



## KAY POWER AND PAPER LIMITED

Reg off:- Gat No. 454/457, Village Borgaon, Tal./Dist. Satara - 415 519  
Website- [www.kaypowerandpaper.com](http://www.kaypowerandpaper.com), Email- [kppl.secretarial@gmail.com](mailto:kppl.secretarial@gmail.com)  
CIN- L21099MH1991PLC061709

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Ref. No. KPPL/BSE/ 13/2019-20

Date: - 25/09/2019

To,  
Department of Corporate Services,  
Bombay stock exchange  
P. J. Towers, Dalal Street,  
Mumbai: 400001.

### **Sub – Annual Report of FY 2018-19**

Dear Sir,

Pursuant to regulation 34 (1) of LODR, we are uploading the scanned copy of Annual Report duly approved and adopted in the Annual General Meeting of the company held on 23<sup>rd</sup> Sept 2019 for your necessary action.

Kindly acknowledge the receipt

Thanking You,

Yours Faithfully,

For **KAY POWER AND PAPER LIMITED**

**SAGAR MOHITE**  
(Company Secretary &  
Compliance Officer)

# **KAY POWER AND PAPER LIMITED**



**28th  
Annual Report  
2018-2019**



# KAY POWER AND PAPER LIMITED

(Formerly KAY PULP AND PAPER MILLS LTD.)

**BOARD OF DIRECTORS** : 1. Mr. Niraj Chandra - Chairman and Managing Director  
2. Mrs. Deepa Agarwal - Director  
3. Mr. Arvind V. Kulkarni - Independent Director  
4. Mr. Kaustubh Wadikar - Independent Director  
5. Mr. Sandeep Shahapurkar - Independent Director

**COMPANY SECRETARY** : Mr. Sagar Mohite

**AUDITORS** : M/s. A. C. Doshi & Co.  
Chartered Accountants  
472/A, ShrijayApts,  
Near Kadam Baug, Sadar Bazar  
Satara - 415001

**BANKERS** : IDBI Bank Ltd.  
HDFC Bank Ltd.

**REGISTERED OFFICE** : Gat No. 454/457,  
Village Borgaon, Tal Dist- Satara - 415519  
Maharashtra

**CORPORATE IDENTITY NO. (CIN)** : L21099MH1991PLC061709

**INVESTOR SERVICE CELL** : Liaison Office : Plot no. B -54,  
OLD MIDC Area, Satara - 415004  
Maharashtra. Email ID - kppl.secretarial@gmail.com

**WEBSITE** : [www. Kaypowerandpaper.com](http://www.Kaypowerandpaper.com)

**TWENTY EIGHTH ANNUAL GENERAL MEETING**  
**23<sup>rd</sup> SEPTEMBER, 2019**

**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 Eighth Annual General Meeting of the Members of KAY POWER AND PAPER LIMITED will be held at 3.00 p.m. on Monday, 23rd September 2019 at the Registered Office of the Company at Gat No. 454/457, Village Borgaon, Tal. /Dist. Satara-415519, Maharashtra, to transact the following business:

**ORDINARY BUSINESS:**

1. To consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2019, the reports of the Board of Directors and Auditors thereon;
2. To appoint a Director in place of Mrs. Deepa Agarwal (DIN: 00452947), who retires by rotation at this Annual General Meeting and being eligible has offered herself for re-appointment.

**SPECIAL BUSINESS:**

3. To re-appoint **Shri Kaustubh Narayan Wadikar (DIN: 06772587)** as an Independent Director and in this regard, pass the following resolution as a **Special Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Shri Kaustubh Narayan Wadikar (DIN: 06772587), who was appointed as an Independent Director and who holds office of Independent Director up to the conclusion of this Annual General Meeting and being eligible, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company up to the conclusion of the 33rd Annual General Meeting of the Company in the calendar year 2024.”

**“RESOLVED FURTHER that** pursuant to

the provisions of Sections 149, 197 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Kaustubh Narayan Wadikar (DIN: 06772587) be paid such fees and remuneration and profit related commission as the Board / Nomination & Remuneration Committee may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time.”

4. To re-appoint **Shri. Sandeep Shahapurkar (DIN: 06919724)** as an Independent Director and in this regard, pass the following resolution as a **Special Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Shri. Sandeep Shahapurkar (DIN: 06919724), who was appointed as an Independent Director and who holds office of Independent Director up to the conclusion of this Annual General Meeting and being eligible, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company up to the conclusion of the 33rd Annual General Meeting of the Company in the calendar year 2024.”

**“RESOLVED FURTHER that** pursuant to the provisions of Sections 149, 197 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 made thereunder (including any statutory modification(s) or re-enactment thereof

for the time being in force), Shri. Sandeep Shahapurkar (DIN: 06919724) be paid such fees and remuneration and profit related commission as the Board / Nomination & Remuneration Committee may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time."

5. To approve appointment of **Shri. Arvind V. Kulkarni (DIN: 06378344)** as an Independent Director and in this regard, pass with or without modification, the following resolution as an **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Arvind V. Kulkarni (DIN: 06378344), who was appointed as a Director at the 22nd Annual General Meeting held on 27/08/2013 and who has submitted a declaration that he meets the criteria for independence as provided in the Act and Listing Regulations, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a term of 5 (five) consecutive years on the Board of the Company from 28/05/2018 to 27/05/2023.

**RESOLVED FURTHER** that pursuant to the provisions of Sections 149, 197 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Arvind V. Kulkarni (DIN: 06378344) be paid such fees and remuneration and profit related commission as the Board / Nomination & Remuneration Committee may approve from time to time and subject to such limits,

prescribed or as may be prescribed from time to time.

**RESOLVED FURTHER** that pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, Mr. Arvind V. Kulkarni (DIN: 06378344), who will attain the age of 75 years on 17th July, 2023, continue to hold his directorship as Non-Executive Independent Director even after he attains the age of 75 years till the expiry of his first term on the same terms and conditions of such re-appointment even after attaining the age of 75 years, will be considered as requisite approval from shareholders as required in the Amendment Regulations, 2018."

6. Consent of Members for increase in the limits applicable for making investments / extending loans and giving guarantees or providing securities in connection with loans to Persons / Bodies Corporate, which is either an Associate or Group Company, of the Company, in whom any of the Director of the Company is interested.:

**To consider and if thought fit, to pass with or without modifications as may be practical and permissible the following Resolution as a Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 185, 186 and all other applicable provisions of the Companies Act, 2013, the Companies (Amendment) Act, 2017 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended), Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), and all other rules, regulations, notifications and circulars issued (including any statutory modifications, clarifications, exemptions or re-enactments thereof, from time to time) and the relevant provisions of the Memorandum and Articles of Association of the Company, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include, unless the context otherwise requires, any committee of the Board or any officer(s)



authorized by the Board to exercise the powers conferred on the Board under this resolution), to (i) give any loan to any other body corporate or person or associate or group company(ies) in whom any of the Director of the Company is interested ; (ii) give any guarantee or provide any security in connection with a loan to any other body corporate or person or associate or group company(ies) in whom any of the Director of the Company is interested and (iii) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate or person or associate or group company(ies) in whom any of the Director of the Company is interested, as they may in their absolute discretion deem beneficial and in the interest of the Company, subject however that the aggregate of the loans and investments so far made in and the amount for which guarantees or securities have so far been provided to all persons or bodies corporate along with the additional investments, loans, guarantees or securities proposed to be made or given or provided by the Company, from time to time, in future, shall not exceed a sum of Rs. 75 Crores (Rupees Seventy Five Crores only) over and above the limit of 60% of the paid-up share capital, free reserves and securities premium account of the Company or 100% of free reserves and securities premium account of the Company, whichever is more, as prescribed under Section 186 of the Companies Act, 2013.

**RESOLVED FURTHER THAT** the Board of Directors (or a Committee thereof constituted for this purpose) be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution. “

**Note:**

M/s. A. C. Doshi & Co, (M. No.103730), Chartered Accountants, Satara, were appointed as Statutory Auditors of the Company for a period of five consecutive years at the 26th AGM held on 18th September 2017, to hold office from the conclusion of the said meeting till the conclusion of the 31st AGM of the Company to be held in the calendar year 2022. The

requirement for the annual ratification of Auditors appointment at the AGM has been omitted pursuant to Companies (Amendment) Act, 2017 notified on 7th May 2018. The Auditors have given a confirmation to the effect that they are eligible to continue with their appointment and have not been disqualified in any manner from continuing as Statutory Auditor. In view of the above, ratification of the Members for continuance of their appointment at this AGM is not being sought.

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

Place : Satara **NIRAJ CHANDRA**  
Date : 10th August, 2019 **CHAIRMAN &**  
**MANAGING DIRECTOR**  
**DIN: - 00452637**

**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. Brief resume of Directors including those proposed to be re-appointed, as stipulated under Regulation 36(3) Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015, are provided in the Corporate Governance Report forming part of the Annual Report.



3. Register of Members and Share Transfer Books of the Company will be closed from Monday, 16th September 2019 to Monday, 23rd September 2019 (Both Days inclusive).
4. In case, members wish to ask for any information about accounts and operations of the Company, they are requested to send their queries in writing at least 7 days in advance of the date of the Meeting so that the information can be made available at the time of the meeting.
5. Shareholders can send all documents/transfers, share certificates and all communications directly to Registrar and Transfer Agent at the address given below:-  
M/s. Link Intime India Private Limited.,  
Unit: KAY POWER AND PAPER LTD  
C 101, 247 Park, 1stFloor, L.B.S. Marg,  
Vikhroli (W), Mumbai - 400083.  
Tel No: 022 49186000 (F) 49186060  
Email ID: dematremat@linkintime.co.in/  
rnt.helpdesk@linkintime.co.in.
6. The shares of the Company are compulsorily traded in demat. The shareholders who have not dematerialized their shares are requested to opt for dematerialization of their shareholding by opening DP account with nearest Depository Participant at the earliest, which will facilitate smooth purchase/ sale of shares of the Company.
7. The Ministry of Corporate Affairs ("MCA") has started "Green Initiative in Corporate Governance", which provides for paperless compliances by companies through electronic mode. In accordance with provisions of Companies Act 2013, and as per the regulation 36 (1) Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 companies can now send documents and other notices to shareholders through electronic mode to promote paperless compliances.  
Therefore, we request the Members who have not registered or updated their e-mail addresses so far to register/ update their e-mail address with their Depository Participants (DP). Members

holding shares in physical mode can then download E-Communication Registration Form from our company's website fill up the same and send to the Registrar and Share Transfer Agent (RTA) on given address or Email- dematremat@linkintime.co.in \ rnt.helpdesk@linkintime.co.in or kppl.secretarial@gmail.com.

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

8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN and Bank Account details to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details and Bank Account Details to the Company or RTA.
9. Members attending the Annual General Meeting are requested to bring the following for admission to the meeting hall (as applicable).
  - a) Attendance Slip duly completed and signed as per the specimen signature lodged with the Company.
  - b) Members holding shares in dematerialized form, their DP and Client ID number(s).
  - c) Members holding shares in physical form, their folio number(s).
  - d) Copy of the Annual Report (2018-19).
10. Members holding shares in physical form are requested to notify immediately any change in their address along with address proof, i.e. Electric/ Telephone Bill, Driving License or a copy of the Passport and bank



particulars to the Company or its Registrar & Share Transfer Agent and in case their shares are in dematerialized form, this information should be passed on directly to their respective Depository Participants and not to the Company/ RTA

11. In terms of Section 72 of the Companies Act, 2013, nomination facility is available to an Individual Member. Members holding shares in physical form may utilize the nomination facility available by sending prescribed Form SH. 13 duly filled to our Registrars and Share Transfer Agents Viz.M/s.Link Intime India Private Limited, Unit:- Kay Power and Paper Limited, C 101, 247 Park, 1stFloor, L.B.S. Marg, Vikhroli (W), Mumbai - 400083. Members holding shares in dematerialized form has to send their "nomination" request to the respective Depository Participants.
12. In all correspondence with the Company, members are requested to quote their account/ folio numbers and in case their shares are held in the dematerialized form, they must quote their DP ID. and Client ID. No(s).
13. In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, securities of listed companies can only be transferred in dematerialised form with effect from 1st April, 2019. In view of the above, members are advised to dematerialise shares held by them in physical form.

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

- a) In compliance with the provisions of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 and Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rule 2014 as amended by the Companies (Management and Administration) Amendment Rules 2015, the Company is offering e-voting facility to all its Members to enable them to exercise their right to vote on all matters listed in this Notice of 28th AGM by electronic means and the business may be transacted through e-voting services. The facility of

casting votes by the members using an electronic voting system from a place other than venue of the AGM ('remote e-voting') will be provided by Central Depository Services (India) Limited (CDSL).

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

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

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

The voting period begins on Friday, 20th September 2019 at 9.00 am. and ends on Sunday, 22nd September 2019 at 5.00 pm. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 16th September 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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

Click on Shareholders / Members

Now Enter your User ID

For CDSL: 16 digits beneficiary ID,

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

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

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

If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.





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

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.</li> </ul>
Dividend Bank Details  OR Date of Birth (DOB)	<ul style="list-style-type: none"> <li>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</li> <li>If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

After entering these details appropriately, click on “SUBMIT” tab.

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

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

Click on the EVSN for the relevant <Kay Power and Paper Limited> on which you choose to vote.

On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the

option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

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

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

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

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

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

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

Note for Non – Individual Shareholders and Custodians

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

A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

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

The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)



and on approval of the accounts they would be able to cast their vote.

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

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

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

Place : Satara **NIRAJ CHANDRA**  
Date : 10th August, 2019 **CHAIRMAN &**  
**MANAGING DIRECTOR**  
**DIN: - 00452637**

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### **STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 (“THE ACT”)**

#### **Item No. 3 & 4:**

Mr. Kaustubh Narayan Wadikar (DIN: 06772587) and Mr. Sandeep Ramesh Shahapurkar (DIN: 06919724), were appointed as Independent Directors on the Board of the Company pursuant to the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the erstwhile Clause 49 of the Listing Agreement with the stock exchanges. They hold office as Independent Directors of the Company up to the conclusion /date of the ensuing Annual General Meeting of the Company (“first term” in line with the explanation to Sections 149(10) and 149(11) of the Act).

The Board of Directors has recommended re-appointment of Mr. Kaustubh Narayan Wadikar (DIN: 06772587) and Mr. Sandeep Ramesh Shahapurkar (DIN: 06919724) as Independent Directors for a second term of 5 (five) consecutive years on the Board of the Company.

The Board considers that, given their

background and experience and contributions made by them during their tenure, the continued association of Mr. Kaustubh Narayan Wadikar and Mr. Sandeep Ramesh Shahapurkar would be beneficial to the Company and it is desirable to continue to avail their services as Independent Directors. Accordingly, it is proposed to re-appoint Mr. Kaustubh Narayan Wadikar and Mr. Sandeep Ramesh Shahapurkar as Independent Directors of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company.

Section 149 of the Act and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) inter alia prescribe that an Independent Director of a company shall meet the criteria of independence as provided in Section 149(6) of the Act.

Section 149(10) of the Act provides that an Independent Director shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment on passing a special resolution by the company and disclosure of such appointment in its Board’s report. Section 149(11) provides that an Independent Director may hold office for up to two consecutive terms.

Mr. Kaustubh Narayan Wadikar and Mr. Sandeep Ramesh Shahapurkar are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has also received declarations from Mr. Kaustubh Narayan Wadikar and Mr. Sandeep Ramesh Shahapurkar that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Listing Regulations.

In the opinion of the Board, Mr. Kaustubh Narayan Wadikar and Mr. Sandeep Ramesh Shahapurkar fulfil the conditions for appointment as Independent Directors as specified in the Act and the Listing Regulations. Mr. Kaustubh Narayan Wadikar and Mr. Sandeep Ramesh Shahapurkar are independent of the management.

Brief resume of Mr. Kaustubh Narayan

Wadikar, nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships /chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated regulation under 36 (3) of Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Copy of draft letters of appointment of Mr. Kaustubh Narayan Wadikar and Mr. Sandeep Ramesh Shahapurkar setting out the terms and conditions of appointment are available for inspection by the members at the registered office of the Company.

Mr. Kaustubh Narayan Wadikar and Mr. Sandeep Ramesh Shahapurkar are interested in the resolutions set out respectively at Item Nos. 3 & 4 of the Notice with regard to their respective re-appointments.

The relatives of Mr. Kaustubh Narayan Wadikar and Mr. Sandeep Ramesh Shahapurkar may be deemed to be interested in the respective resolutions to the extent of their shareholding interest, if any, in the Company Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in anyway, concerned or interested, financially or otherwise, in these resolutions.

This statement may also be regarded as an appropriate disclosure under the Listing Regulations.

The Board commends the Special Resolutions set out at Item Nos. 3 & 4 of the Notice for approval by the members.

**Item No. 5:**

The Board of Directors of the Company at its meeting held on 28th May, 2018, have appointed Mr. Arvind V Kulkarni as an Independent Director of the Company not liable to retire by rotation, to hold office for a period of five consecutive years till 27th May, 2023, subject to approval by the Members of the Company at the General Meeting.

The Company has received a declaration from Mr. Arvind V Kulkarni (DIN: 06378344),

confirming that he meets the criteria of independence as prescribed under the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”). Mr. Arvind V Kulkarni (DIN: 06378344), is also not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director of the Company.

In the opinion of the Board, Mr. Arvind V Kulkarni (DIN: 06378344), fulfills the conditions for his appointment as an Independent Director as specified in the Act and the Listing Regulations and he is independent of the management.

A copy of the draft letter of appointment for Independent Directors, setting out the terms and conditions for the appointment of Independent Directors is available for inspection by the Members at the registered office of the Company during business hours on any working day up to the date of this Annual General Meeting.

Mr. Arvind V Kulkarni (DIN: 06378344), is not related to any other Director and Key Managerial Personnel of the Company. The Board is of the opinion that it will be beneficial to the Company to avail of his services as an Independent Director of the Company and recommends the Special resolution as set out in Item No.5 of the Notice for approval of the shareholders.

Save and except Mr. Arvind V Kulkarni (DIN: 06378344), and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors, Key Managerial Personnel, and their relatives, are in any way, concerned or interested, in the said resolution. The resolution as set out in item No. 5 of this Notice is accordingly recommended for your approval by the Board.

This Explanatory Statement may also be regarded as a disclosure under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Item No. 6:**

The management proposing to make investments in, giving loans and guarantees to and providing securities in connection with loans to any other body corporate or person or



associate or group company(ies) in whom any of the Director of the Company is interested from time to time, in compliance with the applicable provisions of Section 185 and 186 of the Act.

In terms of the provisions of Section 185 of the Act [as amended by the Companies (Amendment) Act, 2017 and notified by Ministry of Corporate Affairs vide Notification Dated 7th May 2018], the proposed issue or giving of Corporate Guarantee or providing Security(ies), against the financial assistance availed and/or to be availed by any of its Subsidiary, Associate, Joint Venture or Group Companies, in whom any of the Director of the Company is interested, requires the approval of the Shareholders (Members) of the Company by way of a Special Resolution.

The provisions of Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, as amended to date, provides that no company is permitted to, directly or indirectly, (a) give any loan to any person or other body corporate; (b) give any guarantee or provide security in connection with a loan to any other body corporate or person; and (c) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, exceeding sixty percent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more.

Further, the said Section provides that where the giving of any loan or guarantee or providing any security or the acquisition as provided under Section 186(2) of the Act, exceeds the limits specified therein, prior approval of Members by means of a Special Resolution is required to be passed at a general meeting.

The provision of section 110 of the act and [as amended by the Companies (Amendment) Act, 2017 and notified by Ministry of Corporate Affairs vide Notification Dated 9th Feb 2018], provides that any item of business required to be transacted by means of postal ballot under clause (a) of section 110, may be transacted at a general meeting by a company which is required to provide the facility to members to vote by electronic means under section 108, in the manner provided in that section.

As aforesaid business is covered under the postal ballot clause (a) of section 110 and said business is taken into consideration in this general meeting, and company is listed on BSE and shareholders of the company are more than one thousand, it is mandatory to provide facility to the shareholders to vote by electronic means under section 108 of the act. Accordingly company is providing the facility to the members to vote by electronic means on businesses mentioned in this notice.

In view of the above and considering the long-term business plans of the Company, which requires the Company to make sizeable loans / investments and issue guarantees / securities to persons or bodies corporate including the Companies and Bodies Corporates in which Directors are interested, from time to time, prior approval of the Members is being sought for enhancing the said limits. Hence, the Special Resolution at Item No.6 of the Notice, notwithstanding the fact that the same exceeds the limits provided under Section 186 of the Act.

Further the passing of said resolution shall be construed as compliance with requirements of Section 185, Section 186 of the Companies Act 2013, Rules made thereunder and Regulation 23 and other applicable Regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Directors recommend the Special Resolution as set out at Item No. 6 of the accompanying Notice, for Members' approval. Except Mr. Niraj Chandra and Mrs. Deepa Agarwal, none of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Special Resolution.

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

Place : Satara **NIRAJ CHANDRA**  
Date : 10th August, 2019 **CHAIRMAN &  
MANAGING DIRECTOR**

**DIRECTORS' REPORT**

Dear Members,

Your Directors have pleasure in presenting Twenty Eighth Annual Report on the business and operations of your Company and Audited Financial Statement for the year ended 31st March 2019.

**FINANCIAL RESULTS :**

	(Rs. in lacs)	
	<u>2018-19</u>	<u>2017-18</u>
Revenue from operations (Net)	<b>3962.63</b>	4173.61
Other Income	<b>969.98</b>	1597.82
<b>Total Revenue</b>	<b>4932.61</b>	5771.43
Less: Expenses		
Cost of material consumed	<b>2638.34</b>	3052.63
Changes in Inventories of finished Goods & Work in Progress	<b>(7.48)</b>	9.88
Manufacturing Expenses	<b>687.85</b>	598.27
Employee Benefit Cost	<b>128.32</b>	119.20
Finance cost	<b>131.13</b>	12.25
Depreciation and amortization Expenses	<b>83.06</b>	85.87
Other Expenses	<b>311.18</b>	252.03
<b>Total Expenses</b>	<b>3972.40</b>	4130.13
<b>Exceptional Items</b>	<b>952.03</b>	1574.80
<b>Net Profit Before Tax</b>	<b>8.19</b>	66.50
<b>Less: Income tax provision</b>	<b>1.52</b>	0
<b>Net Profit After Tax</b>	<b>6.67</b>	66.50

**OPERATIONS :**

During the year under review, the paper division produced 16673.61 M.T. of Kraft Paper as

against 16077.95 M.T. in the previous year. However the turnover declined due to fall in the selling price in Kraft paper.

During the previous year the company had closed its power division and Major part of machinery was disposed-off by way of sale in previous year. Remaining Plant and Machinery in Power division was disposed-off during the current year. Part of old plant machinery in paper division which was not in use was also disposed off during the year.

**RESERVE AND SURPLUS**

An amount of Rs. 6.67 /- Lacs is proposed to be retained in the surplus.

**STATEMENT ON RISK MANAGEMENT POLICY:**

The management of the Company has duly adopted the Risk Management Policy as per the requirement of the Companies Act, 2013. Further, they had taken adequate care in its implementation by identifying various element of risk which may cause serious threat to the existence of the Company.

**PROSPECTS:**

The company has a well-established network of dealers all over western and southern India for sale of its paper products. The Company could sell its entire output without any difficulty. The Company produces a wide range of Kraft paper from 80 gsm to 180 gsm, to meet the requirements of all the market segments.

Market for Kraft paper has revived and is growing especially in the industrial packaging sector where Kraft paper is utilized. Plastic / wood packaging have been discouraged and hence the demand for packaging of Kraft paper has increasing day by day.

**DIVIDEND:**

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

**MATERIAL CHANGES AND COMMITMENT**

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

**FIXED DEPOSIT:**

As on 31st March 2019, Company has no fixed deposits.

**CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

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

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

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

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

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

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

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

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

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

**SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

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

**DIRECTORS:**

Mrs. Deepa Agarwal, director of the company retires by rotation in ensuing general meeting and being eligible offers herself for re-appointment at the ensuing Annual General Meeting of the company.

Mr. Kaustubh Wadikar and Mr. Sandeep Shahapurkar completing their tenure as Independent Directors of the Company in ensuing Annual General Meeting, Board of Directors of the Company is recommending their re-appointment. According to Section 149(10) of the Companies Act, Company can reappoint Independent Director by passing Special Resolution. Mr. Kaustubh Wadikar

and Mr. Sandeep Shahapurkar have offered themselves to be reappointed and given their consent for reappointment as Independent Director, Declaration pursuant to Section 149 and disclosure of their interest pursuant to Section 184 of the Companies Act 2013. The necessary resolutions and explanatory statements are being put in the Notice of the ensuing Annual General Meeting for the consideration of the Members.

The Board of Directors of the Company at its meeting held on 28th May, 2018, have appointed Mr. Arvind V Kulkarni as an Independent Director of the Company not liable to retire by rotation, to hold office for a period of five consecutive years till 27th May, 2023, subject to approval by the Members of the Company at the General Meeting. The necessary resolutions and explanatory statements are being put in the Notice of the ensuing Annual General Meeting for the consideration of the Members.

**BOARD EVALUATION:**

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

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

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

Mr. Kaustubh Wadikar and Mr. Sandeep Shahapurkar are due for re-appointment as Independent Director.

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

The Company had 4 (Four) Board meetings during the financial year under review. The Details thereof are given in the corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

**DIRECTORS RESPONSIBILITY STATEMENT:**

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

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) We have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of 31st March 2019 and of the profit and loss of the company for that period;
- (c) We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) We have prepared the annual accounts on a going concern basis; and
- (e) We have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) We have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**AUDITORS:**

M/s. A. C. Doshi & Co, (M. No.103730), Chartered Accountants, Satara, were appointed



as Statutory Auditors of the Company for a period of five consecutive years at the 26th AGM held on 18th September 2017, to hold office from the conclusion of the said meeting till the conclusion of the 31st AGM of the Company to be held in the calendar year 2022. The requirement for the annual ratification of Auditors appointment at the AGM has been omitted pursuant to Companies (Amendment) Act, 2017 notified on 7th May 2018. The Auditors have given a confirmation to the effect that they are eligible to continue with their appointment and have not been disqualified in any manner from continuing as Statutory Auditor. In view of the above, ratification of the Members for continuance of their appointment at this AGM is not being sought.

### **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. Auditor did not report any frauds under sub-section (12) of section 143 other than those which are reportable to the Central Government.

### **SECRETARIAL AUDITOR**

M/s. Neha Doshi & Co., Practicing Company Secretaries, was appointed to conduct the secretarial audit of the Company for the financial year 2018-19, as required under Section 204 of the Companies Act, 2013 and Rules there under. The secretarial audit report for FY 2018-19 forms part of the Annual Report as *Annexure I* to the *Board's report*.

### **SECRETARIAL AUDITOR'S REPORT**

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

### **CORPORATE GOVERNANCE:**

Pursuant to regulation 34(4) of SEBI Listing Obligations and Disclosure Requirements

(LODR) Regulation 2015, report on Corporate Governance along with Auditor's certificate on its compliance is attached as *Annexure II* to this report.

### **EXTRACT OF ANNUAL RETURN**

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in *Annexure III* and is attached to this Report. Also the extract of Annual Return will be placed on the website of the Company as a part of Annual Report. Company's web address is [www.kaypowerandpaper.com/reports.asp](http://www.kaypowerandpaper.com/reports.asp).

### **INTERNAL FINANCIAL CONTROL**

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

### **SIGNIFICANT AND MATERIAL ORDERS**

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

### **COST AUDITORS:**

As per the companies (Cost Records and Audit) Amendment Rules 2014, the company is exempted for cost audit from the financial year 2015-16. Hence company has not appointed cost auditor for the financial year 2019-20.

### **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.



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

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

**PARTICULARS OF EMPLOYEES**

The table containing the names and other particulars of employees in accordance with the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended as *Annexure V* to the *Board's report*.

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

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

**LISTING OF EQUITY SHARES:**

The Equity Shares of your Company are listed on BSE Ltd., where the same are traded regularly and confirm that company has paid the listing fees for the financial year 2018-19.

**VIGIL MECHANISM**

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

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

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

Chairman of Audit Committee- chairmanauditcommittee@gmail.com

Vigilance officer - arvindpatil.kppl@gmail.com

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

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

**COMMITTEES OF THE BOARD**

Currently, the Board has four committees: the Audit Committee, Nomination and Remuneration Committee, Stakeholder's Relationship Committee, and Risk Management Committee. The role and responsibilities and composition of the aforesaid committees are mentioned in the *corporate governance report* section in this Annual Report.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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

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

The Company has in place an Anti-Sexual



Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary and trainees) are covered under this policy. No complaints pertaining to sexual harassment were received during F.Y. 2018-19.

### **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  
For **KAY POWER AND PAPER LTD.**

Place : Satara

**NIRAJ CHANDRA**

Date : 10th August, 2019

**CHAIRMAN &  
MANAGING DIRECTOR**

**DIN: - 00452637**

**ANNEXURE I****Form No. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31.03.2019**

Company No.: L21099MH1991PLC061709

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

To,  
**The Members**  
**KAY POWER AND PAPER LIMITED**  
**Gat No. 454/457, At Post Borgaon,**  
**Satara-415519**

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

Based on my verification of the Kay Power and Paper Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

**I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. Kay Power and Paper Limited ("the Company") for the financial year ended on 31st March 2019 according to the provisions of:**

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the regulations and Bye-laws framed there under;
4. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - I. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
  - II. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; -



- III. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not Applicable to the Company during the Audit Period) -**
- IV. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- V. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable to the Company during the Audit Period);**
- VI. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not Applicable to the Company during the Audit Period)**
- VII. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not Applicable to the Company during the Audit Period)**
- VIII. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) guidelines, 1999 and securities exchange board of India (share based employee benefits) Regulations, 2014 notified on 28th October, 2014 **(Not Applicable to the Company during the Audit Period);**
- IX. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

- 5. Other Laws Specifically Applicable to Company

Indian Boiler Act 1923

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

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

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

- A. As informed by the company, the company is in process to settle deferred tax liabilities with the Maharashtra sales tax dept' and in touch with the Commissioner of Custom and Director General of Foreign Trade (DGFT), Pune to fix the liability for unfulfilled export obligation under EPCG
- B. The quarterly results are accompanied by the Limited Review Report as per Regulation 33 (1) (d) & 33 (3) (c) (LODR) Regulation 2015. As informed by the Company, its Statutory Auditor has not subjected himself to the peer review process, of the ICAI – Institute of Chartered Accountants of India, and he does not hold a valid certificate issued by the Peer Review Board of the ICAI.

C. The company has not published public notices and un-audited/audited quarterly result in English daily newspaper as required to be published under Regulation 47 of (Listing Obligations and Disclosure Requirements) Regulations, (LODR) 2015. As informed by the Company, due to carry forward losses and inadequate profit during the year, company could not spend money on publication of financial result in English newspaper. The aforesaid results are made available on the company website and also on the website of the Bombay stock exchange Ltd for downloading.

D. The Company has two divisions, paper and power. Paper Division was operational throughout the year. The shareholders of the company passed special resolution by way of postal ballot in the year 17-18, to sale the power division of the company and major machineries of power division were sold out during the previous year and remaining machineries were during the year under report. So the power division shall not function any more.

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

E. Company have paid penalty of Rs. 10,00,000/- (Rupees ten Lack) against

SEBI order dated 17th January 2019 order No. EDA-5/MC/VS/2018-19/50 in the matter of dealing with illiquid options on the BSC. Further the company has filed appeal against the said order in the SEBI appellate tribunal.

F. Company had received notice regarding Corporate Governance Report as per regulation 27(2) of SEBI (LODR) Regulation 2015 for quarter ended September 2018, which was duly replied and necessary compliance was done.

G. Company has delayed in the matter of prior intimation of board meeting under regulation of 29(2)/(3), which was justified on medication grounds and accordingly necessary intimation was given.

#### **I further report that**

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

2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for



meaningful participation at the meeting.

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

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

I further report that during the audit period, the company has no specific events/ actions having a major bearing on the company's affairs in pursuance of the

above referred laws, rules, regulations, guidelines, standards, etc.

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

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

Place: Satara

Date: 29th July, 2019

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



**Annexure A'**

To,  
The Members  
Kay Power and Paper Limited  
Satara

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

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

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

Place: Satara  
Date: 29th July, 2019

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

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

The spirit of Corporate Governance has been prevailing in the Company for years together. The Company believes in the values of transparency, accountability and integrity. The Company recognizes the accountability of the Board and importance of its decision on every individual who meets the Company.

**2. Composition of Board**

The Board of Directors has a mix of Executive and Non-Executive Directors. The Board comprises of one Promoter-Executive Chairman and Managing Director, One Non-Executive Directors and Three Non- Executive Independent Directors on the Board of the company.

Table 1 - The composition of the Board and other directorships and committee positions held on 31st March, 2019.

Sr. No.	Name of the Director	Category	No. of other Directorships <sup>1</sup>	Committee positions <sup>2</sup>		No. of Shares Held in the Company as at 31.03.2019
				As Chairman	As Member	
1	Mr. Niraj Chandra	Executive	1	Nil	2	16, 52,100
2	Mrs. Deepa Agarwal	Non Executive	Nil	1	1	7,41,100
3	Mr. A.V. Kulkarni	Non-Executive Independent	1	Nil	2	200
4	Mr. Kaustubh Wadikar	Non -Executive Independent	Nil	1	1	Nil
5	Mr. Sandeep Shahapurkar	Non -Executive Independent	Nil	Nil	1	Nil

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



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

During the year 01.04.2018 to 31.03.2019, Four Board Meetings were held on 28.05.2018, 14.08.2018, 14.11.2018 and 09.02.2019.

The last Annual General Meeting was held on 24th September, 2018.

No Director is holding Directorship in any other listed entity.

A chart or a matrix setting out the skills/expertise/competence of the board of directors:

Strategy and Strategic Planning	Governance
Policy Development	Infrastructure Planning and Development
Technical Know-how and innovation	Quality Management
Industry Experience – Manufacturing, design, and operations	Corporate Communications
Marketing	Community and stakeholder engagement
Financial performance	Legal
Risk and Compliance oversight	Geographic, Gender and cultural diversity

It is confirmed that in the opinion of the board, the Independent Directors fulfill the conditions specified in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

No Independent Director resigned before expiry of their term.

Name of the Director	No. of Board Meetings attended	Attendance at last AGM
Mr. Niraj Chandra	4	Present
Mrs. Deepa Agarwal	4	Present
Mr. A. V. Kulkarni	4	Present
Mr. Kaustubh Wadikar	4	Present
Mr. Sandeep Shahapurkar	4	Present

### 3. Audit Committee

The Audit Committee comprises Three Independent Directors and Company Secretary as the Secretary of the Committee. The Committee met 4 times during the financial year ended 31st March 2019.

#### Terms of Reference

The role of the Audit Committee includes review of the Company's financial reporting process and its financial statements, review of the accounting and financial policies and practices, the internal control and internal audit systems, risk management policies and practices and Internal Audit Reports, reviewing with the management, the quarterly, half yearly and yearly financial



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

The audit committee Meeting were held on 28.05.2018, 14.08.2018, 14.11.2018 and 09.02.2019. The attendance of the members at the meeting was as follows:

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

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

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

##### **Terms of Reference**

- To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- To formulate criteria for evaluation of Independent Directors and the Board.
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To carry out evaluation of Director's performance.
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- To devise a policy on Board diversity, composition, size.
- Succession planning for replacing Key Executives and overseeing.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

##### **Remuneration policy-**

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

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

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

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

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

**b) Independent Director:**

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of an 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 Directors, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

**EVALUATION:**

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



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

### **REMOVAL:**

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

### **RETIREMENT:**

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

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

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

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

**(Note - Currently company 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 time to time.

**Mechanism for evaluating Board members:**

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

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

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

**The members of Nomination and remuneration committee as follows:**

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

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

**Details of the Remuneration for the year ended 31st March, 2019**

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

<b>Name of the Director</b>	<b>Sitting fees</b>	<b>Salary</b>	<b>Commission</b>	<b>Total</b>
Mr. Niraj Chandra	-	#	-	-
Mrs. Deepa Agarwal	-	-	-	-
Mr. A.V. Kulkarni	-	2,25,000	-	-
Mr. Kaustubh Wadikar	8,000	-	-	8,000
Mr. Sandeep Shahapurkar	8,000	-	-	8,000

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

**5. Stakeholder's relationship committee**

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

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

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

**6. Risk Management Committee**

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

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

The Company has developed and implemented a risk management frame work 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 (Three) Annual General Meetings (AGM) were held are given

AGM for the Financial Year	Date	Time	Venue	Special Resolution Passed
2015-16	19.09.2016	3.00 p.m.	Gat No.454/457, A/P. Borgaon, T/D. Satara - 415519.	<ol style="list-style-type: none"> <li>1. To approve re-appointment of Mr. Niraj Chandra, Chairman and Managing Director of the Company.</li> <li>2. To approve material related party transaction under section 188 of the Companies Act 2013.</li> <li>3. Maintaining and keeping the Company's registers required to be maintained under Section 88 of the Companies Act, 2013 and copies of annual returns filed under Section 92 of the Companies Act, 2013 or any one or more of them, at a place other than companies registered office.</li> </ol>
2016-17	18.09.2017	3.00 p.m.	Gat No.454/457, A/P. Borgaon, T/D. Satara - 415519.	<ol style="list-style-type: none"> <li>1. To borrow money, where the money to be borrowed, together with the money already borrowed by the company will exceed aggregate of its paid-up share capital and free reserves, apart from temporary loans obtained from the company's bankers.</li> </ol>
2017-18	24.09.2018	3.00 p.m.	Gat No.454/457, A/P. Borgaon, T/D. Satara - 415519.	No Special Resolution was passed.

**B) POSTALBALLOT:-**

During the year under review, the Company did not pass any resolution under postal ballot pursuant to the provisions of Section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014.

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

a) Information in respect of the Director seeking re-appointment at the Annual General Meeting to be held on Monday 23rd September 2019.



Mrs. Deepa Agarwal, wife of Mr. Niraj Chandra C & MD, is B.A. (hons.) and belongs to a reputed business family. She is actively involved in operations of the Private Limited Companies and holds directorships in M/s. Kay Nitroxygen Private Limited, M/s. Chandra trading and Investment Private Limited, M/s Kay Inns And Investment Private Limited, M/s Kay Chandra Iron Engineering Works Private Limited, M/s Nisaba Education Technologies Private Limited and M/s. Kay Industrial Gases Private Limited. She holds 741100 shares of the company.

Mr. Arvind Vinayak Kulkarni is B.Com and having rich experience in the field of Banking and Finance and working with the Company for more than 24 years. He holds 200 shares of the Company and holds Directorship in one other Company Kay Bouvet Engineering Limited. Also there is no other relationship with directors of the company.

Mr. Kaustubh Wadikar B.Com, DTL and having experience in tax and finance area for more than 10 years. He does not hold any shares of the Company nor does he hold directorship of any other company. Also there is no other relationship with directors of the company.

Mr. Sandeep Shahapurkar B.Com., M. Com. and having experience in tax and finance area for more than 11 years. He does not hold any shares of the Company. He holds directorship in Aims Lifecare Private Limited and Natural Warehousing Private Limited. Also there is no other relationship with directors of the company.

- b) The transactions with related parties were under taken in the normal course of business and were placed periodically before the audit committee and were at terms and conditions, which were not prejudicial to the interest of the Company and in the case of material related party contracts shareholders' approval were taken as per the related party transaction policy of the company as and when required. The company has formulated the policy for dealing with related party transaction and same is disclosed on company website in following link -<http://www.kaypowerandpaper.com/download/Relatedpartytransactionpolicy-KPPL.pdf>
- c) The Company has complied with all the requirements as required under the listing regulations as well as regulations and guidelines of SEBI, no penalties or strictures have been imposed by SEBI, Stock Exchange or any Statutory Authority on matters relating to capital markets during the last three years. In 1998 delisted equity shares from Ahmedabad and Delhi Stock Exchanges and in 2004 from Pune Stock Exchange Ltd.
- d) The company has established the Whistle Blower Policy for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct and confirm that there are no personnel has been denied access to the audit committee. The details of establishment of such mechanism has disclosed on company website on following link - <http://www.kaypowerandpaper.com/download/Annoncement-KPPL.pdf>
- e) The company has provided suitable training to Independent Directors to familiarize them with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, familiarization programme for Independent Directors has been disclosed on company website on following link <http://www.kaypowerandpaper.com/download/Familiarisation%20programme%20KPPL.pdf>



- f) The company has disclosed the term and conditions of appointment of Independent Directors on company website on following link - <http://www.kaypowerandpaper.com/download/TermConditionsforAppointmentIndependentDirectors.pdf>.
- g) The Company has framed and put in place the Code of Conduct, duly approved by the Board of Directors. The said Code is applicable to all directors and senior management of the company and annual affirmations are obtained. All the directors and senior management have affirmed their adherence to the provisions of the said code. The code of conduct is posted on company website –[www.kaypowerandpaper.com](http://www.kaypowerandpaper.com)
- h) The company has trying to implement maximum discretionary requirements as specified in part E of schedule II in the listing regulation.
- i) Management Discussion and Analysis forms part of the annual report to the shareholders and it includes discussion on matters as required by Regulation 34(3) of the Listing Regulations.
- j) There were no material financial & commercial transactions by senior Management as defined in regulation 26 of the Listing regulations where they have any personal interest that have a potential conflict with the interest of the company at large requiring disclosure by them to the Board of Directors of the company.
- k) The company has disclosed about the compliance of regulations in respect of Corporate Governance under the Listing Regulations on its website viz [www.kaypowerandpaper.com](http://www.kaypowerandpaper.com).
- l) Company has paid penalty of Rs 10 Lakh against order issued by Adjudicating Officer of Securities and Exchange Board of India No. EAD-5/MC/VS/2018-19/50 dated 17th January 2019 in the matter of Dealing in illiquid options on the BSE. Further the Company has filed appeal against the said order in Securities Appellate Tribunal.

**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 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 30.6.2019 Financial reporting for the quarter ending 30.9.2019 Financial reporting for the quarter ending 31.12.2019 Financial reporting for the quarter ending and year ending 31.3.2020 Annual General Meeting Venue	Before 14 <sup>th</sup> August, 2019 Before 14 <sup>th</sup> November, 2019 Before 14 <sup>th</sup> February, 2020 Before 30 <sup>th</sup> May, 2020 23rd September, 2019 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	M/s. Link Intime India Private Limited C 101, 247, Park 1st Floor L.B.S. Marg, Vikhroli (W), Mumbai - 40008. Tel No: 022-49186000, 022- 49186060 E-mail: dematremat@linkintime.co.in	
Stock Code Stock Exchange	530255 Bombay Stock Exchange Ltd.	
Book closure date	From 16 <sup>th</sup> September, 2019 to 23 <sup>rd</sup> September, 2019	
ISIN for the Company's Equity Shares in Demat Form Depository Connectivity	INE961B01013 N.S.D.L. and C.D.S.L.	
Suspension from trading	No security of the company has been suspended from trading on BSE.	
Complaints received during the year	Received	Cleared
A. Complaints received from Shareholders	<b>2</b>	<b>2</b>
B. Complaints received from Stock Exchange/SEBI	-	-

Share transfer system:

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

Share transfer in physical form are registered and returned within 30 days from the date of receipt of documents in order in all respects.

Distribution of shareholding as on 31st March, 2019.

No. of shares	No of Shareholders	% of Shareholders	Total face value Rs.	% of total Value
Up to 500	4466	85.28	6644530	6.24
501-1000	317	6.05	2821780	2.65
1001-2000	138	2.64	2239880	2.11
2001-3000	83	1.58	2142530	2.01
3001-4000	35	0.67	1260420	1.18
4001-5000	35	0.67	1673520	1.57
5001-10000	72	1.37	5398250	5.07
10001 and above	91	1.74	84219090	79.15
<b>TOTAL</b>	<b>5237</b>	<b>100</b>	<b>1,06,40,000</b>	<b>100</b>

Categories of shareholders as on 31st March, 2019

Category	No. of shares held	Voting Strength (%)
Promoters, Relatives and Associate Companies	47,69,746	44.83
Public	47,79,312	44.92
NRI/FII's/OCB's	3,62,539	3.41
Domestic Companies (Including financial institution)	7,28,403	6.84

### MARKET PRICE DATA

The monthly high and low quotations of Shares traded on Bombay Stock Exchange Ltd., during April, 2018 to March, 2019.

Month and year	High Price	Low Price
April 2018	5.55	4.81
May 2018	5.49	4.41
June 2018	4.93	4.75
July 2018	4.66	4.48
August 2018	4.56	3.54
September 2018	3.59	3.42
October 2018	3.60	2.81
November 2018	3.80	2.68
December 2018	3.90	3.42
January 2019	4.10	3.79
February 2019	3.61	3.40
March 2019	3.40	2.93



Investor service cell	Mr. Sagar Mohite Company Secretary & Compliance Officer Liaison 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 : 10th August,, 2019  
Place : Satara

**Niraj Chandra**  
**Chairman and**  
**Managing Director**  
**DIN: 00452637**

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

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

I confirm that the Company has in respect of the year ended March 31, 2019, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

Date: 10th August,, 2019  
Place: Satara

**Niraj Chandra**  
**Chairman &**  
**Managing Director**  
**DIN: - 00452637**

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

1. We have examined the compliance of conditions of Corporate Governance by KAY POWER AND PAPER LIMITED ("the Company"), for the year ended on March 31, 2019, as stipulated in:

- a. Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) and
- b. Regulations 17 to 27 (excluding regulation 23 (4)) and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations.

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

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

In our opinion and to the best of our information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the as stipulated in the above SEBI Listing Regulations, 2015. 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 Neha Doshi & Co.**  
Company Secretaries

Date : 10th August, 2019  
Place : Satara

**Neha A. Doshi**  
Proprietor  
FCS. No.5373  
CP No. 4631



**Annexure- III**  
**Form NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on financial year ended on 31.03.2019**

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

**I. REGISTRATION & OTHER DETAILS:**

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

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

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

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

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

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

	Category of Shareholders	No. of Shares held at the beginning of the year [As on 31 March-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% 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	159946	-	159946	1.50	+0.16
e)	Banks / FI	-	-	-	-	-	-	-	-	-
f)	Any other	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (A) (1)</b>	<b>4752647</b>		<b>4752647</b>	<b>44.67</b>	<b>4769746</b>		<b>4769746</b>	<b>44.83</b>	<b>+0.16</b>
[2]	Foreign	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (A) (2)</b>									
	<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>4752647</b>		<b>4752647</b>	<b>44.67</b>	<b>4769746</b>		<b>4769746</b>	<b>44.83</b>	<b>+0.16</b>
<b>B.</b>	<b>Public Shareholding</b>									
1.	Institutions	-	-	-	-	-	-	-	-	-
	Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2.	Non-Institutions									
a)	Bodies Corp.									
i)	Indian	757986	32600	790586	7.43	699903	32500	732403	6.88	-0.55
ii)	Overseas	-	3500	3500	0.033	-	3500	3500	0.033	-
b)	Individuals									
i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh	1320825	531300	1852125	17.41	1345461	523200	1868661	17.56	+0.15
ii)	Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2573378	-	2573378	24.19	2593912	-	2593912	24.38	+0.19
c)	Others (specify) HUF	292094	-	292094	2.75	302874	-	302874	2.85	+0.10
	Non Resident Indians (non REP)	235709	110000	345709	3.25	236109	109000	345109	3.24	-0.01
	Non Resident Indians (REP)	15024	-	15024	0.14	13930	-	13930	0.13	-0.01
	Clearing Member	14937	-	14937	0.14	9865	-	9865	0.09	-0.05
	<b>Sub-total (B)(2):-</b>	<b>5209953</b>	<b>677400</b>	<b>5887353</b>	<b>55.33</b>	<b>5202054</b>	<b>668200</b>	<b>5870254</b>	<b>55.17</b>	<b>-0.16</b>
	<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>5209953</b>	<b>677400</b>	<b>5887353</b>	<b>55.33</b>	<b>5202054</b>	<b>668200</b>	<b>5870254</b>	<b>55.17</b>	<b>-0.16</b>
<b>C.</b>	<b>Shares held by Custodian for GDRs &amp; ADRs</b>									
	<b>Grand Total (A+B+C)</b>	<b>9962600</b>	<b>677400</b>	<b>10640000</b>	<b>100</b>	<b>9971800</b>	<b>668200</b>	<b>10640000</b>	<b>100</b>	<b>-</b>



**B) Shareholding of Promoter-**

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares 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	11.07	-	0	0	-	-11.07
4	SUSHIL CHANDRA	675100	6.34	-	1852200	17.41	-	+11.07
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	-	17,646	0.17	-	+0.16

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

S N	Name	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	SUSHIL CHANDRA				
	At the beginning of the year	675100	6.34	675100	6.34
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	1177100 Shares held by Usha Gupta Transmitted to Mr. Sushil Chandra on 08.02.2019		1852200	17.41
	At the End of the year	1852200	17.41	1852200	17.41





S N	Name	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
2	CHANDRA TRADING & INVESTMENT PVT. LTD				
	At the beginning of the year	547	0.01	547	0.01
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Shares purchased by Chandra Trading and Investments Pvt Ltd on following dates  07 Dec 2018 - 2149 14 Dec 2018 - 8000 21 Dec 2018 - 1950 31 Dec 2018 – 100 11 Jan 2019 - 1000 18 Jan 2019 - 800 25 Jan 2019 - 2500 01 Feb 2019 – 600		2696 10696 12646 12746 13746 14546 17046 17646	0.03 0.10 0.12 0.12 0.13 0.14 0.16 0.17
	At the End of the year	17646	0.17	17646	0.17
3	USHA GUPTA				
	At the beginning of the year	1177100	11.07	1177100	11.07
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	1177100 Shares held by Usha Gupta Transmitted to Mr. Sushil Chandra on 08.02.2019			
	At the End of the year	-	-	-	-

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

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

S N	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Truckling Vinmay Trading Private Limited				
	At the beginning of the year	288519	2.7116	288519	2.7116
	Transactions ( Purchase/sale) from the 1st April, 2018 to 31st March, 2019	-	-	-	-
	At the end of the year	288519	2.7116	288519	2.7116
2	Richi Khemka				
	At the beginning of the year	280367	2.6350	280367	2.6350
	Transactions ( Purchase/sale) from the 1st April, 2018 to 31st March, 2019	-	-	-	-
	At the end of the year	280367	2.6350	280367	2.6350
3	Padmanabha Dhas Murugesan				
	At the beginning of the year	228210	2.1448	228210	2.1448
	Transactions ( Purchase/sale) from the 1st April, 2018 to 31st March, 2019	-	-	-	-
	At the end of the year	228210	2.1448	228210	2.1448
4.	Richi Khemka (On behalf of Shree Mahadev Traders a partnership firm)				
	At the beginning of the year	167302	1.5724	167302	1.5724
	Transactions ( Purchase/sale) from the 1st April, 2018 to 31st March, 2019	-	-	-	-
	At the end of the year	167302	1.5724	167302	1.5724
5.	Pooja Goal				
	At the beginning of the year	146144	1.3735	146144	1.3735
	Transactions ( Purchase/sale) from the 1st April, 2018 to 31st March, 2019	-	-	-	-
	At the end of the year	146144	1.3735	146144	1.3735



S N	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
6.	Rochak Vinimay Pvt Ltd				
	At the beginning of the year	104668	0.9837	104668	0.9837
	Transactions (Purchase/sale) from the 1st April, 2018 to 31st March, 2019	-	-	-	-
	At the end of the year	104668	0.9837	104668	0.9837
7.	Uma S.				
	At the beginning of the year	102068	0.9593	102068	0.9593
	Transactions (Purchase/sale) from the 1st April 2018 to 31st March 2019			-	-
	At the end of the year	102068	0.9593	102068	0.9593
8.	Vijay Kumar Goyal				
	At the beginning of the year	102000	0.9586	102000	0.9586
	Transactions (Purchase/sale) from the 1st April 2018 to 31st March 2019	-	-	-	-
	At the end of the year	102000	0.9586	102000	0.9586
9.	D R Sharma (Dhani Ram)				
	At the beginning of the year	88439	0.8312	101699	0.9558
	Transactions (Purchase/sale) from the 1st April 2018 to 31st March 2019	-	-	+13260	+0.1246
	At the end of the year	101699	0.9558	101699	0.9558
10.	Sudhir Sharma				
	At the beginning of the year	100000	0.9398	100000	0.9398
	Transactions (Purchase/sale) from the 1st April 2018 to 31st March 2019	-	-	-100	-0.0009
	At the end of the year	99900	0.9389	99900	0.9389

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

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

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	0.00	7,66,87,009/-	-	7,66,87,009/-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-
<b>Change in Indebtedness during the financial year</b>				
* Addition	-	-	-	-
* Reduction	0.00	2,61,07,009/-	-	2,61,07,009/-
Net Change	0.00	(2,61,07,009/-)	-	(2,61,07,009/-)
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	0.00	5,05,80,000/-	-	5,05,80,000/-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	0.00	5,05,80,000/-	-	*5,05,80,000/-

\*Excluding deferred sales tax liability

**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	4000	4000	-	8000
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	<b>Total (1)</b>			-	-
2	Other Non-Executive Directors	-	-	-	-
	Fee for attending board committee meetings	4000	4000	-	8,000
	Commission	-	-	-	-
	Others, please specify	-	-	2,25,000	2,25,000
	<b>Total (2)</b>	-	-	2,25,000	2,25,000
	<b>Total (B)=(1+2)</b>	8,000	8,000	2,25,000	2,41,000
	<b>Total Managerial Remuneration</b>	<b>8,000</b>	<b>8,000</b>	<b>2,25,000</b>	<b>2,41,000</b>
	Overall Ceiling as per the Act	Note No.1	Note No.1	Note No.2	



Note:

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

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

SN	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total
1	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7,02,471	2,88,747	9,91,218
(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>	<b>7,02,471</b>	<b>2,88,747</b>	<b>9,91,218</b>

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

There were no penalties / punishment / compounding of offences for the year ending March 31, 2019.



**ANNEXURE IV** : Particulars required to be disclosed under Sub-section (3)(m) of Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, and forming part of the Directors' report for the year ended 31st March 2019.

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

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

**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>2018-2019</b>	<b>2017-2018</b>
Earnings	-	-
Outgo	<b>78,05,726.37</b>	1, 27, 83,287

**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 2019	Remuneration in fiscal 2018	% increase of Remuneration in 2019 as compared to 2018	Ratio of remuneration to MRE
Mr. Sagar Mohite	Company Secretary	<b>7,02,471</b>	6,68,984	5.00%	7.43
Mr. Ganesh H, Rotithor	Chief Financial Officer	<b>2,88,747</b>	2,63,790	9.46%	3.06

**Note:-**

1. The Median Remuneration of Employees (MRE) was “94,496” and “94,528” in fiscal 2019 and 2018 respectively. The Decrease in MRE over the fiscal 2019 was 0.03%
2. The number of permanent employees on the rolls of the Company as of March 31, 2019 and March 31, 2018 was 59 and 59 respectively.



List of top ten employees in terms of remuneration drawn in the Year 2018-19 as per Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016.

<b>Sr. No.</b>	<b>Name of the Employee</b>	<b>Salary in fiscal 2019</b>
1	Mr. Sagar S. Mohite	7,02,471
2	Mr. Ashok. V. More	5,08,053
3	Mr. Dayasing S. Shukla	4,12,915
4	Mr. Vasant M. Singh	3,28,540
5	Mr. Rajesh Kumar Singh	2,88,913
6	Mr. Ganesh H. Rotithor	2,88,747
7	Mr. Arvind S. Patil	2,80,835
8	Mr. S. P. Jagtap	2,67,770
9.	Mr. A. V. Kulkarni	2,25,000
10	Mr. H. D. Shinde	2,12,719

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



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

The ban on waste paper import by China is seen to have a positive impact on India. The trade war between China and the USA is at its peak. Consumerism and mobility among Indians is riding high pushing retailing and e-tailing. These situations are boosting business opportunities in India.

The company is very positive about these market conditions. It is an opportune time to be in the Indian paper industry. The Indian paper industry has shied away from making technological advancements for the past two decades. But now things are changing.”

“The demand for quality has risen. Today, the market is transforming from being cost-conscious to being quality-driven. The quality of kraft paper of the company is among the best in the region.

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

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

The Indian paper industry is riding on a strong and expanding mood to meet the projected demand of 13 million tons by 2020.

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

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

The paper industry can be classified into 4 categories namely, paperboard and industrial packaging paper, writing and printing papers, newsprint, and specialty papers. Kay Power and Paper Ltd is a paper mill which is strategically located at Satara and is manufacturing Kraft paper using Indian and imported waste paper. Kraft paper has the largest consumption (52.5%) in the paperboard and industrial packaging market in India.

India's share in world production of paper is about 3.7%, with estimated production of over 15-million TPA. The paper industry has the market size of more than 17-million tonnes of paper and growing at around 7% per annum.

The reasons for growth of paper industry in country are continuous demand for education and literacy, increasing organised retail, growth in eCommerce, FMCG, pharma/ healthcare sector, demand of quality packaging, ban on plastic (especially polythene bags) and increment in demand of eco-friendly paper bags, continuously increasing demand of ready-to-eat food and printed stationary.

Under the baseline scenario, by 2024-25, domestic consumption is projected to rise to 23.5-million TPA and production to 22.0-million TPA. About one million TPA of integrated pulp, paper and paperboard capacity is required to be created in India on an annual basis over the current capacity to meet the growing demand.

Such investments would create a multiplier effect on the economy through gross capital formation of Rs 8,500-crore every year, direct employment to 15,000 people every year and further giving additional livelihoods of 72-million men days per year (for people involved in Agro/ farm forestry).

If the investments are not made, the growing demand will be met through imports, which will result in a substantial foreign exchange outflow. The compounding effects of this over a 10-year period are truly staggering.

While the industry has already made significant capital investments to ramp-up capacities, the gestation period is long and the economic viability of the investments has been impacted significantly by raw material shortage and rising imports.

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

with customers and eliminated supplementary cost.

#### **OPPORTUNITIES AND THREATS:**

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

Per capita consumption of paper in India remains woefully low at 22 lbs. compared to 770 lbs. in the United States and 363 lbs. in the European Union in 2010. India has 15 percent of the world's population but consumes less than 2 percent of the world's paper. But Per capita consumption of paper has almost doubled in the last decade.

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

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

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

**SWOT analysis – Indian paper industry****Competitive strengths**

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

**Competitive weaknesses**

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

**Competitive opportunities**

1. Domestic market growth potential
2. Modern, world scale paper machine would be cost competitive in most grades
3. Forest plantation potential
4. Output recyclability
5. Integration of combined wood and agro based paper making.
6. Government literacy program – increasing demand for printing/writing papers

7. Low labor costs (allow eg. cost effective sorting of imported mixed waste)
8. Export potential

**Competitive threats**

1. Unprepared mills for international competition (WTO entry) both on price and quality
2. Decline in capacity due to environmental pressures
3. Decline in capacity as some of the segments/group of mills are unable to compete at national and international levels with respect to quality and cost of products.
4. Delayed forest plantations, deficit of wood fiber
5. Technological obsolescence
6. Entry of substitutes like e-paper, plastic and other products
7. Weakening competitiveness of domestic industry due to shortage and cost of basic input

**SEGMENT-WISE OR PRODUCT WISE PERFORMANCE**

The Company had two divisions 1) Paper Division and 2) Power Division. The paper division was operational throughout the year. During the year 2017-18, shareholders of the company passed the special resolution through postal ballot to sell the power division. Accordingly company has sold out the major machineries of power division in the same financial year 2017-18 and remaining assets in 2018-19.

**REVIEW OF PERFORMANCE**

During the year, Company's Sales and other operating income were Rs. 49.32 Crores. The management of the Company is engaged in to improve the performance further.

**STRATEGY**

The company is continuously increasing its quality of paper as per the requirement in the market and to compete with the other market players. Further the company has been

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

### **OUTLOOK, RISK AND CONCERNS 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 manufacturing. The availability of raw material and rates of raw material due to competition among the related paper mills are matters of concern.

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

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

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

The company has drawn a specific program to improve the skill of the workers to rationalize the manpower. Further it is providing necessary training to the manpower. There is continuous interaction between the management and employees. The number of people employed during the year were 59.

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

Financial performance with respect to operational performance is explained in detail 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 contain forward looking statements 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 the 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

Place : Satara

**NIRAJ CHANDRA**

Date : 10th August, 2019

**CHAIRMAN &  
MANAGING DIRECTOR**

**DIN: - 00452637**



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**AUDITORS' REPORT****TO MEMBERS OF KAY POWER AND PAPER LIMITED****REPORT ON AUDIT OF THE STANDALONE INDIAN ACCOUNTING STANDARDS (IND AS) FINANCIAL STATEMENTS**

We have audited the standalone Ind AS financial statements of Kay Power And Paper Limited ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss, Statement of changes in equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit, changes in equity and its cash flows for the year ended on that date.

**BASIS FOR OPINION**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**KEY AUDIT MATTERS**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current

period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

**OTHER INFORMATION**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors Report to the members and Annexures thereto, Report on Corporate Governance, Management Discussion and Analysis, but does not include the Standalone Ind AS Financial Statements and our auditor's report thereon. Our opinion on Standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Ind AS Financial statements or our knowledge obtained in the audit or otherwise appear to be materially misstated.

If based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

**MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE 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 standalone financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is

higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters



that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure A statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act except Ind AS 19 regarding 'Employee Benefits' on account of non-provision for liability towards post-employment defined benefit plans like gratuity payable to employees as described in the Note 2(j) of Notes to

accounts.

- (e) On the basis of written representations received from the directors as on March 31, 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of sub-section (2) of Section 164 of the Companies Act, 2013
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company did not have any pending litigation as on March 31, 2019 having material impact on its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as on March 31, 2019.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended on March 31, 2019.

For A C Doshi & Co.  
Chartered Accountants

Place : Satara  
Date : May 28, 2019

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



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**Annexure A to the Auditor's Report**

**Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' Section of our Report of even date to the Members of Kay Power And Paper Limited for the year ended on 31st March, 2019**

- i. a) The Company has maintained proper records showing full particulars including quantitative details and situation of the fixed assets.
- b) As per our information and explanations given to us, fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- c) The title deeds of immovable properties are held in the name of the company;
- ii. According to information and explanations given to us, the physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed during such verification.
- iii. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships and other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- iv. In respect of loans, investments, guarantees, and security the provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
- v. In our opinion and according to information and explanations given to us, the Company does not have any deposits accepted from the public during the year under audit.
- vi. The Company is maintaining cost records as prescribed under Section 148 (1) of the Companies Act, 2013. However, we have not verified the same for completeness or accuracy.
- vii. 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 31/3/2019 for a period more than 6 months from the date they become payable.
- viii. According to information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, excise duty were in arrears as at 31/3/2019 for a period more that six months from the date they became payable. According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, sales-tax, service-tax, value added tax, goods and service tax which have not been deposited on account of any dispute.
- ix. In our opinion and according to information and explanations given to us, the Company had defaulted in repayment of dues to IREDA earlier and it has made agreement for One Time settlement scheme for the repayment of the loan taken from IREDA. The Company has paid all instalments due as per scheme of OTS sanctioned by IREDA by the end on the year.
- x. According to information and explanations given to us The company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year
- xi. Based During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company



- or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xii. The company has not paid or provided for any Managerial Remuneration referred by the provisions of section 197 read with Schedule V to the Companies Act;
- xiii. The company is not a Nidhi Company;
- xiv. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review;
- xvi. Based upon the audit procedures performed and information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him within the meaning of the provisions of section 192 of Companies Act, 2013;
- xvii. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For A C Doshi & Co.  
Chartered Accountants

Place : Satara  
Date : May 28, 2019

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

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**Annexure - B to the Auditors' Report****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Kay Power and Paper Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

**Auditors' Responsibility**

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

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

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

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



authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2019 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For A C Doshi & Co.  
Chartered Accountants

Place : Satara  
Date : May 28, 2019

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

**BALANCE SHEET AS AT 31ST MARCH, 2019**

Particulars	Note No.	As at	
		31st March 2019	31st March 2018
		Rupees	Rupees
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	2	143306080.00	199488524.00
(b) Capital work-in-progress	3	0.00	30000000.00
(c) Other Intangible assets	2	1400.00	1400.00
(d) Financial Assets			
(i) Non - Current Investments	4(a)	31500.00	31500.00
(iii) Long term Loans and advances	4(b)	4294705.00	6936669.00
(e) Other non-current assets	5	589941.00	58750.00
<b>Current assets</b>			
(a) Inventories	6	32663880.00	27680107.00
(b) Financial Assets			
(i) Investments	7(a)	0.00	0.00
(ii) Trade receivables	7(b)	33316793.00	43637195.00
(iii) Cash and cash equivalents	7(c)	2495478.00	2178365.00
(c) Loans	8	0.00	581499.00
(d) Other current assets	9	89373260.00	95480310.00
<b>Total Assets</b>		<b>306073037.00</b>	<b>406074319.00</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	10	106400000.00	106400000.00
(b) Other Equity	11	(102414594.00)	(103081897.00)
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	12(a)	96592011.00	123936678.00
(ii) Other financial liabilities	12(b)	93600000.00	93600000.00
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	13(a)	1528670.00	646798.00
(ii) Trade payables	13(b)	103739264.00	182648624.00
(b) Other current liabilities	14	6245390.00	1670922.00
(c) Provisions	15	382296.00	253194.00
<b>Total Equity and Liabilities</b>		<b>306073037.00</b>	<b>406074319.00</b>

*The accompanying notes are an integral part of these financial statements*

As per our report of even date

For and on behalf of the Board of Directors

For, **A.C. Doshi & Co.**  
Chartered Accountants

Niraj Chandra  
Chairman and  
Managing Director  
DIN: - 00452637

Deepa Agarwal  
Director  
DIN: 00452947

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

Sagar Mohite  
Company Secretary  
M. No. 25807

Ganesh H. Rotithor  
Chief Financial Officer  
PAN:AJEPR0110P

Place : Satara  
Date - 28<sup>th</sup> May, 2019

Place : Satara  
Date : 28<sup>th</sup> May, 2019

**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2019**

Particulars	Note No.	As at	As at
		31st March 2019	31st March 2018
		Rupees	Rupees
<b>Revenue From Operations</b>	16	<b>396263069.00</b>	417360568.00
Other Income	17	<b>96998353.00</b>	159782827.00
<b>Total Income</b>		<b>493261422.00</b>	577143395.00
<b>EXPENSES</b>			
Cost of materials consumed	18	<b>263834416.00</b>	305262556.00
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	19	<b>(748393.00)</b>	987717.00
Employee benefits expense	20	<b>12831672.00</b>	11920030.00
Finance costs	21	<b>13112712.00</b>	1224888.00
Depreciation and amortization expense	2	<b>8306639.00</b>	8587331.00
Other expenses			
(A) Manufacturing	22(a)	<b>68785295.00</b>	59827316.00
(B) Selling, Administrative and other Expenses	22(b)	<b>31117542.00</b>	25203585.00
<b>Total other expenses ( A+B)</b>		<b>99902837.00</b>	85030901.00
<b>Total expenses</b>		<b>397239883.00</b>	413013423.00
Profit/(loss) before exceptional items and tax		<b>96021539.00</b>	164129972.00
Exceptional Items	23	<b>(95202736.00)</b>	(157480098.00)
Profit/(loss) before tax		<b>818803.00</b>	6649874.00
Tax expense:			
(1) Current tax		<b>(151500)</b>	0
(2) Deferred tax			0
Profit (Loss) for the period from continuing operations		<b>667303.00</b>	6649874.00
Other Comprehensive Income		<b>0.00</b>	0.00
<b>Total Comprehensive Income</b>		<b>667303.00</b>	6649874.00
Earnings per equity share (for continuing operation):			
(1) Basic		<b>0.06</b>	0.62
(2) Diluted		<b>0.06</b>	0.62
Significant Accounting Policies	1		

*The accompanying notes are an integral part of these financial statements*

As per our report of even date

For and on behalf of the Board of Directors

For, **A.C. Doshi & Co.**  
Chartered Accountants

Niraj Chandra  
Chairman and  
Managing Director  
DIN: - 00452637

Deepa Agarwal  
Director  
DIN: 00452947

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

Sagar Mohite  
Company Secretary  
M. No. 25807

Ganesh H. Rotithor  
Chief Financial Officer  
PAN:AJEPR0110P

Place : Satara  
Date - 28<sup>th</sup> May, 2019

Place : Satara  
Date : 28<sup>th</sup> May, 2019


**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019**

	<u>31st March 2019</u>	<u>31st March 2018</u>
	Rupees	Rupees
<b>A. Cash flow Operating Activities</b>		
Net profit/(loss) After Tax	667303.00	6649874.00
Adjustment for Depreciation	8306639.00	8587331.00
Add expenses related to non- operating Activities		
(Loss on sale of assets)	95202736.00	157480098.00
Interest and Bank Charges	0	0.00
Operating Profit/(Loss) Before working capital changes	104176678.00	172717303.00
(Increase)/Decrease in current Assets	14135951.00	(83411587.00)
Inventories	(4983773.00)	(8616465.00)
Trade Receivable	10320402.00	(13671429.00)
Long term Loans and advances	2641964.00	(461291.00)
Short terms Loans and advances	581499.00	221308.00
(Increase)/Decrease in other Current Assets	5575859.00	(60883710.00)
Increase/ (Decrease) in Current Laibilities	(73323918.00)	31838594.00
Trade payable	(78909360.00)	37581072.00
other Laibilities	5456340.00	(5458477.00)
Provisions	129102.00	(284001.00)
Cash Generated form Operations	44988711.00	121144310.00
Less Tax Paid		0
<b>Net cash from Operating Activities</b>	<b>44988711.00</b>	<b>121144310.00</b>
<b>B. Cash Flow from Investing Activities</b>		
(Purchase) / of fixed Assets	(17626931.00)	(30000000.00)
Sale of Fixed Assets	300000.00	16100000.00
<b>Net Cash Flow from Investing Activities</b>	<b>(17326931)</b>	<b>(13900000)</b>
<b>C. Cash Flow From Financial Activities</b>		
Increase / ( Decrease) in Borrowing	(27344667.00)	(105768563.00)
Interest Paid		0
Share Application Money		0
<b>Net Cash Flow from Financial Activities</b>	<b>(27344667.00)</b>	<b>(105768563.00)</b>
<b>Net Increase in Cash and cash Equivalent</b>	<b>317113</b>	<b>1475747.00</b>
<b>cash and cash equivalents at beginning of period</b>	<b>2178365.00</b>	<b>702618.00</b>
<b>cash and cash equivalents at End of period</b>	<b>2495478.00</b>	<b>2178365.00</b>

For and on behalf of the Board of Directors

Niraj Chandra  
Chairman and  
Managing Director  
DIN: - 00452637

Deepa Agarwal  
Director  
DIN: 00452947

Sagar Mohite  
Company Secretary  
M. No. 25807  
Place : Satara

Ganesh H. Rotithor  
Chief Financial Officer  
PAN:AJEPR0110P  
Date - 28th May 2019

**Auditor's Certificate**

The above cash flow statement has been compiled from and is based on the Audited accounts of Kay Power and Paper Limited, for the year ended 31st March 2019 reported upon by us on 28th May, 2019. According to the information and explanations given, the aforesaid Cash Flow Statement has been prepared pursuant to Regulation 34 (2) (c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

For, **A.C. Doshi & Co.**

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

Place - Satara Date - 28th May, 2019



## STATEMENT OF CHANGES IN EQUITY AS AT 31ST MARCH 2019

(Amount in Rupees)

Equity Share Capital		
Balance as at 1 <sup>st</sup> April, 2018	Changes in equity share capital during the period	Balance as at 31 <sup>st</sup> March, 2019
10,64,00,000	0	10,64,00,000

## Other Equity

(Amount in Rupees)

Reserves and Surplus					
	Share application money pending allotment	Other Reserves (Special Capital Incentive of Govt. of Maharashtra)	Securities Premium Reserve	Retained Earnings	Total
Balance as on 1st April, 2017	0	5000000.00	257136.00	(114988907.00)	(109731771.00)
Dividends				0.00	0.00
Profit for the year				6649874.00	6649874
Total Comprehensive Income for the year 31st March, 2018	0	5000000.00	257136.00	(108339033.00)	(103081897.00)
Balance as on 1st April, 2018	0	5000000.00	257136.00	(108339033.00)	(103081897.00)
Profit for the year				667303.00	667303.00
Dividends				0.00	0.00
<b>Balance as on 31st March, 2019</b>	<b>0</b>	<b>5000000.00</b>	<b>257136.00</b>	<b>(107671730.00)</b>	<b>(102414594.00)</b>

For and on behalf of the Board of Directors

Niraj Chandra  
Chairman and  
Managing Director  
DIN: - 00452637

Deepa Agarwal  
Director  
DIN: 00452947

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

Place : Satara  
Date - 28<sup>th</sup> May, 2019

Sagar Mohite  
Company Secretary  
M. No. 25807

Place : Satara  
Date : 28<sup>th</sup> May, 2019

Ganesh H. Rotithor  
Chief Financial Officer  
PAN:AJEP R0110P



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**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2019**
**NOTE 1: SIGNIFICANT ACCOUNTING POLICIES****1. General Information**

Kay Power and Paper limited, registered under the Companies Act 1956/2013 and having its registered office at Gat No. 454/457, Village Bargaon Satara-415519., mainly belongs to Paper Industry and operates in manufacturing of Kraft paper in various category. The Company's manufacturing facilities is located at Village Bargaon, Satara.

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

The Financial Statements were authorised for issue in accordance with resolution passed by the Board of Directors of the Company on May 28, 2019.

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

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

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

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

are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

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

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

**b. Current versus non-current classification**

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

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

All other assets are classified as non-current.

A liability is current when:

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



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

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

**c. Revenue Recognition**

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

GST tax is excluded from revenue.

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

**Sale of goods:**

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

**Interest income**

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

**d. Property, plant and equipment**

Property, plant and equipment, Capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria

are met. When significant parts of the property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as are placement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in statement of profit or loss as incurred. No decommissioning liabilities are expected or be incurred on the assets of plant and equipment.

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

**Intangible Assets**

**Computer software**

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

Computer software: 3 years

**e. Inventory**

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

**f. Borrowing Costs**

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

the Company incurs in connection with the borrowing of funds.

**g. Taxes**

**Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss of the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rate enacted or substantially enacted at the reporting date.

**Deferred tax**

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

**h. Cash and cash equivalents**

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

**i. Provisions and Contingent liability**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic

benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

- i. possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- ii. present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

**j. Employee benefits**

**Short-term obligations**

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

**Post-employment obligations**

The Company operates the following post-employment schemes:

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

**Defined benefit plans**

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

**Defined contribution plans**

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The group has no further payment obligations once the



contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

**k. Financial instruments**Financial assets**Initial recognition and measurement****All financial assets are recognised initially at fair value.**

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

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

Subsequent measurement

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

Impairment of financial assets

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

The Company follows 'simplified approach' for recognition of impairment loss for trade receivables and lease receivables resulting from transactions within the scope of Ind AS 17 that have no significant financing component. The application of simplified approach does not require the Company to track changes in

credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For all other financial assets, expected credit losses are measured at an amount equal to the 12 month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

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

**De-recognition of financial assets**

The Company derecognizes a financial asset when –

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

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

Financial liabilitiesInitial recognition

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

Subsequent measurement

The subsequent measurement of financial

liabilities depends on their classification, as described below:

#### Trade and other payables

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

#### Borrowings

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

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

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

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

#### **i. Earnings per share**

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

#### **m. Segment reporting**

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

#### **n. Standards issued but not yet effective**

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

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

##### **Ind AS 115- Revenue from Contract with Customers:**

On March 28, 2018, Ministry of Corporate Affairs (“MCA”) has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an



entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The standard permits two possible methods of transition:

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

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

**o. Critical estimated and judgements**

**i Impairment of Trade receivables**

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

**ii Income Taxes**

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



NOTE TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

NOTE TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019  
 Note 2 (a): Property, Plant and Equipment and Other Intangible Assets

Sr. NO.	Name of Assets	GROSS BLOCK				Depreciation			Net Block	
		Useful Life	Deemed Cost as on 31/03/2018	Addition	Deduction	As on 31/03/19	As on 31/03/18	Accum Dep. on Assets sold	For the year	As on 31/03/19
1	Paper Division Freehold Land		573245	-		573245	-	0	573245	573245
2	Site Development	30	1349328	-		1349328	-	0	1349328	1349328
3	Building	5	11852983	-		11852983	1692104	2538156	9314827	10160879
4	Well & Irrigation Scheme	25	1822438	-		1822438	467686	233843	215123	215123
5	Effluent Treatment Plant	15	112553	-		112553	25594	12797	1120909	1354752
6	Weigh Bridge	25	4588641	6500000		11068641	778268	38391	74162	86959
7	Plant & Machinery	25	110685688	38890000	(28973208)	120602480	11663961	1414402	9654239	3790373
8	Laboratory Equipment	10	150255	-		150255	43580	5935324	114734447	99021727
9	Furniture & Fixtures	10	16584	-		16584	2102	19651	87024	106675
10	Office Equipment	5	194053	273842		467895	61018	1051	3153	14482
11	Vehicles	10	3914190	1963089		5877279	838232	32780	374097	133035
12	Software & Licenses	3	1400	-		1400		589007	4450040	3075958
13			135456481	47626931	(28973208)	154110204	15572545	(11731252)	12147932	119883936

Sr. NO.	Name of Assets	GROSS BLOCK				Depreciation			Net Block		
		Useful Life	Deemed Cost As on 31/03/18	Addition	Deduction	As on 31/03/19	As on 31/03/18	Write off to Reserves	For the year	As on 31/03/19	As on 31/03/18
1	Power Division Land & Site Devp.	0	1122850			1122850	0	0	0	1122850	1122850
2	Building	30	-	-		0	0	0	0	0	-
3	Cooling Tower	25	-	-		0	0	0	0	0	-
4	D M Plant	25	-	-		0	0	0	0	0	-
5	Stream Line	25	-	-		0	0	0	0	0	-
6	L T Electrical Panels	25	-	-		0	0	0	0	0	-
7	Bagase handling system	25	-	-		0	0	0	0	0	-
8	Boiler	25	-	-		0	0	0	0	0	-
9	TG Set with HT Panels	25	78260780	0	(78260780)	0	0	0	0	0	78260780
10	Furniture & Fixtures	10	45464			45464	0	0	0	45464	45464
11	Kiosk Unit	15	176894			176894	0	0	0	176894	176894
	<b>Total</b>		<b>79605988</b>	<b>0</b>	<b>(78260780)</b>	<b>1345208</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1345208</b>	<b>79605988</b>
	<b>Grand Total</b>		<b>215062469</b>	<b>47626931</b>	<b>(107233988)</b>	<b>155455412</b>	<b>15572545</b>	<b>(11731252)</b>	<b>8306639</b>	<b>143307480</b>	<b>199489924</b>



NOTE TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

NOTE TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018  
 Note 2 (a): Property, Plant and Equipment and Other Intangible Assets

Sr. NO.	Name of Assets	GROSS BLOCK				Depreciation			Net Block		
		Useful Life	Deemed Cost as on 31/03/17	Addition	Deduction	As on 31/03/18	As on 31/03/17	Accum Dep. on Asset Sold	For the year	As on 31/03/18	As on 31/03/17
	PAPER DIVISION										
	Paper Division										
1	Freehold Land		573245	0	0	573245	0	0	0	573245	573245
2	Site Development		1349328	0	0	1349328	0	0	0	1349328	1349328
3	Building	30	11852983	0	0	11852983	846052	846052	1692104	10160879	11006931
4	Well & Irrigation Scheme	5	215123	0	0	215123	0	0	0	215123	215123
5	Effluent Treatment Plant	25	1822438	0	0	1822438	233843	233843	467686	1354752	1588595
6	Weigh Bridge	15	112553	0	0	112553	12797	12797	25594	86959	99756
7	Boiler	25	4568641	0	0	4568641	389134	389134	778268	3790373	4179507
8	Plant & Machinery	25	116155050	0	(5469362)	110685688	7113696	6627592	11663961	99021727	109041354
9	Laboratory Equipment	10	150255	0	0	150255	21790	21790	43560	106675	128465
10	Furniture & Fixtures	10	16584	0	0	16584	1051	1051	2102	14482	15533
11	Office Equipment	5	194053	0	0	194053	39627	21391	61018	133035	154426
12	Vehicles	10	3914190	0	0	3914190	404551	433681	838232	3075958	3509939
13	Software & Licenses	3	1400	0	0	1400	0	0	0	1400	1400
			140925843	0	(5469362)	135456481	9062541	8587331	15572545	119883936	131863302

Sr. NO.	Name of Assets	GROSS BLOCK				Depreciation			Net Block		
		Useful Life	Deemed Cost As on 31/03/17	Addition	Deduction	As on 31/03/18	As on 31/03/17	Write off to Reserves	For the year	As on 31/03/18	As on 31/03/17
	POWER DIVISION										
	Land & Site Devp.										
1	Land & Site Devp.	0	1122850			1122850	0	0	0	1122850	1122850
2	Building	30	13490926		(13490926)	0	0	0	0	0	13490926
3	Cooling Tower	25	1801832		(1801832)	0	0	0	0	0	1801832
4	D M Plant	25	1114594		(1114594)	0	0	0	0	0	1114594
5	Stream Line	25	393011		(393011)	0	0	0	0	0	393011
6	L T Electrical Panels	25	2834412		(2834412)	0	0	0	0	0	2834412
7	Bagasse handling system	25	44390350		(44390350)	0	0	0	0	0	44390350
8	Boiler	25	67877057		(67877057)	0	0	0	0	0	67877057
9	TG Set with HT Panels	25	116546661		(38285881)	78260780	0	0	0	78260780	116546661
10	Furniture & Fixtures	10	45464			45464	0	0	0	45464	45464
11	Kiosk Unit	15	176894			176894	0	0	0	176894	176894
	<b>Total</b>		<b>249794051</b>	<b>0</b>	<b>(170188063)</b>	<b>79605988</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>79605988</b>	<b>249794051</b>
	<b>Grand Total</b>		<b>390719894</b>	<b>0</b>	<b>(175657425)</b>	<b>215062469</b>	<b>9062541</b>	<b>8587331</b>	<b>15572545</b>	<b>199489924</b>	<b>381657353</b>




**NOTE TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019**

	<b>As at 31st March 2019</b>	<b>As at 31st March 2018</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>NOTE 3. CAPITAL WORK IN PROGRESS</b>		
Opening balance	<b>30000000.00</b>	0.00
Add: Additions during the year	<b>15390000.00</b>	30000000.00
Less:-Capitilised during the year	<b>45390000.00</b>	0.00
Closing balance	<b>0.00</b>	30000000.00

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

1500 Equity shares of Rs. 10/- each of National General Industries Ltd.	<b>22500.00</b>	22500.00
900 equity shares of Rs.10 /- each of M/s. Scan Projects Limited (Formerly knowm as Ambala Cement Ltd)	<b>9000.00</b>	9000.00
<b>Total 4(a)</b>	<b>31500.00</b>	31500.00

**Note 4(b): Long Term Loans and Advances**

Sundry Deposits ( Pune Mumbai Court )	<b>23000.00</b>	23000.00
Deposits with irrigation Dept.	<b>0.00</b>	35000.00
Security deposits with Delhi High Court	<b>0.00</b>	2944900.00
M.S.E.D.C.L. Deposits (Lift Scheme)	<b>42130.00</b>	42130.00
M.S.E.D.C.L. Deposits (HT Connection)	<b>3712380.00</b>	3506180.00
Telephone Deposits	<b>25027.00</b>	25027.00
Imprest	<b>15032.00</b>	21017.00
TDS Receivable	<b>107728.00</b>	65467.00
TCS Receivable	<b>68276.00</b>	14697.00
Sunstar Securities	<b>94813.00</b>	94813.00
Prepaid Factory Licence Fee	<b>68919.00</b>	137238.00
Indian Infoline Commodities Ltd	<b>9500.00</b>	9500.00
Staff Advance	<b>27900.00</b>	17700.00
Prepaid MPCB Fee	<b>100000.00</b>	0.00
<b>Total 4 (b)</b>	<b>4294705.00</b>	6936669.00

**NOTE TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019**

	<b>As at 31st March 2019</b>	<b>As at 31st March 2018</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>NOTE 5: OTHER NON CURRENT ASSETS</b>		
Balances with scheduled bank in fixed deposits	<b>564941.00</b>	33750.00
Fixed Deposit as security for bank gaurantee for MPCB	<b>25000.00</b>	25000.00
<b>Total (5)</b>	<b>589941.00</b>	58750.00
<b>NOTE 6: INVENTORIES</b>		
Tools and spares (Valued at cost price)	<b>5156119.00</b>	4684374.00
Raw Material (Valued at cost price)	<b>26041234.00</b>	22253132.00
Finished goods (Valued at cost of production)	<b>1305274.00</b>	556881.00
Oil And Lubricants	<b>161253.00</b>	185720.00
<b>Total (6)</b>	<b>32663880.00</b>	27680107.00
<b>NOTE 7: CURRENT FINANCIAL ASSETS</b>		
<b>Note 7(a): Current Investment</b>		
Accrued Income	<b>0.00</b>	0.00
<b>Total 7 (a)</b>	<b>0.00</b>	0.00
<b>Note 7(b):Trade Receivable</b>		
(Unsecured and considered goods)		
Outstanding over six months	<b>2414357.00</b>	376634.00
Others	<b>30902436.00</b>	43260561.00
<b>Total 7 (b)</b>	<b>33316793.00</b>	43637195.00
<b>Note 7(c) : Cash and Bank Balances</b>		
Cash in hand	<b>73750.00</b>	98651.00
Balances with bank	<b>2421728.00</b>	2079714.00
<b>Total 7(c )</b>	<b>2495478.00</b>	2178365.00

**NOTE TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019**

	<b>As at 31st March 2019</b>	<b>As at 31st March 2018</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>NOTE 8: SHORT TERM LOANS AND ADVANCES</b>		
Balances with statutory / public authorities advance recoverable in cash or in kind or for value to be recoverable	<b>0.00</b>	581499.00
<b>Total (8)</b>	<b>0.00</b>	581499.00

**NOTE 9: OTHER CURRENT ASSETS**

Other Current Asset	<b>89373260.00</b>	95480310.00
<b>Total (9)</b>	<b>89373260.00</b>	95480310.00

**NOTE 10: SHARE CAPITAL**
**AUTHORISED, ISSUED AND PAID-UP**

	<b>Rupees</b>	<b>Rupees</b>
1,50,00,000 equity share of Rs.10/- each	<b>150000000.00</b>	150000000.00
Issued, subscribed and fully paid up shares 10640000 equity shares of Rs. 10 /- each	<b>106400000.00</b>	106400000.00
<b>Total (10)</b>	<b>106400000.00</b>	106400000.00

**Movements in equity share capital**

	<b>No. of Shares</b>	<b>Amount</b>
<b>As at 1st April, 2018</b>	<b>10640000</b>	<b>106400000.00</b>
Share issued during the year	<b>0</b>	<b>0.00</b>
Shares brought back during the year	<b>0</b>	<b>0.00</b>
Redemptions of Shares	<b>0</b>	<b>0.00</b>
<b>As at 31st March, 2019</b>	<b>10640000.00</b>	<b>106400000.00</b>

**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.



## NOTE TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

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

Sr. No.	Name of Shareholders	31st March 2019		31st March 2018	
		No. of Shares Held	% of Holding	No. of Shares Held	% of Holding
1.	Mr. Niraj Chandra	1652100	15.53%	1652100	15.53%
2.	Mrs. Deepa Agarwal	741100	6.97%	741100	6.97%
3.	Mr. Sushil Chandra	1852200	17.41%	675100	6.34%

**NOTE 11: OTHER EQUITY**

Securities Premium Account*	257136	257136
Special capital incentive of Govt. of Maharashtra	5000000	5000000
Balance as per last balance sheet	(108339033)	(114988907)
Surplus as per statement of Profit and loss	667303	6649874.00
<b>Total (11)</b>	<b>(102414594)</b>	<b>(103081897)</b>

\*Securities Premium Reserve is premium on issue of shares. The reserve is utilised in accordance with the Provisions of the Companies Act, 2013

	As at 31st March 2019	As at 31st March 2018
	Rupees	Rupees

**NOTE 12: NON-CURRENT FINANCIAL LIABILITIES****Note 12(a): Long Term Borrowings**

Term loan from Indian renewable energy development agency ltd. (IREDA) ( Secured by First Mortgage and charge on all fixed assets both movable and immovable of the company)	0.00	0.00
<b>Sub-Total</b>	<b>0.00</b>	<b>0.00</b>

**Unsecured Loan**

Intercorporate Deposits (The terms of repayment of these deposits are not defined)	50580000.00	76687009.00
Diferred liability for sales tax (Maharashtra sales tax department has granted facility of differal of sales tax liability under package scheme of incentive)	46012011.00	47249669.00
<b>Sub-Total</b>	<b>96592011.00</b>	<b>123936678.00</b>
<b>Total 12 (a)</b>	<b>96592011.00</b>	<b>123936678.00</b>

**Note 12(b) : Other financial liabilities**

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


**NOTE TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019**

	<b>As at 31st March 2019</b>	<b>As at 31st March 2018</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>NOTE 13: CURRENT FINANCIAL LAIBILITIES</b>		
<b>Note 13(a): Short term borrowings</b>		
HDFC Bank Vehicle Loan		
[(Toyota Corolla Altis) MH 11CG 9330]	<b>1407001.00</b>	<b>0</b>
[(Toyota Innova) MH11 BV 6217]	<b>121669.00</b>	646798.00
<b>Total 13(a)</b>	<b>1528670.00</b>	646798.00

**Note 13(b) : Trade Payables**

Due to Micro, Small and medium Enterprises*		
Others	<b>103739264.00</b>	182648624.00
<b>Total 13(b)</b>	<b>103739264.00</b>	182648624.00

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

	<b>As at 31st March 2019</b>	<b>As at 31st March 2018</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>NOTE 14: OTHER CURRENT LIABILITIES</b>		
Salary Payables	<b>322840.00</b>	393132.00
Wages Payables	<b>461853.00</b>	439634.00
TDS Constructors Payable	<b>506399.00</b>	124684.00
Imprest Account	<b>2355944.00</b>	405913.00
TDS Salary Payable	<b>9000.00</b>	9700.00
VAT Payable/GST payable	<b>2441922.00</b>	0.00
Staff Advance	<b>3000.00</b>	0.00
Interest Payable	<b>144432.00</b>	297859.00
<b>Total (14)</b>	<b>6245390.00</b>	1670922.00

**NOTE TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019**

	<b>As at 31st March 2019</b>	<b>As at 31st March 2018</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>NOTE 15: OTHER SHORT TERM PROVISIONS</b>		
Income Tax Payable	<b>151500.00</b>	0.00
Labour charges payables	<b>73617.00</b>	160935.00
Professional tax payables	<b>8475.00</b>	7850.00
Unpaid wages	<b>8396.00</b>	0.00
Unpaid Salary	<b>2000.00</b>	0.00
Employees PF Payables	<b>9900.00</b>	10104.00
Water charges payable	<b>120856.00</b>	69466.00
ESIC Payable	<b>7552.00</b>	4839.00
<b>Total (15)</b>	<b>382296.00</b>	253194.00

**NOTE 16: REVENUE FROM OPERATION (GROSS)**

Kraft Paper		
Gross Sales	<b>396263069.00</b>	424013851.00
Less . Excise Duty	<b>0.00</b>	6653283.00
Net Sales	<b>396263069.00</b>	417360568.00
<b>Total (16)</b>	<b>396263069.00</b>	417360568.00

**NOTE 17: OTHER INCOME**

Foreign Exchange Rate Diff.	<b>464838.00</b>	909335.00
Account Written Off	<b>334737.00</b>	771464.00
Interest Received	<b>475916.00</b>	354930.00
Sundry Income	<b>0.00</b>	870440.00
discount received	<b>37800.00</b>	0.00
Profit on Trading in Securities	<b>95685062.00</b>	156876658.00
<b>Total (17)</b>	<b>96998353.00</b>	159782827.00

**NOTE 18: COST OF MATERIAL CONSUMED**

Raw Material Consumed		
Opening Stock	<b>22253132.00</b>	12840169.00
Add. Purchases	<b>267622517.00</b>	314675519.00
Less. Closing Stock	<b>26041233.00</b>	22253132.00
<b>Total (18)</b>	<b>263834416.00</b>	305262556.00

**NOTE TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019**

	<u>As at 31st March 2019</u>	<u>As at 31st March 2018</u>
	Rupees	Rupees
<b>NOTE 19:CHANGES IN INVENTORIES OF FINISHED GOODS, WORK -IN - PROGRESS AND STOCK - IN - HAND</b>		
Stock at opening		
Finished goods	556881.00	1544598.00
Less. Stock at closing		
Finished goods	<u>1305274.00</u>	<u>556881.00</u>
<b>Total (19)</b>	<u><u>(748393.00)</u></u>	<u><u>987717.00</u></u>
<b>NOTE 20:EMPLOYEE BENEFIT EXPENSES</b>		
Salary and wages	12475016.00	11633174.00
Welfare Expenses	44460.00	6505.00
Contribution to P.F.	106869.00	116514.00
ESI Contribution	<u>205327.00</u>	<u>163837.00</u>
<b>Total (20)</b>	<u><u>12831672.00</u></u>	<u><u>11920030.00</u></u>
<b>NOTE 21:FINANCE COST</b>		
Bank Charges / commission /Intrest	13112712.00	1224888.00
<b>Total (21)</b>	<u><u>13112712.00</u></u>	<u><u>1224888.00</u></u>
<b>NOTE 22:OTHER EXPENSES</b>		
<b>Note 22(a) Manufacturing Expenses</b>		
Carriage Inward	703872.00	1010428.00
Power & Fuel	44658938.00	40082920.00
Repairs and Maintainance	12695622.00	9106054.00
Other Manufacturing Expenses	<u>10726863.00</u>	<u>9627914.00</u>
<b>Total 22(a)</b>	<u><u>68785295.00</u></u>	<u><u>59827316.00</u></u>

**NOTE TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019**

	As at 31st March 2019	As at 31st March 2018
	Rupees	Rupees
<b>(b) Selling and Administrative Expenses</b>		
CDSL Custodian Fees	45000.00	45000.00
Legal & Professional Fees	450170.00	231646.00
Packing & Forwarding	14660.00	3429.00
ROC Filing Fees	6600.00	6000.00
Directors Sitting Fees	16000.00	18000.00
Factory Licence Fees	68319.00	68619.00
Boiler Inspection Fees	6300.00	6300.00
BSE Listing Fees	250000.00	250000.00
Audit Fees	60000.00	25000.00
Membership & Subscription	0.00	15000.00
MPCB Cess / Testing Fees	13070.00	0.00
Professional tax - company	2500.00	2500.00
Printing & Stationary	195210.00	170822.00
Postage & Telephone Expenses	82872.00	225274.00
Insurance	214136.00	223297.00
Rent, Rates & Taxes	415891.00	258245.00
Dealer Discount	24539449.00	20217117.00
Vehicle Repairs & Maintainance	547516.00	252423.00
Fuel for vehicle	131572.00	156442.00
Kraft Paper Loading charges	1188723.00	1162111.00
Advertisement Charges	24090.00	25780.00
Local Conveyance	118352.00	78354.00
Travelling Expenses	83997.00	135217.00
Miscellaneous Office Expenses	143339.00	105916.00
Drinking Water Charges	45450.00	34200.00
Professional tax - Directors	2500.00	2500.00
Water Charges	1375034.00	798377.00
E-Voting Charges	2500.00	29641.00
Swachh Bharat Cess	0.00	6412.00
Krishi Kalyan Cess	0.00	6408.00
Weigh Bridge Insp.Fees	5700.00	3150.00
Appeal Fees	2050.00	0.00
Labour Court Satara	0.00	112225.00
VAT Assessment charges	0.00	125680.00
Commission and Brokrage	0.00	402500.00
Filling fees	8700.00	0.00
PF Administrative chs	7842.00	0.00
SEBI Fees	100000.00	0.00
MPCB Fees	50000.00	0.00
<b>Total 22(b)</b>	<b>31117542.00</b>	<b>25203585.00</b>
<b>Total 22(a)+22(b)</b>	<b>99902837.00</b>	<b>85030901.00</b>




**NOTE TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019**

	<b>As at 31st March 2019</b>	<b>As at 31st March 2018</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>NOTE 23: EXCEPTIONAL ITEM</b>		
Loss on sale of old assets (Refer Note no. 25 of note on financial Statement)	<b>95202736.00</b>	157480098.00
<b>Total (23)</b>	<b>95202736.00</b>	157480098.00

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

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

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

**NOTE 26:** Net deferred tax has not been recognised in view of uncertainty about future taxable income against asset which the deferred tax asset can be realised.

**NOTE 27:** C.I.F. value of imported west paper Rs. 78, 05,726.37 (Rs. 1, 27, 83,287.12)

**NOTE 28:** The Company has carried out trading in shares and derivative transactions during the year. It has earned net profit off reducing expenses incurred for share trading of Rs.956.85 Lakhs. The profit is treated as other income in profit and loss account. Value of share held in company's name for sale as on 31/03/2019 and amount receivable from broker against share transactions are shown as other current assets.



## NOTE TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

## NOTE NO. 29. FAIR VALUE MEASUREMENT

## Financial Instruments by category:-

Particulars	31st March, 2019			31st March, 2018		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Financial Assets						
Investment						
Equity Instruments	31500.00			31500.00		
Trade receivables			33316793.00			43637195.00
Cash and cash equivalents			2495478.00			2178365.00
Other bank balances			589941.00			58750.00
Derivative Financial assets						
Security deposits						
Loans			4294705.00			7518168.00
Others			89373260.00			95480310.00
<b>Total Financial assets</b>	<b>31500.00</b>		<b>130070177.00</b>	<b>31500.00</b>		<b>148872788.00</b>
<b>Financial liabilities</b>						
Borrowings			96592011.00			124583476.00
Public Deposits			0			0
Deferral Sales Tax						
Trade payables			103739264.00			182648624.00
Capital creditors						
Security deposits taken						
Other Financial liabilities			100227686.00			95270922.00
<b>Total Financial liabilities</b>			<b>300558961.00</b>			<b>402503022.00</b>

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

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

Financial Assets and Liabilities measured at fair value - recurring fair value measurement at	Notes	Level 1	Level 2	Level 3	total
<b>31st March, 2019</b>					
Financial Assets					
Financial Investment at FVPL					
Equity Instruments				31500	31500
<b>Total Financial Assets</b>				<b>31500</b>	<b>31500</b>
Financial Liabilities		0	0	0	0
<b>Total Financial Liability</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**NOTE TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019**

Financial Assets and Liabilities measured at fair value - recurring fair value measurement at 31st March, 2018	Notes	Level 1	Level 2	Level 3	total
Financial Assets					
Financial Investment at FVPL					
Equity Instruments				31500	31500
Total Financial Assets				31500	31500
Financial Liabilities		0	0	0	0
<b>Total Financial Liability</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

(ii) Valuation technique used to determine fair value

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

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

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

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

**NOTE 30: FINANCIAL RISK MANAGEMENT**

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

**a. MANAGEMENT OF CREDIT RISK**

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



## NOTE TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

i) **Trade receivables:-**

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to Rs.333.17 lakhs and Rs.436.37 lakhs as of 31 March 2019 and 31 March 2018, respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers located in India. Credit risk has always been managed by the company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business.

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

**i a. Ageing Analysis of Trade Receivables**

Rs. In Lakhs

Particulars	31/03/2019	31/03/2018
More Than 6 months	24.14	3.77
Others	309.02	432.61

**ib. Other financial assets:-**

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

**b. MANAGEMENT OF LIQUIDITY RISK**

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

The company has access to funds from debt markets through loan from banks. The company invests its surplus funds in bank deposits.

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

Particulars	Contractual Cash Flows As on 31/03/2019 Rs. In Lakhs				
	Carrying Value	Total	Within 12 months	1-5 Years	More than 5 Years
<b>Non- Current</b>					
Borrowings	965.92	965.92		965.92	
Other Financial Liabilities	936.00	936.00		936.00	
<b>Current</b>					
Short Term Borrowings	15.29	15.29	15.29		
Trade Payables	1037.39	1037.39	1037.39		
Other Current Liabilities	62.45	62.45	62.45		

**NOTE TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019**

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

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

**c. MANAGEMENT OF MARKET RISK:**

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

**i) Foreign currency risk**

The company makes payment in foreign currency for material imported. The transactions in foreign currency constitute very small proportion of total transaction. Hence, foreign exchange risk is not material market risk to the Company. During the period under audit or in comparative period presented the company has not made any derivative financial instruments related transaction to cover foreign exchange risk or otherwise.

The company did not have any unhedged foreign currency exposure as on 31/03/2019 or any other earlier two preceding years.

**ii) Interest rate risk exposure**

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

**NOTE 31: CAPITAL MANAGEMENT**
**(a) Risk management**

The Company's capital comprises equity share capital, share premium, retained earnings at tributable to equity holders.

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

**NOTE TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019**

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

**Note 32 : Consumption of Raw Material for 2018-19**

Item Name	Opening Stock		Purchases		Total		Consumption		Closing Stock	
	Qty	Value	Qty	Value	Qty	Value	Qty	Value	Qty	Value
Bagasse	2599 (1274)	5613229 ( 3250788 )	11506 (6683)	20417101 (13949545)	14105 (7957)	26030330.00 (17200333)	8243 (5358)	15211800 (11587104)	5862 (2599)	10818530 (5613229)
Firewood	5621 (4071)	10738061 (7593258)	4636 (7267)	9227638 (14067809)	10257 (11338)	19965699.00 (21661067)	6196 (5717)	12060066 (10923006)	4061 (5621)	7905633 (10738061)
Coal	0 (0)	0 (0)	474 (0)	2140191 (0)	474 (0)	2140191.00 (0)	-474 (0)	2140191 (0)	0 (0)	0 (0)
Indian Waste Paper	99 (28)	1517129 (359889)	18259 (17104)	212099172 (258858464)	18358 (17132)	213616301.00 (259218353)	18019 (17033)	209668709 (257701224)	339 (99)	3947592 (1517129)
Imported Waste Paper	175 (57)	3809388 (1038628)	487 (725)	10232585 (16013915)	662 (782)	14041973.00 (17052543)	544 (607)	11546509 (13243155)	118 (175)	2495464 (3809388)
Chemicals	0 (0)	408177 (437231)	0 (0)	8147736 (6917014)	0 (0)	8555913.00 (7354245)	0 (0)	7999545 (6946068)	0 (0)	556368 (408177)
Packing Material	0 (0)	167148 (160375)	0 (0)	5358094 (4868772)	0 (0)	5525242.00 (5029147)	0 (0)	5207596 (4861999)	0 (0)	317646 (167148)
<b>Total</b>	<b>8494</b> <b>( 5430 )</b>	<b>22253132</b> <b>(12840169)</b>	<b>35362</b> <b>(31779)</b>	<b>267622517</b> <b>(314675519)</b>	<b>43856</b> <b>(37209)</b>	<b>289875649</b> <b>(327515688)</b>	<b>32528</b> <b>(28715)</b>	<b>263834416</b> <b>(305262556)</b>	<b>10380</b> <b>(8494)</b>	<b>26041233</b> <b>(22253132)</b>

**Note 33 : Related Party Disclosure :**

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

## a. Related Parties

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

## b. Key Management Personnel -

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

## 1) Details of Transactions are as follows: -

## a) Transactions with Related Parties (Companies) - (Rs. in lacs)

Related party transactions in ordinary course of business and arm's length basis.

	Purchases	Services
1) Kay Bouvet Engineering Ltd.	10.62	0
2) Kay Nitroxigen Pvt Ltd.	0.30	0

Material Related party transactions on arm's length basis

	Purchases	Services
Kay Bouvet Engineering Ltd.	153.90*	0.00



**NOTE TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019**

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

b) Transaction with Key Management Personnel - NIL,

2) Outstanding Balance as on 31.03.2019: (Rs. In Lacs)

a) Related Parties (Companies) – NIL

b) Key Management Personnel - NIL

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

**C) Payment to Statutory Auditors**

Particulars	2018-19	2017-18
For Audit Fees	60000	25000

**NOTE 34: SEGMENT WISE REPORTING**

The company has mainly two divisions viz Paper and Power. During the current year 2018-19 Power Division was closed and only paper Division was operational, hence segment wise results are not given. Entire Plant and Machinery in power division was sold during the year. PI refer note no. 25

**NOTE 35: Pending for Refund- Share Application Money:** -The Company have not repaid the pending share application money during the year, hence said pending share application money shown in note no. 12(b) as an other financial liabilities in the Financial Statement.

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

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

The accompanying notes are an integral part of these financial statements

As per our report of even date

**For and on behalf of the Board of Directors**

For, **A.C. Doshi & Co.**  
**Chartered Accountants**

Niraj Chandra  
Chairman and  
Managing Director  
DIN: - 00452637

Deepa Agarwal  
Director  
DIN: 00452947

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

Sagar Mohite  
Company Secretary  
M. No. 25807

Ganesh H. Rotithor  
Chief Financial Officer  
PAN:AJEPR0110P

Place : Satara  
Date - 28<sup>th</sup> May, 2019

Place : Satara  
Date : 28<sup>th</sup> May, 2019



# 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 Eighth Annual General Meeting**, to be held on **Monday, 23rd September 2019 At 3.00 p.m.** at **Registered Office of the company at Gat No. 454/457, A/P - Borgaon, Tal Dist - Satara- 415519** and at any adjournment thereof in respect of such resolutions as are indicated below:

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

S.N.	Resolutions	For	Against
1.	Consider and adopt: Audited Financial Statement, Reports of the Board of Directors and Auditors (Ordinary Resolution)		
2.	Re-appointment of Mrs. Deepa Agarwal who retires by rotation (Ordinary Resolution)		
3.	Re- appointment of Shri. Kaustubh Wadikar as an Independent Director for further 5 Years (Special Resolution)		
4.	Re- appointment of Shri. Sandeep Shahapurkar as an Independent Director for further 5 Years (Special Resolution)		
5.	Approve appointment of Shri. Arvind V. Kulkarni as Independent Director (Special Resolution)		
6.	Approve the extending loan to or giving guarantee or providing security for other Companies or Body Corporates including Companies and Body Corporates in which Directors are interested under Section 185 and 186 of the Companies Act 2013. (Special Resolution)		

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

- 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.
- A Proxy need not be a member of the Company.
- 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.
- \*\* 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.
- Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.





## KAY POWER AND PAPER LIMITED

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

### ATTENDANCE SLIP

To be handed over at the Meeting Hall

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

No. Of shares Held

I hereby record my presence at the **TWENTY EIGHTH ANNUAL GENERAL MEETING** of the Company to be held at Registered office at Gat No. 454/457, A/P - Borgaon, Tal Dist - Satara- 415 519 at 3.00 p.m. on Monday, 23rd September 2019.

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Member's/ Proxy's Signature





BOOK - POST

*If undelivered, please return to :*

**KAY POWER AND PAPER LIMITED**

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