : 1. Mr. Niraj Chandra Chairman and Managing Director  
2. Ms. Deepa Agarwal  
3. Mr. Arvind V. Kulkarni  
4. Mr. Kaustubh Wadikar  
5. Mrs. Smita Phadke (Till 04.07.2014)  
6. Mr. Sandeep Shahapurkar ( from 08.07.2014)
- COMPANY SECRETARY** : Mr. Sagar Mohite (from 28.05.2014)
- AUDITORS** : M/s. GODBOLE & COMPANY  
Chartered Accountants  
F-3, Manali Apartment,  
4/2, Kesarkar Peth,  
Satara -: 415002
- BANKERS** : IDBI Bank Ltd.  
HDFC Bank Ltd.
- REGISTERED OFFICE** : Gat No. 454/457,  
Village Borgaon, Tal Dist- Satara - 415519  
Maharashtra
- CORPORATE IDENTITY NO. (CIN)** : L21099MH1991PLC061709
- INVESTOR SERVICE CELL** : Liaison Office : Plot no. B -54,  
OLD MIDC Area, Satara - 415004  
Maharashtra
- WEBSITE** : [www. Kaypowerandpaper.com](http://www.Kaypowerandpaper.com)

**TWENTY FOURTH ANNUAL GENERAL MEETING  
MONDAY, 14<sup>TH</sup> SEPTEMBER, 2015**

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

### NOTICE

NOTICE is hereby given that the Twenty Fourth Annual General Meeting of the Members of KAY POWER AND PAPER LIMITED will be held at 3.00 p.m. on Monday, 14<sup>th</sup> September, 2015 at the Registered Office of the Company at Gat No. 454/457, Village Borgaon, Tal./Dist. Satara - 415 519, Maharashtra, to transact the following business :

### ORDINARY BUSINESS:

1. To consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2015, the reports of the Board of Directors and Auditors thereon;
2. To appoint a Director in place of Mr. Arvind V. Kulkarni (DIN: 06378344), who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment.
3. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

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

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

### SPECIAL BUSINESS:

**Item No. 4: To ratify the related party transaction under section 188 of the Companies Act 2013**

To consider and if thought fit, to pass with

or without modification(s), the following resolution as an Special Resolution.

**"RESOLVED THAT** pursuant to section 188 and other applicable provisions, if any of the companies act 2013 read with applicable Rules under Companies (Meetings of Board and its Powers) Rules, 2014 and in terms of applicable provisions of Listing Agreement executed with the Stock Exchange (including any amendment and statutory Modifications(s) or re-enactment thereof, for the time being in force), consent of the members be and is hereby accorded to the board of directors for ratifying the material related party contract /arrangement which has been entered into by the Directors/ Board of directors of the company on 25<sup>th</sup> June, 2015 with M/s. Kay Bouvet Engineering Limited, a company incorporated under the Companies act, 1956 and having its registered office at N-3 Additional MIDC, Area Satara - 415004, for design, manufacturing, supplying, erecting and commissioning the paper machines worth of Rs. 700,00,000/- (Seven Crores Only) plus taxes extra on prevailing market price, for expansion of current capacity of paper division of the company form 15000 TPA To 20000 TPA.

**RESOLVED FURTHER THAT** Mr. Niraj Chandra (DIN:00452637), Chairman and Managing Director of the company, be and hereby authorised to do such acts, deeds, things and execute all such documents, undertaking as may be necessary for giving effect to the above resolutions.

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

Place : Satara

NIRAJ CHANDRA

Date : 25<sup>th</sup> June, 2015

CHAIRMAN &  
MANAGING DIRECTOR

**NOTES:**

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

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

2. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto
3. Brief resume of Directors including those proposed to be re-appointed, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.
4. Register of Members and Share Transfer Books of the Company will be closed from Monday, 7<sup>th</sup> September, 2015 to Monday, 14<sup>th</sup> September, 2015 (Both Days inclusive).
5. In case, members wish to ask for any information about accounts and operations of the Company, they are requested to send their queries in writing at least 7 days in advance of the date of the Meeting so that the information can be made available at the time of the Meeting.

6. Shareholders can send all documents/transfers, share certificates and all communications directly to Registrar and Transfer Agent at the address given below:-

Sharepro Services (India) Private Limited,  
Unit: KAY POWER AND PAPER LTD  
Sam Hita Warehousing Complex,  
Warehouse No 52 & 53 Plot No. 13AB,  
2nd Floor Sakinaka, Mumbai - 400072  
Phone - (022) 67720400/347  
Fax - (022) 67720416.

7. The shares of the Company are compulsorily traded in demat. The shareholders who have not dematerialised their shares are requested to opt for dematerialisation of their shareholding by opening DP account with nearest Depository Participant at the earliest, which will facilitate smooth purchase/sale of shares of the Company.
8. The Ministry of Corporate Affairs ("MCA") has started "Green Initiative in Corporate Governance", which provides for paperless compliances by companies through electronic mode. In accordance with provisions of Companies Act 2013, companies can now send documents and other notices to shareholders through electronic mode. Further, SEBI has also amended Clause 32 of the listing agreement to promote paperless compliances.

Therefore we request the Members who have not registered or updated their e-mail addresses so far to register/update their e-mail address with their Depository Participants (DP). Members holding shares in physical mode can then download *E-Communication Registration Form* from our company website fill up the same and send to the Registrar and Share Transfer Agent (RTA) on given address or Email [sharepro@shareproservices.com](mailto:sharepro@shareproservices.com)

or [kppl.secretarial@gmail.com](mailto:kppl.secretarial@gmail.com). Members can also register E-mail ID online at our RTA website [www.shareproservices.com](http://www.shareproservices.com) (under the green initiative registration section) as well as at our company's website [www.kaypowerandpaper.com](http://www.kaypowerandpaper.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](http://www.kaypowerandpaper.com) for downloading

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

9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or RTA.
10. Members attending the Annual General Meeting are requested to bring the following for admission to the meeting hall (as applicable).
  - a) Attendance Slip duly completed and signed as per the specimen signature lodged with the Company.
  - b) Members holding shares in dematerialized form, their DP and Client ID number(s).
  - c) Members holding shares in physical form, their folio number(s).
- d) Copy of the Annual Report (2014-15).
11. Members holding shares in physical form are requested to notify immediately any change in their address along with address proof, i.e. Electric/ Telephone Bill, Driving License or a copy of the Passport and bank particulars to the Company or its Registrar & Share Transfer Agent and in case their shares are in dematerialised form, this information should be passed on directly to their respective Depository Participants and not to the Company/ RTA
12. In terms of Section 72 of the Companies Act, 2013, nomination facility is available to an Individual Member. Members holding share physical form may utilise the nomination facility available by sending prescribed Form SH. 13 duly filled to our Registrars and Share Transfer Agents viz. M/s. Sharepro Services (India) Pvt. Ltd., Unit: Kay Power and Paper Limited, 13AB, Samhita Warehousing Complex, Second Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai - 400072. Members holding shares in dematerialised form has to send their "nomination" request to the respective Depository Participants.
13. In all correspondence with the Company, members are requested to quote their account/ folio numbers and in case their shares are held in the dematerialised form, they must quote their DP ID. and Client ID. No(s).
14. I. Voting through Electronic Means
  - a) In compliance with the provisions of clause 35B of the Listing Agreement, 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 24<sup>th</sup> 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 members for voting electronically are as under:-

**A) In case of members receiving e-mail:**

- (i) Shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,

- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) 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 first two letters of their name and the last 8 digits of the demat account/ folio number in the PAN field.
- In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.

**DOB#** Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.

- Dividend Bank Details# Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.
- Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter **the number ID / Folio no. in the Dividend Bank details field as mentioned in instruction (iii).**
- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly 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.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xi) 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.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) 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.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Note for non- Individual Shareholders and Custodians.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.



- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

**B) In case of members receiving the physical copy:**

Please follow all steps from sl. no. (i) to sr. no. (xvii) above to cast vote.

- II. (a) The voting period begins on Friday 11<sup>th</sup> September 2015 at 9.00 am and ends on Sunday 13<sup>th</sup> September, 2015 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 7<sup>th</sup> September, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - (b) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- III. a) M/s. Neha Doshi & Co. Company Secretaries has been appointed as Scrutinizer to Scrutinize voting process in a fair and transparent manner.
  - b) The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion

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

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

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

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

**Item no. 4**

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

- (i) Sale, purchase or supply of any goods or materials, directly or through appointment of agent, exceeding ten percent of the turnover of the company or rupees one hundred crore, whichever is lower
- (ii) selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent, exceeding ten per cent of net worth of the company or rupees one hundred crore, whichever is lower.
- (iii) Leasing of property of any kind



exceeding ten percent of the net worth of the company or ten percent of turnover of the company or rupees one hundred crore, whichever is lower, as mentioned in clause (c) of sub-section (1) of section 188;

- (iv) availing or rendering of any services, directly or through appointment of agent, exceeding ten percent of the turnover of the company or rupees fifty crore, whichever is lower.

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

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

Directors/Board of Directors of the company has entered into the contract/ agreement with the related party M/s. Kay Bouvet Engineering Limited for design, manufacturing, supplying, erecting and commissioning the paper machines worth of Rs. 700,00,000/- (Seven Crores Only) plus taxes extra on prevailing market price, for expansion of current capacity of paper division of the company from 15000 TPA To 20000 TPA without obtaining the prior approval of shareholders of the company in general meeting for early completion of expansion project. Therefore board of directors of the company has recommended this resolution for ratifying the aforesaid

related party transaction by the shareholders of the company as per the sub section 3 of section 188 of the Companies act 2013.

The aforesaid related party transaction which has entered by a Directors/Board of Directors of the company with the M/s Kay Bouvet Engineering Limited is on prevailing market conditions hence on arm's length basis. The said related party transaction is exceeding the 10% of annual turnover of the company hence contract is considered as a material in nature. The above contract/agreement was entered with the prior approval by the audit committee and board of directors in their meetings held on dated 25<sup>th</sup> June, 2015.

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

1. Name of the Related Party - M/s. Kay Bouvet Engineering Limited
2. Name of the Director or Kay managerial Personnel who is related, if any -
  1. Mr. Niraj Chandra
  2. Mrs. Deepa Agarwal
3. Nature of Relationship : Mr. Niraj Chandra holding a position as a Managing Director in both the companies and Mrs. Deepa Agarwal wife of Mr. Niraj Chandra holding more than 2% Shareholding in related party. As well as relatives of aforesaid directors have shareholding interest in related party.
4. Nature, material terms, monetary terms value and particulars of the contract or arrangement : - the contract entered for supplying the design, erecting, manufacturing, supplying and commissioning the paper machine for worth is Rs. 7,00,00,000/- (Seven Crores only) plus taxes extra.



5. The contract has been entered on the prevailing market conditions hence on arm's length basis but exceeding the 10% of annual turnover of the company therefore contract is considered as a material in nature and does not come under the ordinary course of business. The above contract/ agreement was approved by the audit committee and board of directors at their meetings held on dated 25<sup>th</sup> June, 2015.

As per second proviso to section 188 (1) of the Companies Act 2013, if any member is a related party in any contract or arrangement, then that party shall not vote in the resolution, wherein such contract or arrangement is considered for approval. Therefore, Mr. Niraj Chandra, Chairman and Managing Director and Mrs. Deepa Agarwal, Director of the

company and their relatives who have shareholding interest in related party will not vote in the above resolution.

Except above, none of the other Directors, Key Managerial Personnel of the Company or their respective relatives are in any way concerned or interested in the said Resolution.

The Board recommends the Special Resolution set out at Item No. 4 of the Notice for approval by the shareholders

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

Place: Satara  
Date: 25<sup>th</sup> June, 2015

NIRAJ CHANDRA  
CHAIRMAN &  
MANAGING DIRECTOR

### DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting Twenty Fourth Annual Report on the business and operations of your Company and Audited Financial Statement for the year ended 31<sup>st</sup> March, 2015.

### FINANCIAL RESULTS :

	(Rs. in lacs)	
	2014-15	2013-14
Revenue from operations (Net)	<b>3052.60</b>	2769.55
Misc Sale (Net)	<b>0.23</b>	0.52
Other Income	<b>310.75</b>	10.38
<b>Total Revenue</b>	<b>3363.58</b>	2780.45
Less: Expenses		
Cost of material consumed	<b>2632.58</b>	2120.02
Changes in Inventories of finished Goods & Work in Progress	<b>- 11.89</b>	-23.86
Manufacturing Expenses	<b>422.96</b>	394.36
Employee Benefit Cost	<b>97.80</b>	90.49
Depreciation and amortisation Expenses	<b>61.61</b>	43.23
Other Expenses	<b>153.07</b>	148.87
<b>Total Expenses</b>	<b>3356.14</b>	2773.78
<b>Net Profit</b>	<b>7.43</b>	6.67

### OPERATIONS :

During the year under review, only Paper Division was operational through out the year and produced 12968.43 M.T of Kraft Paper and achieved sales of Rs. 3052.59 Lacs as

against 12455 M.T. ' and Rs. 2769.55 Lacs of the previous year. The net profit was Rs. 7.43 Lacs as against Rs. 6.67 Lacs of the previous year.

Company could not run Power Division due to non availability of bagasse, raw material for Power generation during the year. Also tenure of power purchases agreement which was executed between the company and MSEDCL has completed on 11/01/2015 and same renewal of power purchase agreement is in progress.

### PROSPECTS :

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

Company has also undertaken the expansion of current capacity of paper division from 15000 TPA TO 20000 TPA and it will be completed somewhere in Sept 2015. After the completion of aforesaid expansion, company will produce additional 5000 M. T of Kraft paper every year.

### REHABILITATION SCHEME :

As you aware that, company had been declared as a sick industrial unit by BIFR in 2007 and thereafter filed the rehabilitation scheme through our operating agency M/s. Indian Renewable Energy Development Agency Ltd (IREDA) to the BIFR. Although BIFR in its order dated 11.11.2014 had de-registered with stating that there is a delay in submission of rehabilitation scheme. Consequently company had filed the appeal to the Appellate Authority for Industrial and Financial Reconstruction (AAIFR) against the aforesaid order of BIFR. Subsequently AAIFR on order dated 22.04.2015 remanded the case back to BIFR accepting the company's submission and as per their aforesaid order operating agency has resubmitted revised DRS to BIFR for their necessary approval. Now matter is under consideration of BIFR and company is expecting the order for approval

of rehabilitation scheme in the coming financial year.

**DIVIDEND:**

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

**MATERIAL CHANGES AND COMMITMENT**

The company has entered into the material transaction with the related party M/s. Kay Bouvet Engineering Limited for worth of Rs. 700,00,000/- (Seven Cores only) plus taxes extra for design, Manufacturing, supplying, erecting and commissioning the paper machine part for expansion of current capacity of paper division from 15,000 TPA To 20,000 TPA. This transaction will be ratified by the shareholders in ensuing General Meeting of the company. Other than this there are no material changes and commitments affecting the financial position of the Company occurred between the ends of the financial year to which this financial statement relate on the date of this report.

**FIXED DEPOSIT:**

As on 31<sup>st</sup> March, 2015, Company has no fixed deposits.

**CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

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

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

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

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

During the year under review, there was no material contract or arrangements entered with related parties as defined under Sub- Section 1 of Section 188 of the Companies Act, 2013. Hence report in form AOC 2 as required under the sub-section 2 of section 188 of Companies Act, 2013 for disclosing material related party transactions along with the justification for entering into such contract /arrangement is not annexed in this Board Report.

Transactions which were entered with the related parties on ordinary course of business and based on arm's length prices with the prior approval of audit committee are mentioned in the note no. 30 of financial statement in this Annual Report.

**SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

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

**DIRECTORS:**

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

During the year under review Mr. Kaustubh Wadikar and Mr. Sandeep Shahapurkar were appointed as an independent director of the company for the five years from the conclusion of 23<sup>rd</sup> Annual General Meeting to conclusion of 28<sup>th</sup> Annual General Meeting of the company.

During the year under review, company has appointed two key managerial personnel namely, Mr. Sagar Mohite appointed as a Company Secretary of the company w.e.f 28<sup>th</sup> May, 2014 in the place of Mr. Sham Mulye, who had resigned from office on 31<sup>st</sup> March, 2014 and Mr. Ganesh Hari Rotithor, Manager-Finance appointed as a Chief Financial Officer of the company with effect from 8<sup>th</sup> July, 2014.

### BOARD EVALUATION

Clause 49 of the Listing Agreement mandates that the Board shall monitor and review the Board evaluation framework. The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors.

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

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

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

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

The Company had 6 (six) Board meetings during the financial year under review.

### DIRECTORS RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submit 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 31<sup>st</sup> March, 2015 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;
- (e) We have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) We have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### AUDITORS:

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

The Company has received letters from him to the effect that their re-appointment, if made, would be within the prescribed limits under Section 141(3) (g) of the Companies Act, 2013 and that they are not disqualified for re-appointment. Their appointment needs to be confirmed and their remuneration is to be fixed.

### AUDITORS' REPORT:

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

### SECRETARIAL AUDITOR

M/s. Neha Doshi & Co., Practicing Company Secretaries, was appointed to conduct the secretarial audit of the Company for the financial year 2014-15, as required under Section 204 of the Companies Act, 2013 and Rules there under. The secretarial audit report for FY 2014-15 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 clause 49 of the Listing Agreement, 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:**

The Company was appointed Mr. S.V. Vhatte, Cost Accountant, Solapur as Cost Auditor to conduct the audit of cost accounts maintained by the Company, for the financial year 2014-15. Full particulars of Cost Auditors are

given here under:-

Name : S.V. Vhatte & Associates  
Membership. No.: 7501  
Address : A-1/2, Kadadi Nagar,  
Hotgi Road,  
Solapur - 413 003.

Details of Cost Audit Report for the financial year ended 31<sup>ST</sup> March, 2015

Due date of filling: by 30<sup>th</sup> September 2015.

As per the companies (Cost Records and Audit) Amendment Rules 2014, the company has exempted for cost audit for the financial year 2015-16. Hence company has not appointed cost auditor for the financial year 2015-16.

**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 relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is enclosed as *Annexure VI* to the Board's 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 2015-16.

### **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 there is 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 VII, forming a part of the Corporate Governance is part of this Annual Report

### **ACKNOWLEDGEMENT:**

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

For and on behalf of the Board of Directors

Date : 25<sup>th</sup> June, 2015  
Place : Satara

Niraj Chandra  
Chairman and  
Managing Director



**Form No. MR-3**  
**ANNEXURE I - SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31.03.2015**

[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 **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 31<sup>st</sup> March 2015 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 Kay Power and Paper Limited ("the Company") for the financial year ended on 31<sup>st</sup> March 2015 according to the provisions of:**

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

2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
3. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not Applicable to the Company during the Audit Period)
  - c) 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;
  - d) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
  - e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable to the Company during the Audit Period);
  - f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not Applicable to the Company during the Audit Period)
  - g) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable to the Company during the Audit Period)

h) 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 28<sup>th</sup> October, 2014 (Not Applicable to the Company during the Audit Period);

4. and other applicable Laws.

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

- a) The Equity Listing Agreements with Bombay Stock Exchange (BSE LTD)
- b) Secretarial Standards issued by The Institute of Company Secretaries of India (Not notified during the audit period hence not applicable to the Company during the audit period).

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

- A. The company has been declared as a Sick Industrial unit by BIFR in 2007 and company has filed the rehabilitation scheme through operating agency M/s. Indian Renewable Energy Development Agency Ltd (IREDA) to the BIFR. Now scheme for seeking reliefs, concessions and assistance from the secured Creditors and Central & State Governments, semi-government and local bodies is under consideration of BIFR.
- B. The allotment against the Share Application money is pending for Rs. 9, 36, 00,000/- . As informed to us, it is proposed to allot the same, under rehabilitation scheme submitted to BIFR for which the sanction is awaited.

C. The quarterly results and Audited Financial result are not accompanied by the Limited Review Report/Audit Report as per the clause 41 I (C) of Listing Agreement. 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. Hence the company need to do necessary compliance under Clause 41(I)(c)(i) and 41(I)(h) of the Listing Agreement.

D. The company has not published public notices and un-audited/audited quarterly result in English daily newspaper as required to be published under Clause 41 VI (a) and (III) (b) of the Listing Agreement. 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 provisions of clause 49 (VIII) (D), the Management Discussion and Analysis report to the shareholders was not found in the Director's report for 31.03.2014, as part of the directors' report or as an addition thereto. As informed by the company, due to the carry forward losses, negative net worth and financial distress and being registered in BIFR, company is not in a position to put any forward looking statement on the basis of market position, opportunities and developments in the director report. Further information regarding the company operation, financial condition and risk and concerns are discussed in the director report.

**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. 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 decision is carried through while there is no any dissenting members' as

views for dissenting voting need not 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.

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

Neha A. Doshi  
Proprietor

Place: Satara

Date : 18<sup>th</sup> June, 2015

FCS No.: 5373

C P No.: 4631

**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 it's decision on every individual who comes in contact with the Company.

**2. Composition of Board**

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

Table 1 - The composition of the Board and other directorships and committee positions held on 31<sup>st</sup> March, 2015.

Name of the Director	Category	No. of other Directorships <sup>1</sup>	Committee positions <sup>2</sup>	
			As Chairman	As Member
Mr. Niraj Chandra	Executive	1	Nil	2
Ms. Deepa Agarwal	Non Executive	Nil	1	1
Mr. A.V.Kulkarni	Non Executive	Nil	Nil	2
Mrs. Smita Phadke*	Non Executive	Nil	Nil	1
Mr. Kaushtubh Wadikar	Independent	Nil	1	1
	Non Executive			
Mr. Sandeep Shahapurkar**	Independent	Nil	Nil	1
	Non Executive			

\*Resigned as Director, w.e.f. July, 4, 2014.

\*\* Appointed as Director w.e.f July, 8, 2014

- 1 The Directorships, held by Directors as mentioned above, do not include Alternate Directorships and Directorships in foreign companies, companies registered under Section 25 of the Companies Act, 1956 and private limited companies.
2. In accordance with Clause 49 of the Listing Agreement, Memberships/Chairmanships of only Audit Committees and stakeholder's relationship committee in all public limited companies whether listed or not have been considered.

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

During the year 1.4.2014 to 31.3.2015, Six Board Meetings were held on 28.05.2014, 08.07.2014, 14.08.2014, 14.11.2014, 19.12.2014 and 13.02.2015,

The last Annual General Meeting was held on 22<sup>nd</sup> September, 2014.

<b>Name of the Director</b>	<b>No. of Board Meetings</b>	<b>Attendance at last AGM</b>
Mr. Niraj Chandra	6	Present
Ms. Deepa Agarwal	6	Present
Mr. A. V. Kulkarni	6	Present
Mrs. Smita Phadke*	-	-
Mr. Kaushtubh Wadikar	6	Present
Mr. Sandeep Shahapurkar**	4	Present

\*Resigned as director, w.e.f July 4, 2014

\*\*Appointed as Director, w.e.f. July, 8, 2014.

### **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.

### **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 31<sup>st</sup> March, 2015.

#### **Terms of Reference**

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

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

<b>Name of the members</b>	<b>Status</b>	<b>No. of Meetings Attended</b>
Mr. Kaushtubh Wadikar	Chairman	4
Mr. Sandeep Shahapurkar**	Member	3
Mr. Mr. A. V. Kulkarni	Member	4
Mrs. Smita Phadke*	Member	-

\*Resigned as Director, w.e.f July 4, 2014

\*\* Appointed as Director w.e.f July, 8, 2014

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

In accordance with the amended clause 49 which is effective from 1<sup>st</sup> October, 2014 of the Listing agreement 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

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
5. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks;

The members of Nomination and remuneration committee as follows:

<b>Name of the members</b>	<b>Status</b>	<b>No. of Meetings Attended</b>
Mr. Kaushtubh Wadikar	Chairman	1
Mrs. Deepa Agarwal	Member	1
Mr. Sandeep Shahapurkar	Member	1

Also it has no pecuniary relationship 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.

<b>Name of the Director</b>	<b>Sitting fees</b>	<b>Salary</b>	<b>Commission</b>	<b>Total</b>
Mr. Niraj Chandra	-	\$	-	-
Ms. Deepa Agarwal	-	-	-	-
Mr. A. V. Kulkarni	-	-	-	-
Mrs. Smita hadke*	-	\$\$	-	-
Mr. Kaushtubh Wadikar	5000	-	-	5000
Mr. Sandeep Shahapurkar #	3500	-	-	3500

\*Resigned dated 28.12.2013

# Appointed dated 08.07.2014



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

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

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 Clause 49 of the Listing Agreement, 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.

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

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

Sharepro Services (India) Pvt. Ltd. is acting as Registrar and Transfer Agent of the Company.

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

#### **6. Risk Management Committee**

In accordance with the amended clause 49 of the Listing agreement with the stock exchange and applicable provisions of the Companies Act 2013, Company has constituted the Risk Management Committee in its board meeting dated 14.11. 2014 and Mr. Niraj Chanda, Ms. 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;

<b>AGM for the Financial Year</b>	<b>Date</b>	<b>Time</b>	<b>Venue for all the three AGMs</b>
2011-12	18.09.2012	3.00 p.m.	Gat No.454/457, A/P. Borgaon T/D. Satara - 415 519.
2012-13	27.08.2013	3.00 p.m	
2013-14	22.09.2014	3.00 p.m	

No special resolutions were passed in the previous three Annual General Meeting.



### DISCLOSURE:

- a) Information in respect of the Director seeking re-appointment at the Annual General Meeting to be held on Monday, 14<sup>th</sup> September, 2015.

Mr. Arvind Vinayak Kulkarni is B.Com and having rich experience in the field of Banking and Finance and working with the Company for more than 22 years. He holds 200 shares of the Company and does not hold directorship in other companies. Also there is no other relationship with directors of the company.

- b) The transactions with related parties were undertaken in the normal course of business and were at terms and conditions, which were not prejudicial to the interest 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/Related party transaction policy-KPPL.pdf](http://www.kaypowerandpaper.com/download/Related%20party%20transaction%20policy-KPPL.pdf)
- c) The Company has complied with all the requirements of the Listing Agreement with the Stock Exchange 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 establish the Whistle Blower Policy for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct and confirm that there is no personnel has been denied access to the audit committee. The details of establishment of such mechanism has disclosed on company website on following link - <http://www.kaypowerandpaper.com/download/Annoncement-KPPL.pdf>
- f) The company has provided suitable training to independent directors to familiarize them with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, familiarisation programme for independent directors has disclosed on company website on following link [http://www.kaypowerandpaper.com/download/Familiarisation % 20 programme % 20 KPPL.pdf](http://www.kaypowerandpaper.com/download/Familiarisation%20programme%20KPPL.pdf)
- g) The company has disclosed the term and conditions of appointment of independent directors on company website on following link - [http://www.kaypowerandpaper.com/download/Term Conditions for Appointment Independent Directors. pdf](http://www.kaypowerandpaper.com/download/Term%20Conditions%20for%20Appointment%20Independent%20Directors.pdf)
- f) 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.kaypowerandpapper.com](http://www.kaypowerandpaper.com)

**MEANS OF COMMUNICATION :**

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

**GENERAL SHAREHOLDERS' INFORMATION**

Financial reporting for the quarter ending 30.6.2015 Financial reporting for the quarter ending 30.9.2015 Financial reporting for the quarter ending 31.12.2015 Financial reporting for the quarter ending and year ending 31.3.2016 Annual General Meeting Venue	Before 14 <sup>th</sup> August, 2015 Before 14 <sup>th</sup> November, 2015 Before 14 <sup>th</sup> February, 2015 April/May,2016 14 <sup>th</sup> September, 2015 at 3.00 p.m. Regd. Office : Gat No. 454/457, A/P. Borgaon, T/D Satara - 415 519.
Listing of Equity Shares on Stock Exchange	Bombay Stock Exchange Ltd.
Plant Location	Gat No. 454/457, A/P. Borgaon, T/D Satara - 415 519.
Registrar and share transfer agent	Sharepro Services (India) Pvt. Ltd. Sam Hita Warehousing Complex, Warehouse No 52 & 53, Plot No 13AB, 2nd Floor Sakinaka, Mumbai - 400 072 Phone - (022) 67720400/347 Fax - (022) 67720416
Stock Code Stock Exchange	530255 Bombay Stock Exchange Ltd.
Book closure date	From 7 <sup>th</sup> September, 2015 to 14 <sup>th</sup> September, 2015
ISIN for the Company's Equity Shares in Demat Form Depository Connectivity	INE961B01013 N.S.D.L. and C.D.S.L.
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.

## 24TH ANNUAL REPORT 2014-2015

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 31<sup>st</sup> March, 2015.

No. of shares	No of Shareholders	% of Shareholders	Total face value Rs.	% of total Value
Upto 500	4519	86.455	675199	6.35
501-1000	310	5.931	273081	2.57
1001-2000	119	2.277	192706	1.81
2001-3000	73	1.397	189314	1.78
3001-4000	29	0.555	100552	0.95
4001-5000	40	0.765	191347	1.79
5001-10000	55	1.052	405667	3.81
10001 and above	82	1.569	8612134	80.94
<b>TOTAL</b>	<b>5227</b>	<b>100.00</b>	<b>10,64,00,000</b>	<b>100.00</b>

Categories of shareholders as on 31<sup>st</sup> March, 2015.

Category	No. of shares held	Voting Strength (%)
Promoters, Relatives and Associate Companies	<b>47,52,647</b>	<b>44.67</b>
Public	<b>36,11,874</b>	<b>33.95</b>
NRI/FII's/OCB's	<b>1,33,863</b>	<b>1.25</b>
Domestic Companies (Including financial institution)	<b>21,41,616</b>	<b>20.13</b>

### MARKET PRICE DATA

The monthly high and low quotations of Shares traded on Bombay Stock Exchange Ltd., during April, 2014 to March, 2015.

Month and year	High Price	Low Price
April 2014	16.00	14.20
May 2014	14.95	12.65
June 2014	13.53	11.60
July 2014	20.18	10.25
August 2014	21.45	15.05
September 2014	24.20	16.25
October 2014	18.75	13.60
November 2014	17.60	14.30
December 2014	16.85	10.50
January 2015	13.05	10.45
February 2015	12.39	8.32
March 2015	10.35	4.56



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

Date : 25<sup>th</sup> June, 2015  
Place : Satara

Niraj Chandra  
Chairman and  
Managing Director

### **DECLARATION ON CODE OF CONDUCT**

This is to confirm that the company has adopted the code of conduct for the Board of Directors and senior management of the company. The same is available on the website of the Company.

As Chairman and Managing Director of Kay Power and Paper Limited and as required under clause 49(II)(E)(2) of the Listing Agreement of the Stock Exchanges in India, I hereby declare that all the Board Members and Senior Management personnel of the Company have affirmed compliance with the code of conduct for the financial year 2014-15

Place: Satara  
Date: 25<sup>th</sup> June, 2015

Niraj Chandra  
Chairman & Managing Director

### **CEO/CFO CERTIFICATION**

As required sub IX of clause 49 of the listing agreement with the stock exchange, we have certified to the board that for the financial year 31<sup>st</sup> March 2015, the Company has complied with the requirement of the said sub clause.

Niraj Chandra  
Chairman & Managing Director  
Date: 25<sup>th</sup> June, 2015  
Place: Satara

Ganesh Hari Rotithor  
Chief Financial Officer

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

We have examined the compliance of conditions of Corporate Governance by Kay Power And Paper Limited, for the year ended 31<sup>st</sup> March, 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Bombay Stock Exchange Ltd. 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 above mentioned Listing Agreement. As informed, there is no unresolved investor/shareholders complaint.

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

For GODBOLE & COMPANY  
Chartered Accountants

Date : 25<sup>th</sup> June, 2015  
Place : Satara

Ashutosh Godbole  
Proprietor

**Form NO. MGT 9  
ANNEXURE III - EXTRACT OF ANNUAL RETURN  
As on financial year ended on 31.03.2015**

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	KRAFT PAPER
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.	Sharepro Services (India) Pvt. Ltd. Sam Hita Warehousing Complex, Warehouse No 52 & 53, Plot No 13AB, 2nd Floor Sakinaka, Mumbai - 400 072 Phone No. 02162-265329 Phone - (022) 67720400/347 Fax - (022) 67720416

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

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

**III. VI. 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-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A</b>	<b>Promoters</b>									
(1)	<b>Indian</b>									
a)	Individual/ HUF	4609800	–	4609800	43.33	4609800	–	4609800	43.33	–
b)	Central Govt									
c)	State Govt(s)									
d)	Bodies Corp.	142847	–	142847	1.34	142847	–	142847	1.34	–
e)	Banks / FI									
f)	Any other									
	<b>Total shareholding of Promoter (A)</b>	4752647	–	4752647	44.67	4752647	–	4752647	44.67	–
<b>B.</b>	<b>Public Shareholding</b>									
1.	<b>Institutions</b>	–	–	–	–	–	–	–	–	–
	<b>Sub-total (B)(1):-</b>	–	–	–	–	–	–	–	–	–
2.	<b>Non-Institutions</b>									
a)	Bodies Corp.	2243861	32600	2276461	21.40	2109016	32600	2141616	20.13	1.27
b)	Individuals									
i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh	1048625	546300	1594925	14.99	1203183	534600	1737783	16.33	1.34
ii)	Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1851276	–	1851276	17.40	1874091	–	1874091	17.61	0.21
c)	Others (specify)									
	Non Resident Indians	44491	116700	161191	1.52	17363	113000	130363	1.23	-0.29
	Overseas Corporate Bodies	–	3500	3500	0.03	–	3500	3500	0.03	–
	Foreign Nationals	–	–	–	–	–	–	–	–	–
	Clearing Members									
	Trusts									
	Foreign Bodies - D R									
	<b>Sub-total (B)(2):-</b>	5188253	699100	5887353	55.33	5203653	683700	5887353	55.33	–
	<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	5188253	699100	5887353	55.33	5203653	683700	5887353	55.33	–
<b>C.</b>	<b>Shares held by Custodian for GDRs &amp; ADRs</b>									
	<b>Grand Total (A+B+C)</b>	9940900	699100	10640000	100	9956300	683700	10640000	100	–

**B) Shareholding of Promoter-**

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares of the 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, 2015.

**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.	BAMPSL Securities Ltd				
	At the beginning of the year	1187813	11.1637	1187813	11.1637
	Transactions ( Purchase/sale) form the 1 <sup>st</sup> April, 2014 to 31 <sup>st</sup> March, 2015	-684125	-6.4298	503688	4.7339
	At the end of the year			503688	4.7339
2.	ADROIT Fin Ser Pvt ltd				
	At the beginning of the year	451015	4.2389	451015	4.2389
	Transactions ( Purchase/sale) form the 1 <sup>st</sup> April, 2014 to 31 <sup>st</sup> March, 2015	-105219	-0.9889	345796	3.25
	At the end of the year			345796	3.25
3.	Sanjay Jaideo Poddar				
	At the beginning of the year	172430	1.6206	172430	1.6206
	Transactions ( Purchase/sale) form the 1 <sup>st</sup> April, 2014 to 31 <sup>st</sup> March, 2015	-172430	-1.6206	—	—
	At the end of the year			—	—
4.	Pooja Goal				





SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	146144	1.3735	146144	1.3735
	Transactions ( Purchase/sale) form the 1 <sup>st</sup> April, 2014 to 31 <sup>st</sup> March, 2015	–	–	146144	1.3735
	At the end of the year			146144	1.3735
5	Laxmi Devi				
	At the beginning of the year	103057	0.9686	103057	0.9686
	Transactions ( Purchase/sale) form the 1 <sup>st</sup> April, 2014 to 31 <sup>st</sup> March, 2015	-77950	-0.7326	25107	0.236
	At the end of the year			25107	0.236
6	Vijay Kumar Goyal				
	At the beginning of the year	102000	0.9586	102000	0.9586
	Transactions ( Purchase/sale) form the 1 <sup>st</sup> April, 2014 to 31 <sup>st</sup> March, 2015	–	–	102000	0.9586
	At the end of the year			102000	0.9586
7	Sudhir Sharma				
	At the beginning of the year	100000	0.9398	100000	0.9398
	Transactions ( Purchase/sale) form the 1 <sup>st</sup> April, 2014 to 31 <sup>st</sup> March, 2015	–	–	100000	0.9398
	At the end of the year			100000	0.9398
8.	Bonanza Portfolio Ltd				
	At the beginning of the year	95831	0.9007	95831	0.9007
	Transactions ( Purchase/sale) form the 1 <sup>st</sup> April, 2014 to 31 <sup>st</sup> March, 2015	-48450	-0.4554	47381	0.4453
	At the end of the year			47381	0.4453
9	Vijesh Lunawat				
	At the beginning of the year	94942	0.8923	94942	0.8923
	Transactions ( Purchase/sale) form the 1 <sup>st</sup> April, 2014 to 31 <sup>st</sup> March, 2015	-77871	-0.7319	17071	0.1604
	At the end of the year			17071	0.1604
10	Mansukh Stock Brokers Limited				
	At the beginning of the year	93875	0.8823	93875	0.8823
	Transactions ( Purchase/sale) form the 1 <sup>st</sup> April, 2014 to 31 <sup>st</sup> March, 2015	-82874	-0.7789	11001	0.1034
	At the end of the year			11001	0.1034
11	Truckling vinmay trading private limited				
	At the beginning of the year	–	–	–	–
	Transactions ( Purchase/sale) form the 1 <sup>st</sup> April, 2014 to 31 <sup>st</sup> March, 2015	288519	2.7116	288519	2.7116
	At the end of the year			288519	2.7116
12	Richi Khemka				
	At the beginning of the year	–	–	–	–
	Transactions ( Purchase/sale) form the 1 <sup>st</sup> April, 2014 to 31 <sup>st</sup> March, 2015	280367	2.6350	280367	2.6350

## 24TH ANNUAL REPORT 2014-2015

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the end of the year			280367	2.6350
13	Mridul Securities Pvt Ltd				
	At the beginning of the year	–	–	–	–
	Transactions ( Purchase/sale) form the 1 <sup>st</sup> April, 2014 to 31 <sup>st</sup> March, 2015	167302	1.5724	167302	1.5724
	At the end of the year			167302	1.5724
14	Rochak Vinimay Pvt Ltd				
	At the beginning of the year	–	–	–	–
	Transactions ( Purchase/sale) form the 1 <sup>st</sup> April, 2014 to 31 <sup>st</sup> March, 2015	104668	0.9837	104668	0.9837
	At the end of the year			104668	0.9837
15	Headfirst Vinimay Private Limited				
	At the beginning of the year	–	–	–	–
	Transactions ( Purchase/sale) form the 1 <sup>st</sup> April, 2014 to 31 <sup>st</sup> March, 2015	100000	0.9398	100000	0.9398
	At the end of the year			100000	0.9398

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

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Nraj Chandra				
	At the beginning of the year	1652100	15.53	1652100	15.53
	Purchase/ Sale	Nil	Nil	1652100	15.53
	At the end of the year			1652100	15.53
2.	Mrs. Deepa Agarwal				
	At the beginning of the year	741100	6.97	741100	6.97
	Purchase/ Sale	Nil	Nil	741100	6.97
	At the end of the year			741100	6.97
3.	Mr. Arvind V. Kulkarni				
	At the beginning of the year	200	–	200	–
	Purchase/ Sale	Nil	Nil	200	–
	At the end of the year			200	–
4.	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
5.	Mr. Ganesh Hari Rotithor (Chief Financial Officer)				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Purchase/ Sale	Nil	Nil	Nil	Nil
	At the end of the year			Nil	Nil

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	11,00,97,859/-	16,31,11,814/-	–	27,32,09,673/-
ii) Interest due but not paid	-?-	-??-	–	–
iii) Interest accrued but not due	-?-	-??-	–	–
<b>Total (i+ii+iii)</b>	11,00,97,859/-	16,31,11,814/-	–	27,32,09,673/-
<b>Change in Indebtedness during the financial year</b>				
* Addition	–	–		-
* Reduction	2,20,00,000/-	2,16,00,000/-	–	4,36,00,000/-
Net Change	(2,20,00,000/-)	(2,16,00,000/-)	–	(4,36,00,000/-)
<b>Indebtedness at the end of the financial year</b>	–	–	–	-
i) Principal Amount	8,80,97,859	14,15,11,814	–	22,96,09,673/-
ii) Interest due but not paid	-?-	-??-	–	–
iii) Interest accrued but not due	-?-	-??-	–	–
<b>Total (i+ii+iii)</b>	8,80,97,859/-	14,15,11,814/-	–	22,96,09,673/-

-? - As per the Revised Term loan (OTS) scheme sanctioned by IREDA repayment and interest is to be commenced from 01/03/2015. As per their original sanction first interest @ of 11.25 % shall be due after 240 days from the date of commencement of repayment (i.e. 01/03/2015) and hence not paid during the financial year 2014-15.

-??- The terms of repayment and interest of these deposits are not defined.

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager: NIL**

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

**B. Remuneration to other directors**

SN.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Kaustubh Wadikar	Mr. Sandeep Shahapurkar	Mr. A. V. Kulkarni	
1	Independent Directors Fee for attending board committee meetings Commission Others, please specify	5000 - -	3,500 - -	- - -	8500 - -
	<b>Total (1)</b>			-	-
2	Other Non-Executive Directors Fee for attending board committee meetings Commission Others, please specify	- - - -	- - - -	- - - 3,00,000*	- - - 3,00,000
	<b>Total (2)</b>	-	-	3,00,000	3,00,000
	<b>Total (B)=(1+2)</b>	5000	3,500	3,00,000	3,08,500
	Total Managerial Remuneration Overall Ceiling as per the Act	5000 30,00,000	3500 30,00,000	3,00,000* 30,00,000	3,08,500 3,08,500

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

# As per section 196 and 197 and rules made there under, the limit of yearly remuneration payable is Rs. 30, 00,000/- where companies having no profit or inadequate profit without Central Government approval

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

SN	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total
1	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4,12,913	2,16,000	6,28,913
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	others, specify...	-	-	-
5	Others, please specify	-	-	-
	<b>Total</b>	4,12,913	2,16,000	6,28,913

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

There were no penalties / punishment / compounding of offences for the year ending March 31, 2015.



**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 31<sup>st</sup> March, 2015.

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

1. Circular has been promulgated among the staff and HOD's for curtailment of use of electricity.
2. Company has adopted the energy saving equipments for minimum consumption of electricity.
3. Company has replaced the low efficiency pumps with high efficiency pumps.
4. Company is using the high efficiency boiler auxiliaries for boiler to energy savings. Adequate monitoring and control systems are also adopted to optimize the performance of boiler auxiliaries leading to energy savings and boiler fuel consumption has been reduced substantially by doing the modification.
5. The series of capacitors have been installed to maintain to power factor.
6. 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.
7. The company is continuously maintaining all machineries on standard level and replacing old machinery with new one and adopting the latest technology for producing the paper.  
Therefore company is getting reduction in electricity consumption.
8. A proposal is being submitted MSEDCL authority for change in express feeder into non-express feeder

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

<b>C) Foreign Exchange Earnings and Outgo:</b>	<b>2014-2015</b>	<b>2013-2014</b>
Earnings	-	-
Outgo	49,39,355.06	41,73,614.43

**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 2015	Remuneration in fiscal 2014	% increase of Remuneration in 2015 as compared to 2014	Ratio of remuneration to MRE	Ratio of remuneration to	
						Revenues (fiscal 2015)	Net Profit (fiscal 2015)
Mr. Sagar Mohite*	Company Secretary	4,12,913	–	–	6.12	0.00	0.56
Mr. Ganesh H. Rotithor	Chief Financial Officer	2,16,000	1,83,503	17.70	3.20	0.00	0.29
Mr. Sham Muley*	Company Secretary	–	2,00,000	–	–	–	–

\*Appointed form 28<sup>th</sup> May, 2014, \*\*Resigned from 31<sup>st</sup> March, 2014

**Note:-**

- The Median Remuneration of Employees (MRE) was `67,396' and '67019' in fiscal 2015 and 2014 respectively. The increase in MRE over the fiscal 2014 was 0.56%
- The number of permanent employees on the rolls of the Company as of March 31, 2015 and March 31, 2014 was 55 and 58 respectively.
- The revenue growth during fiscal 2015 over fiscal 2014 was 20.97 % and net profit growth was 11.34%. The aggregate remuneration of employees excluding WTD grew by 4.04% over the previous fiscal. The aggregate increase in salary of KMPs was 63.99% in fiscal 2015 over fiscal 2014.
- Our market capitalization of the company was decreased by 69.09 % to Rs. 5,42,64,000/- as of March 31, 2015 form Rs. 17,55,60,000/- as March 31, 2014. The Price Earnings Ratio was 72.86 and 276 as of March 31, 2015 and 2014 respectively. The closing price of the company's shares on the BSE as of March 31, 2015 was Rs. 5.10 and as of March 31, 2014 was Rs. 16.50.

None of the employees of the Company is in receipt of remuneration in excess of limits prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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**KAY POWER AND PAPER LIMITED****ANNEXURE VI - NOMINATION AND 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 Clause 49 of the Listing Agreement, 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.

**Definitions:**

**"Remuneration"** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961;

**"Key Managerial Personnel"** means:

- i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
- ii) Chief Financial Officer;
- iii) Company Secretary; and
- iv) such other officer as may be prescribed.

**"Senior Managerial Personnel"** mean the personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management, of rank equivalent to General Manager and above, including all functional heads.

**Objective:**

The objective of the policy is to ensure that

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

**Role of the Committee:**

The role of the NRC will be the following:

- 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.

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

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

### **TERM / TENURE**

#### **a) Managing Director/Whole-time Director:**

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director

for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

#### **b) Independent Director:**

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

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

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

### **EVALUATION**

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



shall decide by the committee.

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

### **REMOVAL**

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

### **RETIREMENT**

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

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

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

Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

(Note - Currently company is 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.

### **IMPLEMENTATION**

- The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- The Committee may Delegate any of its powers to one or more of its members.

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

The Indian Paper Industry accounts for about approx 2.6% of the world's production of paper. The estimated turnover of the industry is INR 50,000 crore approximately and its contribution to the exchequer is around INR 4500 crore. The industry provides employment to more than 0.5 million people directly and 1.5 million people indirectly. Most of the paper mills are in existence for a long time and hence present technologies fall in a wide spectrum ranging from oldest to the most modern.

As per industry guesstimates, over all paper consumption has now touched 13.10 million tons. The per capita consumption is only at 10/11 kg. India is the fastest growing market for paper globally and it presents an exciting scenario; paper consumption is estimated to touch 13.95 million tons by 2015-16. The futuristic view is that growth in paper consumption would be in multiples of GDP and hence an increase in consumption by one kg per capita would lead to an increase in demand of 1 million tons.

The Kay Power and Paper Ltd is paper mill which is strategically located at Satara with all infrastructure facilities. The company is manufacturing the Kraft Paper by Indian and imported waste paper.

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:**

The Low per capita consumption of paper/paper board in the country is bound to increase with the growth in the GDP, rising income of middle class, and a ban on plastic packing

under the Swach Bharat Mission.

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

The availability of raw material has always been a matter of concern for the industry. In India about 850,000-1,000,000 tons of waste paper is being currently recovered annually. The recovery rate works out to about 20% which is much lower in comparison with 65% recovery achieved by many global players. Low recovery is on account of alternate use of paper in wrapping, packing, etc. The utilization rate of recovered fibre is only 47%. Paper mills are heavily dependent on imported waste paper which commands exorbitant price due to inadequate availability. India needs a well-defined and aggressive system for collection, sorting, grading and utilization recyclable waste paper to contain imports.

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

**SEGMENT-WISE OR PRODUCT WISE PERFORMANCE**

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

**REVIEW OF PERFORMANCE**

During the year Company's Sales and other income were Rs. 33.63 Crores. This has been much improved performance over the last year.

**STRATEGY**

The Company has undertaken the expansion of current capacity of paper division from the 15000 TPA to 20000 TPA.

### **OUTLOOK, RISK AND CONCERNS, THE MANAGEMENT PERCEIVES**

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

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

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

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

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

The company has drawn specific program to improve the skill of the workers so as to

rationalize the manpower. Further it is providing necessary training to the manpower. There is continuous interaction between the management and employees. The numbers of people employed during the year were 76.

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

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

### **CAUTIONARY STATEMENT**

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

For and on behalf of the Board

Niraj Chandra  
Chairman and  
Managing Director

Place: Satara

Date : 25<sup>th</sup> June, 2015

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**AUDITORS' REPORT**

To The Members of Kay Power And Paper Limited

**REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of Kay Power And Paper Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, and the Statement of Profit and Loss and Cash Flow Statement for the year ended as on that date and a summary of significant accounting policies and other explanatory information.

**MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

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

**AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. These Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and fair presentation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**OPINION**

In our opinion and to the best of our information and according to the explanations given to us,

the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015,
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

- 1. As required by the Companies (Auditor's Report) Order, 2015 issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2. As required by Section 143(3) of the Act, we report that:
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards specified under

Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014, except AS15 AS15 regarding 'Accounting for retirement benefits' on account of non-provision for terminal benefits like gratuity payable to employees as described in the para 9 of Notes to accounts.

- (e) On the basis of written representations received from the directors as on March 31, 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 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 other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company did not have any pending litigation having material impact on its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For GODBOLE & COMPANY  
Chartered Accountants

Place : Satara  
Date : 28<sup>th</sup> May, 2015

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

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**Annexure 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 31<sup>st</sup> March, 2015**

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of the fixed assets.  
b) As per our information and explanations given to us, fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
2. a) According to information and explanations given to us, the inventory has been physically verified by the management during the year. In our opinion, frequency of verification is reasonable.  
b) In our opinion, the procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the Company and its business.  
c) The Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of stocks as compared to books and records were not material.
3. 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 and other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
4. In our opinion and according to information and explanations given to us there are adequate internal control procedures commensurate with the size of the Company and nature of business with regard to purchase of inventory, fixed assets and with regard to sale of goods and services. During the course of audit, we have not observed any continuing failure to correct major weakness in internal controls.
5. 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.
6. 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.
7. a. According to records of Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund dues and Profession tax. No amount is outstanding as at 31/3/2015 for a period more than 6 months from the date they become payable.  
b. 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 31/3/2015 for a period more that six months from the date they became payable except net liability of MVAT pertaining to period from financial year 2007-08 to 2014-15 amounting to Rs.486.92 Lacs which is withheld by the Company in anticipation of grant of deferral of the same under rehabilitation scheme sanction of which is awaited.  
c. According to information and explanations given to us, there are no dues of income tax, sales tax, excise duty which have not been deposited on account of any dispute.



- d. The company did not have any amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder during the year.
8. In our opinion, the accumulated loss of the Company is Rs.1443.86 Lakhs as on 31/3/2015 and is more than its total net worth. The Company has not incurred cash losses during the financial year covered by our audit and during the immediately preceding financial year. The accumulated losses have totally eroded the net worth of the Company and reference has been made to the Board for Industrial and Financial Reconstruction (BIFR).
9. 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.
10. As informed to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
11. According to information and explanations given to us no term loans were obtained during the year.
12. According to information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of audit.

For GODBOLE & COMPANY  
Chartered Accountants

Place : Satara  
Date : 28<sup>th</sup> May, 2015

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

**BALANCE SHEET AS AT 31 MARCH, 2015**

Particulars	Note No.	As at	
		31 March, 2015 Rupees	31 March, 2014 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share Capital	2	10,64,00,000.00	10,64,00,000.00
Reserve and surplus	3	(14,43,85,857)	(14,12,04,712)
		<u>(3,79,85,857)</u>	<u>(3,48,04,712)</u>
<b>Share application money pending allotment</b>	4	<b>9,36,00,000.00</b>	9,36,00,000.00
<b>Non-Current Liabilities</b>			
Long -term borrowings	5	<b>31,44,66,077.00</b>	36,26,02,423.00
<b>Current Liabilities</b>			
Trade Payables	6	<b>2,30,22,397.00</b>	1,71,48,728.00
Other Current Liabilities	7	<b>35,40,454.00</b>	6,87,385.00
Short term provision	8	<b>1,18,578.00</b>	1,49,110.00
<b>TOTAL</b>		<b><u>39,67,61,649.00</u></b>	<b><u>43,93,82,934.00</u></b>
<b>ASSETS</b>			
<b>Non current assets</b>			
Fixed assets			
Tangible Assets	9	<b>32,49,59,621.00</b>	33,50,15,837.00
Non-Current investments	10	<b>31,500.00</b>	31,500.00
Long term loans annd advances	11	<b>69,90,122.00</b>	1,98,63,284.00
Other non-current assets	12	<b>58,750.00</b>	58,750.00
<b>Current Assets</b>			
Current Investment	13	<b>15,30,000.00</b>	0.00
Inventories	14	<b>3,81,54,552.00</b>	6,17,82,074.00
Trade Receivables	15	<b>2,26,81,451.00</b>	2,05,89,505.00
Cash and bank balance	16	<b>18,65,931.00</b>	12,58,872.00
Short term loans and advances	17	<b>4,89,722.00</b>	7,83,112.00
<b>TOTAL</b>		<b><u>39,67,61,649.00</u></b>	<b><u>43,93,82,934.00</u></b>
Significant Accounting Policies followed by company	1		

The accopmanyng notes are an integarl part of the financial statements

As per our report of even date

For and on behalf of the Board of Directors

For GODBOLE & COMPANY  
Chartered Accountants

Niraj Chandra  
Chairman and  
Managing Director

Deepa Agarwal  
Director

Ashutosh Godbole  
Proprietor

Sagar Mohite  
Company Secretary

Ganesh H. Rotithor  
Chief Financial Officer

Place : Satara  
Date : 28<sup>th</sup> May, 2015

Place : Satara  
Date : 28<sup>th</sup> May, 2015

## 24TH ANNUAL REPORT 2014-2015

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2015

Particulars	Note No.	For year ended 31 March, 2015 Rupees	For year ended 31 March, 2014 Rupees
<b>REVENUE FROM OPERATION</b>			
Revenue from operations (Gross)	18	<b>32,44,60,125.00</b>	29,44,33,933.00
Less : Excise duty		<b>1,92,00,161.00</b>	1,74,78,779.00
Revenue from operations (Net)		<b>30,52,59,964.00</b>	27,69,55,154.00
Misc. Sale (Gross)		<b>25,493.00</b>	58,955.00
Less : Excise duty		<b>2,833.00</b>	6,485.00
Misc. Sale (Net)		<b>22,660.00</b>	52,470.00
		<b>30,52,82,624.00</b>	27,70,07,624.00
Other Income	19	<b>3,10,74,940.00</b>	10,38,182.00
<b>Total Revenue</b>		<b>33,63,57,564.00</b>	27,80,45,806.00
<b>EXPENSES</b>			
Cost of material consumed	20	<b>26,32,57,833.00</b>	21,20,01,659.00
Changes in inventories of Finished goods and work-in-progress	21	<b>(11,89,136)</b>	(23,86,066)
Manufacturing Expenses	22	<b>4,22,96,415.00</b>	3,94,35,935.00
Employee benefits expenses	23	<b>97,80,379.00</b>	90,49,317.00
Depreciation and amortisation expenses	9	<b>61,61,345.00</b>	43,22,688.00
Other expenses	24	<b>1,53,07,335.00</b>	1,48,86,897.00
Debit Balances written off		-	67,747.00
<b>Total Expenses</b>		<b>33,56,14,171.00</b>	27,73,78,177.00
Profit / (Loss) before tax		<b>7,43,393.00</b>	6,67,629.00
Tax Expense:		-	-
Profit for the year after tax		<b>7,43,393.00</b>	6,67,629.00
Basic and diluted earning per share (in Rs.) (Nominal value per share is Rs. 10/-)		<b>0.07</b>	0.06
Significant account policies followed by the Company	1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For GODBOLE & COMPANY  
Chartered Accountants

Ashutosh Godbole  
Proprietor

Place : Satara  
Date : 28<sup>th</sup> May, 2015

For and on behalf of the Board of Directors

Niraj Chandra  
Chairman and  
Managing Director

Sagar Mohite  
Company Secretary

Place : Satara  
Date : 28<sup>th</sup> May, 2015

Deepa Agarwal  
Director

Ganesh H. Rotithor  
Chief Financial Officer

**Cash Flow Statement for the year ended 31 March, 2015**

	<u>31 March, 2015</u>	<u>31 March, 2014</u>
	Rupees	Rupees
<b>A. Cash flow Operating Activities</b>		
Net profit/(loss) Before Tax & Extra Ordinary item	7,43,393.00	6,67,629.00
Adjustment for Depreciation	61,61,345.00	43,22,688.00
Add expenses related to non- operating Activities		
Interest and Bank Charges	0.00	-
Operating Profit/(Loss) Before working capital changes	<u>69,04,738.00</u>	<u>49,90,317.00</u>
(Increase)/Decrease in current Assets	<u>3,47,02,128.00</u>	<u>(1,12,90,904.00)</u>
Inventories	2,36,27,522.00	(82,86,629)
Trade Receivable	(20,91,946.00)	(9,81,274)
Long term Loans and advances	1,28,73,162.00	(22,23,704)
Short terms Loans and advances	2,93,390.00	2,00,703
Increase/ (Decrease) in Current Laibilities	<u>86,96,206.00</u>	<u>(33,95,775.00)</u>
Trade payable	58,73,669.00	(33,27,078)
other Laibilities	28,53,069.00	(37,685)
Provisions	(30,532.00)	(31,012)
Cash Generated form Operations	<u>5,03,03,072.00</u>	<u>(96,96,362.00)</u>
Less Tax Paid	-	-
<b>Net cash form Operating Activities</b>	<u><u>5,03,03,072.00</u></u>	<u><u>(96,96,362.00)</u></u>
<b>B. Cash Flow form Investing Activities</b>		
(Purchase) / of fixed Assets	(79,667)	(14,40,008)
Sale of Fixed Assets	50,000	-
<b>Net Cash Flow from Investing Activities</b>	<u>(29,667)</u>	<u>(14,40,008)</u>
<b>C. Cash Flow From Financial Activities</b>		
Increase / (Decrease) in Borrowing	(4,81,36,346.00)	1,19,45,601.00
Interest Paid	-	-
Share Application Money	-	-
Increase in Non Current Assets	(15,30,000)	
<b>Net Cash Flow from Financial Activities</b>	<u>(4,96,66,346.00)</u>	<u>1,19,45,601.00</u>
<b>Net Increase in Cash and cash Equivalent</b>	<u>6,07,059.00</u>	<u>8,09,231.00</u>
<b>cash and cash equivalents at beginning of period</b>	<u>12,58,872.00</u>	<u>4,49,639.00</u>
<b>cash and cash equivalents at End of period</b>	<u>18,65,931.00</u>	<u>12,58,872.00</u>

For and on behalf of the Board of Directors

 Sagar Mohite  
 Company Secretary

 Niraj Chandra  
 Chairman and Managing Director

 Deepa Agarwal  
 Director

 Pune, 28<sup>th</sup> May, 2015

 Ganesh H. Rotithor  
 Chief Financial Officer

**Auditor's Certificate**

The above cash flow statement has been compiled from and is based on the Audited accounts of Kay Power and Paper Limited, for the year ended 31<sup>st</sup> March 2015 reported upon by us on 28<sup>th</sup> May, 2015. According to the information and explanations given, the aforesaid Cash Flow Statement has been prepared pursuant to clause 32 of the Listing Agreement with Stock Exchange

 For GODBOLE & COMPANY  
 Chartered Accountants

Ashutosh Godbole - Proprietor

 Satara, 28<sup>th</sup> May, 2015

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**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2015**
**Note 1 : Statement of Significant Accounting Policies.**
**1. Basis of preparation of financial statements**

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

**2. Use of Estimates**

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

**3. Fixed Assets and Depreciation**

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

b) Depreciation

Depreciation on Fixed Assets has been provided at the useful lives provided in Schedule II to the Companies Act, 2013 for SLM method on the opening written down value of the assets. No depreciation on assets of Power Division is charged as power division was not functional and assets in power division remained idle for the whole year. Depreciation on Fixed Assets of Paper Division is charged for the whole year. Depreciation on addition to Fixed Assets is charged on pro-rata basis from date on which asset is put to use. The carrying amount at the beginning of the year of assets where the remaining useful life is nil is transferred to balance of Retained Earning under the head Reserves and Suplus in the Balance Sheet,

**4) Impairment of Assets:**

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

As of March 31, 2015 none of the fixed assets were considered impaired.

**5. Investment**

Long Term investments are valued at cost.

**6. Inventories**

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

**7. Segmental Reporting**

The company's operating business is organised and managed separately according to the products provided as Paper Division and Power Division. The company generally accounts for inter segmental sale at the current market prices.

**8. Deferred Tax Liability**

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

**9. Retirement Benefits**

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

**10. Foreign Currency Transactions**

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

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2015**

	<u>As at 31 March, 2015</u> Rupees	<u>As at 31 March, 2014</u> Rupees
<b>Note 2 : Share Capital</b>		
<b>Authorised</b>		
1,50,00,000 Equity Shares of Rs.10/- each	<u>15,00,00,000.00</u>	<u>15,00,00,000.00</u>
<b>Issued, Subscribed and Paid-up</b>		
shares 1,06,40,000 Equity shares of Rs.10/- each	<u>10,64,00,000.00</u>	<u>10,64,00,000.00</u>
<b>Total (2)</b>	<u>10,64,00,000.00</u>	<u>10,64,00,000.00</u>

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

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

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

	<u>31 March, 2015</u>		<u>31 March, 2014</u>	
	<u>No. of shares held</u>	<u>% of holding</u>	<u>No. of share held</u>	<u>% of holding</u>
Equity Shares of Rs. 10/- each fully paid up				
1 Niraj Chandra	<b>16,52,100</b>	<b>15.53</b>	16,52,100	15.53
2 Deepa Agarwal	<b>7,41,100</b>	<b>6.97</b>	7,41,100	6.97
3 Sushil Chandra	<b>6,75,100</b>	<b>6.34</b>	6,75,100	6.34
4 Usha Gupta	<b>11,77,100</b>	<b>11.06</b>	11,77,100	11.06
5 BAMPSS Securities Ltd.	<b>5,03,688</b>	<b>4.73</b>	11,87,813	11.16

	<u>As at 31 March, 2015</u> Rupees	<u>As at 31 March, 2014</u> Rupees
<b>Note 3 : Reserves &amp; Surplus</b>		
Securities Premium Account	<b>2,57,136.00</b>	2,57,136.00
Special capital incentive of Govt. of Maharashtra	<b>50,00,000.00</b>	50,00,000.00
Surplus in statement of profit and loss		
Balance as per last balance sheet	<b>(14,64,61,848)</b>	(14,71,29,477)
Balance in the statement of Profit and loss	<b>7,43,393.00</b>	6,67,629.00
Accumulated Depreciation	<b>(39,24,538)</b>	0.00
<b>Total (3)</b>	<u><b>(14,43,85,857)</b></u>	<u>(14,12,04,712)</u>

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

Preferential allotment pending subject to sanction of rehabilitation scheme from BSFR	<b>9,36,00,000.00</b>	9,36,00,000.00
<b>Total (4)</b>	<u><b>9,36,00,000.00</b></u>	<u>9,36,00,000.00</u>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2015**

	<u>As at 31 March, 2015</u> Rupees	<u>As at 31 March, 2014</u> Rupees
<b>Note 5 : Long Term Borrowings</b>		
Term loan from Indian renewable energy development agency Ltd. (IREDA) (Secured by First Mortgage and charge on all fixed assets both movable and immovable of the company)	<u>60,93,6042.00</u>	<u>8,29,36,042.00</u>
Additional Term loan from Indian Renewable energy development agency ltd. (IREDA) (Secured by First Mortgage and charge on all fixed assets both movable and immovable of the company)	<u>2,71,61,817.00</u>	<u>2,71,61,817.00</u>
<b>Sub Total</b>	<u><u>8,80,97,859.00</u></u>	<u><u>11,00,97,859.00</u></u>
<b>Unsecured Loan</b>		
Intercorporate Deposits (The terms of repayment of these deposits are not defined)	<u>14,15,11,814.00</u>	<u>16,31,11,814.00</u>
Deferred Liability for Sales tax (Maharashtra sales tax department has granted facility of differed of sales tax liability under packaged scheme of incentive. The company has proposed extension of the scheme under the reconstruction proposal submitted to B.I.F.R)	<u>8,48,56,404.00</u>	<u>8,93,92,750.00</u>
<b>Sub Total</b>	<u><u>22,63,68,218.00</u></u>	<u><u>25,25,04,564.00</u></u>
<b>Total (5)</b>	<u><u>31,44,66,077.00</u></u>	<u><u>36,26,02,423.00</u></u>
<b>Note 6 : Trade Payables</b>		
Due to Micro, Small and Medium Enterprises* others	<u>2,30,22,397.00</u>	<u>1,71,48,728.00</u>
<b>Total (6)</b>	<u><u>2,30,22,397.00</u></u>	<u><u>1,71,48,728.00</u></u>

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




**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2015**

	<b>As at 31 March, 2015</b>	<b>As at 31 March, 2014</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>Note 7 : Other Current Liabilities</b>		
Salary Payables	2,59,233.00	2,77,438.00
Wages Payables	1,93,140.00	3,86,627.00
TDS Constructors Payable	13,535.00	10,220.00
TDS Salary Payable	18,880.00	13,100.00
Imprest Account	3263.00	-
Vat Payable	30,52,403.00	-
<b>Total (7)</b>	<b>35,40,454.00</b>	<b>6,87,385.00</b>

**Note 8 : Other Short Term Provisions**

MPCB Fees Payables	-	11,509.00
Labour charges payables	88,493.00	1,22,622.00
Professional tax payables	2,575.00	9,075.00
Unpaid wages	10,283.00	2,623.00
Unpaid Salary	2,000.00	2,000.00
Employees PF Payables	1,281.00	1,281.00
Water charges payable	13,946.00	-
<b>Total (8)</b>	<b>1,18,578.00</b>	<b>1,49,110.00</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2015**  
**Note 9 : Fixed Assets**

Sr. No	Name of Asset	Usefull Life	Gross Block			Depreciation			Net Block			
			As on 01/04/14	Addition	Deduction	As on 01/04/15	As on 31/03/14	Write off to Reserves	For the year	As on 31/03/15	As on 31/03/14	
1	Freehold Land		5,73,245			5,73,245				5,73,245	5,73,245	
2	Site Development		13,49,328			13,49,328				13,49,328	13,49,328	
3	Building	30	2,10,16,941			2,10,16,941				1,26,99,035	1,35,45,087	
4	Well & Irrigation Scheme	5	43,02,456			43,02,456		26,39,058	8,46,052	2,49,752	29,23,439	
5	E.T. Plant	25	50,97,470			50,97,470		28,07,345	2,33,843	20,56,282	22,90,125	
6	Weigh Bridge	15	7,05,872	61,000		7,66,872		3,34,523	23,954	1,44,859	3,71,349	
7	Boiler	25	9616000			96,16,000		42,69,091	3,89,134	49,57,775	53,46,909	
8	Plant & Machinery	25	11,40,84,054			11,40,84,054		5,79,68,810	44,29,927	5,16,85,317	5,61,15,244	
9	Laboratory Equipment	10	2,55,346			2,55,346		68,774	17,002	1,18,879	1,86,572	
10	Furniture & Fixture	10	2,47,562			2,47,562		1,37,621	1,051	17,635	10,99,941	
11	Office Equipment	5	1,16,1461	18,667		11,80,128		5,54,138	29,859	1,17,144	6,07,323	
12	Vehicle	10	28,05,434		50,000	27,55,434		10,30,209	1,55,894	11,94,920	17,75,225	
13	Software & licence	3	28,000			28,000		26,600		1,400	28,000	
<b>A</b>	<b>TOTAL</b>		<b>16,12,43,168</b>	<b>79,667</b>	<b>50,000</b>	<b>16,12,72,835</b>	<b>7,60,21,382</b>	<b>39,24,538</b>	<b>61,61,345</b>	<b>8,61,07,265</b>	<b>7,51,65,570</b>	<b>8,52,21,786</b>
<b>POWER DIVISION</b>												
1	Land & site Development	0	1,122,850			1,122,850					11,22,850	11,22,850
2	Building	30	1,52,18,490			1,52,18,490		17,27,564		17,27,564	1,34,90,926	1,34,90,926
3	Cooling Tower	25	21,34,719			21,34,719		3,32,887		3,32,887	18,01,832	18,01,832
4	D M Plant	25	13,17,022			13,17,022		2,02,428		2,02,428	11,14,594	11,14,594
5	Steam Line	25	4,81,300			4,81,300		88,289		88,289	3,93,011	3,93,011
6	L T Electrical Panel	25	33,10,435			33,10,435		4,76,023		4,76,023	28,34,412	28,34,412
7	Bagasse Handling System	25	5,43,46,274			5,43,46,274		99,55,924		99,55,924	4,43,90,350	4,43,90,350
8	Boiler	25	8,29,09,042			8,29,09,042		1,50,31,985		1,50,31,985	6,78,77,057	6,78,77,057
9	T G Set with H T Panel	25	14,14,47,609			14,14,47,609		2,49,00,948		2,49,00,948	11,65,46,661	11,65,46,661
10	Furniture & Fixture	10	56,781			56,781		11,317		11,317	45,464	45,464
11	Kiosk Unit	15	1,80,163			1,80,163		3,269		3,269	1,76,894	1,76,894
<b>B</b>	<b>TOTAL</b>		<b>30,28,24,685</b>	<b>79,667</b>	<b>50,000</b>	<b>30,25,24,685</b>	<b>5,27,30,634</b>	<b>39,24,538</b>	<b>61,61,345</b>	<b>5,27,30,634</b>	<b>24,97,94,051</b>	<b>24,97,94,051</b>
<b>TOTAL (A + B)</b>			<b>46,40,67,853</b>	<b>79,667</b>	<b>50,000</b>	<b>46,37,97,520</b>	<b>12,87,52,016</b>	<b>39,24,538</b>	<b>61,61,345</b>	<b>13,88,37,899</b>	<b>32,49,59,621</b>	<b>33,50,15,837</b>

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

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2015**

	<b>As at 31 March, 2015</b>	<b>As at 31 March, 2014</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>Note 10 : Non Current Investments</b>		
1500 Equity Shares of Rs.10/- each of National General Industries Ltd	22,500.00	22,500.00
900 Equity Shares of Rs.10/- each of Ambala Cement Ltd.	9,000.00	9,000.00
<b>Total (10)</b>	<b>31,500.00</b>	<b>31,500.00</b>
<b>Note 11 : Long Term Loans and Advances</b>		
Sundry Deposits	23,000.00	23,000.00
Deposits with irrigation dept.	35,000.00	35,000.00
Security deposits with Delhi High Court	29,44,900.00	2944900.00
M.S.E.D.C.L. Deposits (Lift Scheme)	42,130.00	42,130.00
M.S.E.D.C.L. Deposits (HT Connection)	28,06,120.00	23,15,280.00
Telephone Deposits	25,027.00	25,027.00
Vat Credit Refundable	–	1,44,42,348.00
Imprest	–	4,625.00
TDS Receivable	29,945.00	30,974.00
Sunstar Securities	10,00,000.00	–
Prepaid Factory Licence Fee	84,000.00	–
<b>Total (11)</b>	<b>69,90,122.00</b>	<b>1,98,63,284.00</b>
<b>Note 12 : Other Non Current Assets</b>		
Balances with Scheduled Banks in Fixed Deposit	33,750.00	33,750.00
Fixed Deposit as security for Bank Guarantee For MPCB	25,000.00	25,000.00
<b>Total (12)</b>	<b>58,750.00</b>	<b>58,750.00</b>
<b>Note 13 : Current Investemnt</b>		
Fix Deposit With IDBI Bank	15,00,000.00	–
Accrued Income	30,000.00	–
<b>Sub Total (13)</b>	<b>15,30,000.00</b>	<b>–</b>
<b>Note 14 : Inventories</b>		
Tools and spares (Value at cost price)	41,49,826.00	44,79,756.00
Raw Material (Value at cost price)	2,82,93,355.00	5,27,80,083.00
Finished goods (Value at cost of production)	57,11,371.00	45,22,235.00
<b>Total (14)</b>	<b>3,81,54,552.00</b>	<b>6,17,82,074.00</b>

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### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2015

	<u>As at 31 March, 2015</u> Rupees	<u>As at 31 March, 2014</u> Rupees
<b>Note 15 : Trade Receivables</b>		
(Unsecured and considered goods)		
Outstanding over six months	3,23,791.00	3,23,793.00
Others	<u>2,23,57,660.00</u>	<u>2,02,65,712.00</u>
<b>Total (15)</b>	<u><u>2,26,81,451.00</u></u>	<u><u>2,05,89,505.00</u></u>
<b>Note 16 : Cash and Bank Balances</b>		
Cash in hand	3,70,359.00	26,581.00
Balances with bank	<u>14,95,572.00</u>	<u>12,32,291.00</u>
<b>Total (16)</b>	<u><u>18,65,931.00</u></u>	<u><u>12,58,872.00</u></u>
<b>Note 17 : Short Term Loans and Advances</b>		
Balances with statutory / public authorities advance recoverable in cash or in kind or for value to be recoverable		
	<u>4,89,722.00</u>	<u>7,83,112.00</u>
<b>Total (17)</b>	<u><u>4,89,722.00</u></u>	<u><u>7,83,112.00</u></u>
<b>Note 18 : Revenue from Operations (Gross)</b>		
Kraft Paper		
Gross Sales	32,44,60,125.00	29,44,33,933.00
Less . Excise Duty	1,92,00,161.00	1,74,78,779.00
Net Sales	<u>30,52,59,964.00</u>	<u>27,69,55,154.00</u>
Misc Sale ( Scrap )	25,493.00	58,955.00
Less . Excise Duty	2,833.00	6,485.00
	<u>22,660.00</u>	<u>52,470.00</u>
<b>Total (18)</b>	<u><u>30,52,82,624.00</u></u>	<u><u>27,70,07,624.00</u></u>
<b>Note 19 : Other Income</b>		
Foreign Exchange Rate Diff.	85,342.00	92,176.00
Interest Received	3,21,653.00	2,96,006.00
Discount Received	12,830.00	-
Profit on Trading in derivatives	3,06,33,426.00	-
Misc. / Sundry Other Income	<u>21,689.00</u>	<u>6,50,000.00</u>
<b>Total (19)</b>	<u><u>3,10,74,940.00</u></u>	<u><u>10,38,182.00</u></u>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2015**

	<b>As at 31 March, 2015 Rupees</b>	<b>As at 31 March, 2014 Rupees</b>
<b>Note 20 : Cost of material consumed</b>		
Raw Material Consumed		
Opening Stock	<b>5,27,80,083.00</b>	4,67,83,249.00
Add. Purchases	<b>23,87,71,105.00</b>	21,79,98,493.00
Less. Closing Stock	<b>2,82,93,355.00</b>	5,27,80,083.00
<b>Total (20)</b>	<b><u>26,32,57,833.00</u></b>	<b><u>21,20,01,659.00</u></b>
<b>Note 21 : Changes in inventories of finished goods, work-in-progress and stock-in-Hand</b>		
Stock at opening		
Finished goods	<b>45,22,235.00</b>	21,36,169.00
Less. Stock at closing		
Finished goods	<b>57,11,371.00</b>	45,22,235.00
<b>Total (21)</b>	<b><u>(11,89,136)</u></b>	<b><u>(23,86,066)</u></b>
<b>Note 22 : Manufacturing Expenses</b>		
Carriage Inward	<b>3,92,264.00</b>	3,25,889.00
Power & Fuel	<b>3,19,14,258.00</b>	3,15,23,161.00
Repairs and Maintainance	<b>52,33,234.00</b>	47,27,989.00
Other Manufacturing Expenses	<b>47,56,659.00</b>	28,58,896.00
<b>Total (22)</b>	<b><u>4,22,96,415.00</u></b>	<b><u>3,94,35,935.00</u></b>
<b>Note 23 : Employee Benefits Expense</b>		
Salary and wages	<b>97,28,036.00</b>	90,22,419.00
Welfare Expenses	<b>14,145.00</b>	8,597.00
Contribution to P.F.	<b>38,198.00</b>	18,301.00
<b>Total (23)</b>	<b><u>97,80,379.00</u></b>	<b><u>90,49,317.00</u></b>

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### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2015

	<u>As at 31 March, 2015</u> Rupees	<u>As at 31 March, 2014</u> Rupees
<b>Note 24 : Other Expenses</b>		
CDSL Issuer Fees	33,708.00	33,708.00
Legal & Professional Fees	5,30,516.00	2,63,034.00
Packing & Forwarding	10,491.00	7,937.00
Testing Fees	–	2,650.00
ROC Filing Fees	31,429.00	11,500.00
Directors Sitting Fees	6,000.00	2,000.00
Factory Licence Fees	42,000.00	42,005.00
MPCB Fees	11,509.00	–
Boiler Inspection Fees	2,800.00	11,200.00
BSE Listing Fees	1,00,000.00	40,000.00
Audit Fees	30,000.00	15,000.00
Membership & Subscription	4,500.00	16,296.00
Excise Duty Expenses	2,08,398.00	77,954.00
MPCB Cess / Testing Fees	37,521.00	16,812.00
Professional tax - company	2,500.00	2,500.00
Printing & Stationary	80,223.00	76,246.00
Postage & Telephone Expenses	83,813.00	83,868.00
Insurance	63,267.00	1,91,442.00
Rent, Rates & Taxes	2,80,778.00	2,02,222.00
Round Off	–	217.00
Dealer Discount	1,17,85,446.00	1,22,28,624.00
Vehicle Repairs & Maintainance	1,11,289.00	97,431.00
Fuel for vehicle	1,34,830.00	1,28,343.00
Kraft Paper Loading charges	7,70,555.00	5,39,100.00
Advertisement Charges	10,000.00	3,348.00
Local Conveyance	1,16,493.00	88,098.00
Carriage outward	8,800.00	1,00,550.00
Travelling Expenses	98,543.00	1,06,841.00
Postal Ballot Exps	–	1,06,837.00
Miscellaneous Office Expenses	1,33,364.00	3,91,134.00
Stay Order Charges	85,317.00	–
Drinking Water Charges	16,059.00	–
Water Charges	3,79,117.00	–
E-Voting Charges	5,219.00	–
Custom Duty	92,850.00	–
<b>Total (24)</b>	<u><u>1,53,07,335.00</u></u>	<u><u>1,48,86,897.00</u></u>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2015**

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

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

**Note 27 :** Net deferred tax has not been recognised in view of uncertainty about future taxable income against asset which the deferred tax asset can be realised.

**Note 28 :** C.I.F. value of imported west paper Rs. 49,39,355.06 (Rs.41, 73,614.43)

**Note 29 :** Consumption of Raw Material for the year 2014-2015

## Consumption of Raw Material for the year 2014-2015

Item Name	Opening Stock		Purchases		Total		Consumption		Closing Stock	
	Qty	Value	Qty	Value	Qty	Value	Qty	Value	Qty	Value
Bagasse	14922	35100342	9155	18860537	24077	53960879	18519	41503350	5558	12457529
	(15332)	(35867919)	(9798)	(21058026)	(25130)	(56925945)	(10208)	(21825603)	(14922)	(35100342)
Firewood	1265	2534460	3176	6130941	4441	8665401	2586	5068157	1855	3597244
	(728)	(1366501)	(2710)	(5288769)	(3438)	(6655270)	(69)	(4120810)	(1265)	(2534460)
Coal	78	383263	0	0	78	383263	78	383263	0	0
	(95)	(441143)	(1053)	(5203396)	(1148)	(5644539)	(1033)	(5261276)	(78)	(383263)
Indian Waste Paper	465	11558853	14407	198267269	14872	209826122	14193	200520367	679	9305755
	(401)	(4592057)	(13497)	(170843626)	(13898)	(175435683)	(13433)	(163876830)	(465)	(11558853)
Imported Waste Paper	115	1984043	368	6369110	483	8353153	363	6341314	120	2011839
	(219)	(3529601)	(291)	(5303555)	(510)	(8833156)	(390)	(6849113)	(115)	(1984043)
Chemicals	0	1094373	0	6184963	0	7279336	0	6527786	0	751550
	(0)	(787124)	(0)	(7525209)	(0)	(8312333)	(0)	(7217960)	(0)	(1094373)
Packing Material	0	124749	0	2958285	0	3083034	0	2913596	0	169438
	(0)	(198904)	(0)	(2775912)	(0)	(2974816)		(2850067)	(0)	(124749)
<b>Total</b>	<b>16845</b>	<b>52780083</b>	<b>27106</b>	<b>238771105</b>	<b>43951</b>	<b>291551188</b>	<b>35739</b>	<b>263257833</b>	<b>8212</b>	<b>28293355</b>
	<b>(16775)</b>	<b>(46783249)</b>	<b>(27349)</b>	<b>(217998493)</b>	<b>(44124)</b>	<b>(264781742)</b>	<b>(25938)</b>	<b>(212001659)</b>	<b>(16845)</b>	<b>(52780083)</b>



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2015**

**Note 30 : Related Party Disclosure :**

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

a. Related Parties

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

b. Key Managerial Personnel -

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

1) Details of Transactions are as follows :-

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

	Purchases
1) Kay Bouvet Engineering Ltd. - Unit I & III,	5.58
2) Kay Nitroxxygen Pvt Ltd.	0.25

b) Transaction with Key Managerial Personnel - NIL,

2) Outstanding Balance as on 31.03.2015 :

- a) Associate Companies - NIL
- b) Key Managerial Personnel - NIL

**Note 31 : Segmentwise Reporting :**

The company has mainly two divisions viz Paper and power. During the current year 2014-15 only paper Division was operational, hence segmentwise results are not given

**Note 32 :** the previous year figures have been re-grouped/ reclassified to confirm to current year classification

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

The accompanying notes are an integral part of the financial statements

As per our report of even date

For GODBOLE & COMPANY  
Chartered Accountants

Ashutosh Godbole  
Proprietor

Place : Satara  
Date : 28<sup>th</sup> May, 2015

For and on behalf of the Board of Directors

Niraj Chandra  
Chairman and  
Managing Director

Sagar Mohite  
Company Secretary

Place : Satara  
Date : 28<sup>th</sup> May, 2015

Deepa Agarwal  
Director

Ganesh H. Rotithor  
Chief Financial Officer

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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 Fourth Annual General Meeting, to be held on the 14<sup>th</sup> day of September, 2015 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		
2.	Re-appointment of Mr. Arvind V. Kulkarni who retires by rotation		
3.	Appointment of Auditors and fixing their remuneration		
4.	To ratify the related party transaction under section 188 of the Companies Act 2013		

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

\_\_\_\_\_  
Signature of shareholder

Affix  
Revenue  
Stamp

\_\_\_\_\_  
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.





BOOK - POST

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**KAY POWER AND PAPER LIMITED**

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