



KAY POWER AND PAPER LTD.

(Formerly Kay Pulp and Paper Mills Ltd.)

Regd. Office & Work : Gat No. 454/457, A/P. Borgaon, Tal./Dist. Satara - 415 519.
Ph.: (02162) 265084. Telefax : 02162 - 265329. E-mail : kaypower@sancharnet.in

CIN- L21099MH1991PLC061709

FORM B

1.	Name of the Company	Kay Power and Paper Limited
2.	Annual Financial Statement for the year ended	31 st March, 2014
3.	Type of Audit Qualification	In our opinion, the Balance Sheet, Statement of Profit and Loss Account, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, except non-compliance AS 15 regarding Accounting for retirement benefits on account of non-provision for terminal benefits like gratuity payable to employees.
4.	Frequency of Observation	Repetitive since FY 2006-2007
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	Qualification contained in clause 2(d) of Report on other legal and regulatory requirements of the audit report as mentioned in row 3 above. Management response to the remark in given in note no. 9 schedule 1 'notes to account'
6.	Additional comments from the board/ audit committee chair:	Provision for terminal benefits to employees like gratuity is not made in view of the heavy losses and due to the skeleton eligible staff strength; no actuarial working is taken to avoid extra expenditure for it. The estimated amount of provision for gratuity is low and not material. The actuarial valuation will be done once the financial position of the company improves.
7.	To be signed by	
	<ul style="list-style-type: none">• CEO/ Managing Director• CFO• Auditor of the company• Audit committee Chairman	<p>For Kay Power & Paper Ltd.</p> <p><i>Niraj Chandra</i> Niraj Chandra Managing Director</p> <p>FOR GODBOLE & COMPANY CHARTERED ACCOUNTANTS</p> <p><i>Ashutosh Godbole</i> PROPRIETOR ASHUTOSH GODBOLE MEMBERSHIP NO. 104822</p> <p>GODBOLE & COMPANY SATARA Chartered Accountants</p>

**KAY POWER AND
PAPER LIMITED**



**23rd
Annual Report
2013-2014**



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

- BOARD OF DIRECTORS** : 1. Mr. Niraj Chandra Chairman and Managing Director
2. Ms. Deepa Agarwal
3. Mr. Arvind V. Kulkarni
4. Mr. Kaustubh Wadikar (from 28.12.2013)
5. Mrs. Smita Phadke (From 28/12/2013 to 04/07/2014)
6. Mr. Sandeep Shahapurkar (From 08/07/2014)
- COMPANY SECRETARY** : Mr. Sham A. Mulye (Till 31.03.2014)
Mr. Sagar Mohite (from 28.05.2014)
- AUDITORS** : M/s. GODBOLE & COMPANY
Chartered Accountants
F-3, Manali Apartment,
4/2, Kesarkar Peth,
Satara -: 415002
- BANKERS** : IDBI Bank Ltd.
HDFC Bank Ltd.
- REGISTERED OFFICE** : Gat No. 454/457,
Village Borgaon, Tal Dist- Satara - 415519
Maharashtra
- CORPORATE IDENTITY NO. (CIN)** : L21099MH1991PLC061709
- INVESTOR SERVICE CELL** : Plot no. B -54, OLD MIDC Area,
Satara - 415004
Maharashtra
- WEBSITE** : [www. Kaypowerandpaper.com](http://www.Kaypowerandpaper.com)

TWENTY THIRD ANNUAL GENERAL MEETING
MONDAY, 22ND SEPTEMBER, 2014

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 Third Annual General Meeting of the Members of KAY POWER AND PAPER LIMITED will be held at 3.00 p.m. on Monday, 22nd September, 2014 at Registered Office of the Company at Gat No. 454/457, Village Borgaon, Tal./Dist. Satara - 415 519, Maharashtra, to transact the following business :

ORDINARY BUSINESS:

1. To consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2014, 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 himself for re-appointment.
3. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT consent of the Company be and is hereby accorded to re-appoint M/s. Godbole & Company, Chartered Accountants (Firm Regn. No. 117969W) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting

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

AS SPECIAL BUSINESS:

4. To appoint Mr. Kaustubh Narayan Wadikar (DIN: 06772587) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Kaustubh Narayan Wadikar (DIN: 06772587), who was appointed as an Additional Director of the company by the Board of Directors with effect from 28th December, 2013 in terms of Section 260 of the Companies Act, 1956 [corresponding to Section 161(1) of the Companies Act, 2013] and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of the 28th Annual General Meeting of the Company in the calendar year 2019."

5. To appoint Mr. Sandeep Shahapurkar (DIN: 06919724) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Sandeep Shahapurkar (DIN: 06919724), who was appointed as an Additional Director of the company by the

Board of Directors with effect from 8th July, 2014 in terms of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of the 28th Annual General Meeting of the Company in the calendar year 2019."

6. To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2015 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the cost auditor M/s S. V. Vhatte & Associates, appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015, be paid the remuneration of Rs. 25,000 (Twenty Five thousand only) plus service tax and out of pocket expenses.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

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

Place : Satara NIRAJ CHANDRA
Date : 8th July, 2014 MANAGING DIRECTOR

NOTES:

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

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

2. Brief resume of Directors including those proposed to be appointed / re-appointed, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.
3. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
4. Register of Members and Share Transfer Books of the Company will be closed from Monday, 15th September, 2014 to Monday, 22nd September, 2014 (Both Days inclusive).
5. In case, members wish to ask for any information about accounts and operations of the Company, they are requested to send their queries in writing at least 7 days in advance of the date of the Meeting so that the information can be made available at the time of the Meeting.
6. Shareholders can send all documents/ transfers, share certificates and all communications directly to Registrar and

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

7. The shares of the Company are compulsorily traded in demat. The shareholders who have not dematerialised their shares are requested to opt for dematerialisation of their shareholding by opening DP account with nearest Depository Participant at the earliest, which will facilitate smooth purchase/sale of shares of the Company.
8. Members who have not registered their e-mail addresses so far are requested to register their e-mail address either DP or Company for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically. The same is also available on the website of the Company -www.kaypowerandpaper.com
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or RTA.
10. I. Voting through Electronic Means
In compliance with provisions of section 108 of the Companies Act 2013 and rules 20 of the Companies and Administration) Rules 2014, the company is pleased to provide members facility to exercise their right to vote at the 23rd Annual general Meeting (AGM) by electronic Means and

the business may be transacted e-voting Services provided by Central Depository Services (India) Limited (CDSL)

The instructions for members for voting electronically are as under:-

A) In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" i.e. Kay Power and Paper Limited from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN- Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)

 - Members who have not updated their PAN with the Company/Depository Participant are requested to use the

first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.

- In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.

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

Dividend Bank Details# Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.

- Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter **the number of shares held by you as on the cut off date** in the **Dividend Bank details field**.

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

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

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

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

(xii) 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.

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

(xiv) 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.

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

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

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

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.

- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.

- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on Tuesday 16th September 2014 at 9.00 am and ends on Thursday 18th September, 2014 at 6.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 22nd August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
- II. a) M/s. Bokil Punde & Associates, Company Secretaries has been appointed as Scrutinizer to Scrutinize voting process in a fair and transparent manner.
- b) The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of

the company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the chairman of the company.

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

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

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

Item no. 4

The Board of Directors of the Company appointed, pursuant to the provisions of Section 260 of the companies act 1956 corresponding to Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Kaustubh Narayan Wadikar (DIN: 06772587) as an Additional Director of the Company with effect from 28th December, 2013.

In terms of the provisions of Section 161(1) of the Act, Mr. Kaustubh Narayan Wadikar would hold office up to the date of the ensuing Annual General Meeting The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Kaustubh Narayan Wadikar for the office of Director of the Company.

Mr. Kaustubh Narayan Wadikar is 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.

Section 149 of the Act inter alia stipulates the criteria of independence should a company propose to appoint an independent director on its Board. As per the said Section 149, an

independent director can hold office for a term up to 5 (five) consecutive years on the Board of a company and he shall not be included in the total number of directors for retirement by rotation.

The Company has received a declaration from Mr. Kaustubh Narayan Wadikar that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

Mr. Kaustubh Narayan Wadikar possesses appropriate skills, experience and knowledge, inter alia, in the field of finance.

In the opinion of the Board, Mr. Kaustubh Narayan Wadikar fulfills the conditions for his appointment as an Independent Director as specified in the Act and the Listing Agreement. Mr. Kaustubh Narayan Wadikar is 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 under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report

Keeping in view his expertise and knowledge, it will be in the interest of the Company that Mr. Kaustubh Narayan Wadikar is appointed as an Independent Director.

Copy of the draft letter for appointment of Mr. Kaustubh Narayan Wadikar as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Save and except Mr. Kaustubh Narayan Wadikar none of the other Directors / Key

Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

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

Item No. 5

The Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Sandeep Shahapurkar (DIN: 06919724) as an Additional Director of the Company with effect from 8th July, 2014.

In terms of the provisions of Section 161(1) of the Act, Mr. Sandeep Shahapurkar would hold office up to the date of the ensuing Annual General Meeting The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Sandeep Shahapurkar for the office of Director of the Company.

Mr. Sandeep Shahapurkar is 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.

Section 149 of the Act inter alia stipulates the criteria of independence should a company propose to appoint an independent director on its Board. As per the said Section 149, an independent director can hold office for a term up to 5 (five) consecutive years on the Board of a company and he shall not be included in the total number of directors for retirement by rotation.

The Company has received a declaration from Mr. Sandeep Shahapurkar that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

Mr. Sandeep Shahapurkar possesses appropriate skills, experience and knowledge, inter alia, in the field of finance.

In the opinion of the Board, Mr. Sandeep Shahapurkar fulfills the conditions for his appointment as an Independent Director as specified in the Act and the Listing Agreement. Mr. Sandeep Shahapurkar is independent of the management.

Brief resume of Mr. Sandeep Shahapurkar, 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 under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report

Keeping in view his expertise and knowledge, it will be in the interest of the Company that Mr. Sandeep Shahapurkar is appointed as an Independent Director.

Copy of the draft letter for appointment of Mr. Sandeep Shahapurkar as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Save and except Mr. Sandeep Shahapurkar none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the shareholders.

Item No. 6

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 6 of the Notice for

ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2015.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the shareholders.

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

Place: Satara

NIRAJ CHANDRA

Date: 8th July, 2014

MANAGING DIRECTOR

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting Twenty Third Annual Report on the business and operations of your Company and Audited Accounts for the year ended 31ST March, 2014.

FINANCIAL RESULTS :

(Rs. in lacs)

	<u>2013-14</u>	<u>2012-13</u>
Total Revenue	2780.45	2,549.98
Net Profit	6.67	6.03

OPERATIONS :

During the year under review, only Paper Division was operational throughout the year producing 12455 M.T. Kraft Paper and achieved sales of 2769.55 Lac as against 12167 MT and Rs. 2540.67 lac of the previous year. The net profit was Rs. 6.67 Lac as against Rs. 6.03 lac of the previous year.

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

DIVIDEND :

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

PROSPECTS :

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

The Company may restart operations of Power Division after commencement of new sugarcane crushing season, in October - November 2014, when the bagasse will be amply available. Final Power tariff revision / permission to sale power to third party is expected from M.E.R.C., which will improve the viability of Power Division.

REHABILITATION SCHEME :

The final draft rehabilitation scheme has been submitted to operating agency M/s. Indian Renewable Energy Development Agency Ltd (IREDA) for onwards submission to BIFR.

DIRECTORS :

Mr. Kaustubh Wadikar was appointed as Additional Director on the Board of your Company on 28th December, 2013. He will hold office till the conclusion of the ensuing Annual General Meeting. Being eligible Mr. Kaustubh Wadikar offers himself for re-appointment at the ensuing Annual General Meeting. The necessary resolution is being put in the Notice of the ensuing Annual General Meeting for the consideration of the Members.

Mr. Sandeep Shahapurkar was appointed as Additional Director on the Board of your Company on 8th July, 2014. He will hold office till the conclusion of the ensuing Annual General Meeting. Being eligible Mr. Sandeep Shahapurkar offers himself for re-appointment at the ensuing Annual General Meeting. The necessary resolution is being put in the Notice of the ensuing Annual General Meeting for the consideration of the Members

Mrs. Smita Phadke was appointed as Additional Director on the Board of your Company on 28th December, 2013 and she has resigned for the office of Additional director form dated 4th July, 2014

DIRECTORS RESPONSIBILITY STATEMENT :
(Under sub-section (2AA) of Section 217 of the Companies Act, 1956, as amended.)

The Directors confirm that;

- i. in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii. to the best of their knowledge and information they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding

the assets of the Company and for preventing and detecting fraud and other irregularities and

- iv. the accounts have been prepared on a going concern basis.

CORPORATE GOVERNANCE :

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

AUDITORS :

M/s. Godbole & Company, Chartered Accountants, Satara Statutory Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

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

AUDITORS' REPORT :

The observations of the Auditors report read with the relevant notes thereon are self explanatory and therefore do not call for any further comments under Section 217 of the Companies Act, 1956.

COST AUDITORS :

The Company has appointed Mr. S.V. Vhatte, Cost Accountant, Solapur as Cost Auditor to conduct the audit of cost accounts maintained by the Company, for the financial year 2014-15, subject to the approval of Central Government, thereto. As mandated by Order No.52-26-CAB-201 dated 6th November 2012 issued by the Ministry of Corporate Affairs, Government of India, full particulars of Cost Auditors are given here under :-

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

Hotgi Road,
Solapur - 413 003.

Details of Cost Audit Report for the financial year ended 31ST March, 2014

Due date of filling: by 30th September 2014.

FIXED DEPOSIT :

As on 31st March, 2014, Company has no fixed deposits.

STATUTORY PARTICULARS :

In terms of Section 217(1) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, the relevant information pertaining to Energy Conservation, Technology Absorption, Foreign Exchange Earnings and Outgo is given in the annexure II of this report.

None of the employees of the Company is in receipt of remuneration in excess of limits prescribed under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended.

LISTING OF EQUITY SHARES :

The Equity Shares of your Company are listed on Bombay Stock Exchange Ltd., where the same are traded regularly.

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 for their continuous support in coming years.

For and on behalf of the Board of Directors

Date : 8th July, 2014
Place : Satara
Niraj Chandra
Chairman and
Managing Director

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

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

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

2. Composition of Board

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

Table 1 - The composition of the Board and other directorships and committee positions held on 31st March, 2014.

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

*Appointed as Director, w.e.f. December 28, 2013.

1 The Directorships, held by Directors as mentioned above, do not include Alternate Directorships and Directorships in foreign companies, companies registered under Section 25 of the Companies Act, 1956 and private limited companies.

2 In accordance with Clause 49 of the Listing Agreement, Memberships/Chairmanships of only Audit Committees and Shareholders'/Investors' Grievance Committees in all public limited companies whether listed or not have been considered.

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

During the year 1.4.2013 to 31.3.2014, Seven Board Meetings were held on 30.05.2013, 22.06.2013, 14.08.2013, 08.10.2013, 11.11.2013, 28.12. 2013 and 14.02.2014

The last Annual General Meeting was held on 27th August, 2013.

Name of the Director	No. of Board Meetings attended	Attendance at last AGM
Mr. Niraj Chandra	7	Present
Ms. Deepa Agarwal	5	Present
Mr. A. V. Kulkarni	7	Present
Mrs. Smita Phadke*	1	Absent
Mr. Kaushtubh Wadikar*	1	Absent

*Appointed as Director, w.e.f. December 28, 2013. 1 Board Meeting were held during his tenure.

3. Audit Committee

After IREDA'S withdrawal of nomination of Dr. Anil K. Rajvanshi, Chairman of the Audit Committee and sudden death of Mr. A. T. Shaikh Company has struggled to maintain the strength of audit committee till 27.12.2013. But after the appointment of new independent directors on the board on dated 28.12.2013 the audit committee is re-constituted with having 1 Non Executive Director, Mr. A. V.Kulkarni and 2 independent directors, Mrs. Smita Phadke and Mr. Kaushtub Wadikar. The Company Secretary acts as the Secretary of the committee.

After the re-constitution of audit committee on dated 28.12.2013 one audit committee meeting was held and all the audit committee members were present in this meeting.

The Audit Committee is responsible for overseeing the Company's financial reporting process, reviewing with the management the financial statements and adequacy of internal accounting functions and discuss significant findings on the accounting statements. The committee acts as a link between the management, external auditors and the Board of Directors of the Company

4. Remuneration Committee

Company has not constituted the Remuneration Committee as it has no pecuniary relationship or transactions with its non executive directors other than the payment of sitting fees to them for attending the meetings of the Board and the committees thereof.

(Rs.)

Name of the Director	Sitting fees	Salary	Commission	Total
Mr. Niraj Chandra	-	\$	-	-
Ms. Deepa Agarwal	-	-	-	-
Mr. A. V. Kulkarni	-	-	-	-
Mrs. Smita Phadke*	1000	\$\$	-	1000
Mr. Kaushtub Wadikar*	1000			1000

*From 28.12.2013

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

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

5. Shareholders/ Investors Grievance Committee

The Shareholders/ Investors Grievance committee comprises of Mrs. Deepa Agarwal, heading the committee and Mr. Niraj Chandra, Mr. A. V. Kulkarni, are members of the committee and Mr. Sagar Mohite, Secretary of the committee.

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

6. General Body Meetings

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

AGM for the Financial Year	Date	Time	Venue for all the three AGMs
2010-11	06.09.2011	3.00 p.m.	Gat No.454/457, A/P. Borgaon
2011-12	18.09.2012	3.00 p.m.	T/D. Satara – 415 519.
2012-13	27.08.2013	3.00 p.m.	

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

B) POSTAL BALLOT:-

During the year, pursuant to the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules 2011, certain resolutions were passed by shareholders by postal ballot. The Notice of postal ballot was mailed to all shareholders along with postage prepaid envelopes. Mr. Shekhar Ghatpande, Company Secretary, had been appointed as scrutinizer for the postal ballots, who submitted his reports to the Chairman, Mr. Niraj Chanda. The details of the postal ballots are given below:-

Sr. No.	Date of announcement of Result	Description	Total No. of Votes Polled	No. Votes In favour %	No. Votes in against %	No. of invalid Votes %
(1)	06/12/2013	Special Resolution under Section 17 read with Section 192A of the Companies Act, 1956 for alteration in the Memorandum of Association by insertion of Clause 35 in the incidental/ ancillary object of Memorandum of Association of the Company.	5484954	99.92	0.06	0.01
(2)	06/12/2013	Ordinary Resolution under Section 293(1)(a) of the Companies Act, 1956 authorising the Board of Directors of the Company to Sell, Lease or otherwise dispose of immovable / movable Assets of the Power Division of the Company situated at Gat No.454/457, A/P. Borgaon, Tal/Dist. Satara - 415519 or at any other place	5484954	99.97	0.02	0.01

C) Procedure adopted for Postal Ballot

- (i) The Board at its meeting approves the items to be passed through postal ballot and authorizes one of the functional Directors and the Company Secretary to be responsible for the entire process of postal ballot.
- (ii) A professional such as a Chartered Accountant/ Company Secretary, who is not in employment of the Company, is appointed as the Scrutinizer for the poll process.
- (iii) Notice of postal ballot along with the ballot papers are sent to the shareholders along with a self addressed envelope addressed to the Scrutinizer.
- (iv) An advertisement is published in a news paper about the dispatch of ballot papers and notice of postal ballot.
- (v) The duly completed postal ballot papers are received by the Scrutinizer.(vi) Scrutinizer gives his report to the Chairman.
- (vii) The Chairman announces the results of the postal ballot in a meeting convened for the same.
- (viii) Results are intimated to the Stock Exchange and are put up on the Notice Board of the Company as well as on the Company's Website.

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

- a) Information in respect of the Director seeking re-appointment at the Annual General Meeting to be held on Monday, 22nd September, 2014.

Ms. Deepa Agarwal, 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 Kay Nitroxigen Private Limited and Chandra trading and Investment Private Limited. She holds 741100 shares of the company.

Mr. Kaustubh Wadikar B.Com, DTL and having experience in tax and finance area for more than 5 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 6 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

- b) The transactions with related parties were undertaken in the normal course of business and were at terms and conditions, which were not prejudicial to the interest of the Company.
- c) The Company has complied with all the requirements of the Listing Agreement with the Stock Exchange as well as regulations and guidelines of SEBI, no penalties or strictures have been imposed by SEBI, Stock Exchange or any Statutory Authority on matters relating to capital markets during the last three years. In 1998 delisted equity shares from Ahmedabad and Delhi Stock Exchanges and in 2004 from Pune Stock Exchange Ltd.

MEANS OF COMMUNICATION :

Recommendation	Compliance
Quarterly Results : Whether published Any website, where displayed	Yes The results are displayed on the website of the Company and also on the website of Bombay Stock Exchange Ltd.
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 30.6.2014 Financial reporting for the quarter ending 30.9.2014 Financial reporting for the quarter ending 31.12.2014 Financial reporting for the quarter ending and year ending 31.3.2015 Annual General Meeting Venue	Before 14 th August, 2014 Before 14 th November, 2014 Before 14 th February, 2015 April/May, 2015 22 nd September, 2014 at 3.00 p.m. Regd. Office : Gat No. 454/457, A/P. Bargaon, T/D Satara - 415 519.	
Listing of Equity Shares on Stock Exchange	Bombay Stock Exchange Ltd.	
Registrar and share transfer agent	Sharepro Services (India) Pvt. Ltd. Sam Hita Warehousing Complex, Warehouse No 52 & 53, Plot No 13AB, 2nd Floor Sakinaka, Mumbai - 400 072 Phone - (022) 67720400/347 Fax - (022) 67720416	
Stock Code Stock Exchange	530255 Bombay Stock Exchange Ltd.	
Book closure date	From 15 th September, 2014 to 22 nd September, 2014	
ISIN for the Company's Equity Shares in Demat Form Depository Connectivity	INE961B01013 N.S.D.L. and C.D.S.L.	
Complaints received during the year	Received	Cleared
A. Complaints received from Shareholders	1	1
B. Complaints received from Stock Exchange / SEBI	-	-

Share transfer system :

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

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

23RD ANNUAL REPORT 2013-2014

Distribution of shareholding as on 31st March, 2014.

No. of shares	No of Shareholders	% of Shareholders	Total face value Rs.	% of total Value
Upto 500	4,586	87.603	68,86,980	6.47
501-1000	302	5.769	26,82,220	2.52
1001-2000	114	2.178	18,81,710	1.77
2001-3000	70	1.337	17,90,230	1.68
3001-4000	18	0.344	6,60,050	0.62
4001-5000	28	0.535	13,50,690	1.27
5001-10000	43	0.821	31,40,570	2.95
10001 and above	74	1.413	8,80,07,550	82.72
TOTAL	5,235	100.00	10,64,00,000	100.00

Categories of shareholders as on 31st March, 2014.

Category	No. of shares held	Voting Strength (%)
Promoters, Relatives and Associate Companies	47,52,647	44.67
Public	34,46,201	32.39
NRI/FII's/OCB's	1,64,691	1.55
Domestic Companies (Including financial institution)	22,76,461	21.40

MARKET PRICE DATA

The monthly high and low quotations of Shares traded on Bombay Stock Exchange Ltd., during April, 2013 to March, 2014.

Month and year	High Price	Low Price
April 2013	16.45	12.82
May 2013	16.10	14.50
June 2013	15.50	12.10
July 2013	14.87	12.55
August 2013	13.94	11.91
September 2013	15.00	12.23
October 2013	17.00	13.22
November 2013	17.35	14.00
December 2013	16.89	12.01
January 2014	17.45	13.85
February 2014	20.34	11.70
March 2014	18.00	15.55

Compliance officer	Mr. Sagar Mohite Company Secretary Liasion Office : B- 54, Old MIDC Area, Satara - 415004. Mobile: 9689908431, Fax: (02162) 246133
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TO THE MEMBERS OF KAY POWER AND PAPER LIMITED

We have examined the compliance of conditions of Corporate Governance by Kay Power And Paper Limited, for the year ended 31st March, 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Bombay Stock Exchange Ltd. The compliance of conditions of Corporate Governances is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

For **GODBOLE & COMPANY**
Chartered Accountants

Place : Satara Ashutosh Godbole
Date : 8th July, 2014 Proprietor

ANNEXURE II : Particulars required to be disclosed under Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' report for the year ended 31st March, 2014.

A. Conservation of Energy: Total energy consumption and energy consumption per unit production as Per Form - A of the Annexure to the Rules in respect of Industries specified in the Schedule theteto :

	2013-2014	2012-2013
i Power & Fuel Consumption		
1. Electricity (Units)		
a. Own generation	-	-
b. Purchased From MSEDCL	38,53,040	37,53,520
c. Total Cost (Rupees)	3,15,23,161	3,27,49,280
d. Rate Per unit (Rupees) :	8.18	8.73
2. Bagasse Consumed in Boiler		
a. Quantity (M.Tons)	10,208	12,179
b. Total Cost (Rupees)	2,18,25,603	1,67,85,934
c. Rate per M.Ton (Rupees)	2,138	1,378
ii Consumption per unit of production		
1. Paper		
a. Electricity (Units)	38,53,040	37,53,520
b. Production (M Ton)	12455	12,167
c. Unit per M.Ton	309	308
2. Power		
a. Quantity (M.Tons)	-	-
b. Generation (Units)	-	-
c. Consumption per Unit (KG)	-	-

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

	2013-2014	2012-2013
C. Foreign Exchange Earnings and Outgo :		
Earnings	-	-
Outgo	41, 73,614.43	1, 54, 36,753

For and on behalf of the Board of Directors

Place : Satara
Date : 8th July, 2014

Niraj Chandra
Chairman and
Managing Director

AUDITORS' REPORT

To The Members of Kay Power And Paper Limited

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Kay Power And Paper Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year ended as on that date and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in

conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014,
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, except non-compliance AS15 regarding Accounting for retirement benefits on account of non-provision for terminal benefits like gratuity payable to employees. (Refer para. (9) in note 1 to the financial statements.)
 - (e) On the basis of written representations received from the directors as on March 31, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For GODBOLE & COMPANY
Chartered Accountants

Place : Satara
Date : 28th May, 2014

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

Annexure Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' Section of our Report of even date to the Members of Kay Power And Paper Limited for the year ended on 31st March, 2014

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of the fixed assets.
- b) As per our information and explanations given to us, fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- c) During the year, the Company has not disposed off major part of the fixed assets.
2. a) According to information and explanations given to us, the inventory has been physically verified by the management during the year. In our opinion, frequency of verification is reasonable.
- b) In our opinion, the procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the Company and its business.
- c) The Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of stocks as compared to books and records were not material
3. a) In our opinion and according to the information and explanations given to us, the Company has taken loans from five parties covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.1631.12 Lakhs and year-end balance of loans taken from such parties was Rs.1631.12 Lakhs. The Company has not granted any loans to parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- b) In our opinion, the terms and conditions subject to which these loans are taken are not prima facie prejudicial to the Company.
- c) The Company is not paying any interest on these loans. We are unable to comment on the regularity of principal amount, as the repayment period is not stipulated.
4. In our opinion and according to information and explanations given to us there are adequate internal control procedures commensurate with the size of the Company and nature of business with regard to purchase of inventory, fixed assets and with regard to sale of goods. During the course of audit, we have not observed any continuing failure to correct major weakness in internal controls.
5. a. In our opinion and according to information and even to us transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees five Lacs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion and according to information and explanations given to us, the Company does not have any deposits accepted from the public covered u/s 58-A during the year under audit.
7. The Company did not have any formal internal audit system during the year under review. However, its internal control procedure involved reasonable checking of its financial records.
8. We have broadly reviewed the accounts and records maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956. We are of the opinion

- that prime facie the prescribed accounts and records have been made and maintained.
9. a. According to records of Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund dues and Profession tax. No amount is outstanding as at 31/3/2014 for a period more than 6 months from the date they become payable.
- b. According to information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, excise duty were in arrears as at 31/3/2014 for a period more than six months from the date they became payable except net liability of VAT pertaining to period from financial year 2007-08 to 2013-14 amounting to Rs.353.64 Lacs which is withheld by the Company in anticipation of grant of deferral of the same under rehabilitation scheme sanction of which is awaited.
- c. According to information and explanations given to us, there are no dues of income tax, sales tax, excise duty which have not been deposited on account of any dispute.
10. In our opinion, the accumulated loss of the Company is Rs.1464.61 Lakhs as on 31/3/2014 and is more than its total net worth. The Company has not incurred cash losses during the financial year covered by our audit and during the immediately preceding financial year. The accumulated losses have totally eroded the net worth of the Company and reference has been made to the Board for Industrial and Financial Reconstruction (BIFR).
11. In our opinion and according to information and explanations given to us, the Company had defaulted in repayment of dues to IREDA and the company has reached One Time settlement for the repayment of the loan taken from IREDA.
12. According to information and explanations given to us the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
15. In our opinion, the terms and conditions on which the Company has given guarantees for loans taken by banks or financial institutions are not prejudicial to the interests of the Company.
16. According to information and explanations given to us no term loans were obtained during the year.
17. According to information and explanations given to us and an overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long term investment. No long term funds have been used to finance short term assets except permanent working capital.
18. According to information and explanations given to us, the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act 1956.
19. The Company has not issued any debentures during the year under audit.
20. The Company has not raised money by public issue during the year under audit.
21. According to information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of audit.

For GODBOLE & COMPANY
Chartered Accountants

Place : Satara
Date : 28th May 2014

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

BALANCE SHEET AS AT 31 MARCH, 2014

Particulars	Note No.	As at	
		<u>31 March, 2014</u> Rupees	<u>31 March, 2013</u> Rupees
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	10,64,00,000.00	10,64,00,000.00
Reserves and surplus	3	(14,12,04,712)	(14,18,72,343)
		(3,48,04,712)	(3,54,72,343)
Share application money pending allotment	4	9,36,00,000.00	9,36,00,000.00
Non-current liabilities			
Long-term borrowings	5	36,26,02,423.00	35,06,56,822.00
Current liabilities			
Trade payables	6	1,71,48,728.00	2,04,75,806.00
Other current liabilities	7	6,87,385.00	7,25,070.00
Short-term provisions	8	1,49,110.00	1,80,122.00
TOTAL		<u>43,93,82,934.00</u>	<u>43,01,65,477.00</u>
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	9	33,50,15,837.00	3,37,898,517.00
Non-current investments	10	31,500.00	31,500.00
Long-term loans and advances	11	1,98,63,284.00	1,76,39,580.00
Other non-current assets	12	58,750.00	58,750.00
Current assets			
Inventories	13	6,17,82,074.00	53,495,445.00
Trade receivables	14	2,05,89,505.00	1,96,08,231.00
Cash and bank balances	15	12,58,872.00	4,49,639.00
Short-term loans and advances	16	7,83,112.00	9,83,815.00
TOTAL		<u>43,93,82,934.00</u>	<u>43,01,65,477.00</u>
Significant Accounting Policies Followed by Company	1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For GODBOLE & COMPANY
Chartered Accountants

For and on behalf of the Board of Directors

Ashutosh Godbole
Proprietor

Sagar Mohite
Company Secretary

Niraj Chandra
Chairman and
Managing Director

Deepa Agarwal
Director

Place : Satara
Date : 28th May, 2014

Place : Satara
Date : 28th May, 2014

23RD ANNUAL REPORT 2013-2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2014

Particulars	Note No.	For year ended 31 March, 2014 Rupees	For year ended 31 March, 2013 Rupees
REVENUE FROM OPERATION			
Revenue from operations (Gross)	17	29,44,33,933.00	27,01,28,378.00
Less : Excise duty		1,74,78,779.00	1,60,60,901.00
Revenue from operations (Net)		27,69,55,154.00	25,40,67,477.00
Misc. Sale (Gross)		58,955.00	0.00
Less : Excise duty		6,485.00	0.00
Misc. Sale (Net)		52,470.00	0.00
		27,70,07,624.00	
Other Income	18	10,38,182.00	9,30,741.00
Total Revenue		27,80,45,806.00	25,49,98,218.00
EXPENSES			
Cost of material consumed	19	21,20,01,659.00	18,48,41,589.00
Changes in inventories of Finished goods, and work-in-progress	20	(23,86,066)	(6,54,289)
Manufacturing Expenses	21	3,94,35,935.00	4,29,25,152.00
Employee benefits expenses	22	90,49,317.00	84,26,045.00
Finance cost	23	-	62,823.00
Depreciation and amortisation expenses	9	43,22,688.00	44,35,215.00
Other expenses	24	1,48,86,897.00	1,43,15,381.00
Loss on sale of asset		-	3,414.00
Debit Balances written off		67,747.00	40,288.00
		27,73,78,177.00	25,43,95,618.00
Total Expenses		27,73,78,177.00	25,43,95,618.00
Profit / (Loss) before tax		6,67,629.00	6,02,600.00
Profit on sales of Asset		-	-
		6,67,629.00	6,02,600.00
Profit /(Loss) before tax		6,67,629.00	6,02,600.00
Tax Expense:		-	0.00
Profit for the year after tax		6,67,629.00	6,02,600.00
Basic and diluted Earning per share(In Rs.) (Nominal value per share Rs. 10/-)		0.06	0.06
Significant account policies followed by Company	1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For GODBOLE & COMPANY
Chartered Accountants
Ashutosh Godbole
Proprietor

Sagar Mohite
Company Secretary

For and on behalf of the Board of Directors
Niraj Chandra
Chairman and
Managing Director
Deepa Agarwal
Director

Place : Satara
Date : 28th May, 2014

Place : Satara
Date : 28th May, 2014

Cash Flow Statement for the year ended 31 March, 2014

	31 March, 2014	31 March, 2013
	Rupees	Rupees
A. Cash flow Operating Activities		
Net profit/(loss) Before Tax & Extra Ordinary item	6,67,629.00	6,02,600.00
Adjustment for Depreciation	43,22,688.00	44,35,215.00
Add expenses related to non- operating Activities		
Interest and Bank Charges	-	62,823.00
Operating Profit/(Loss) Before working capital changes	49,90,317.00	51,00,638.00
(Increase)/Decrease in current Assets	(1,12,90,904.00)	(1,45,08,530)
Inventories	(82,86,629.00)	(30,95,048)
Trade Receivable	(9,81,274.00)	(76,21,667)
Long term Loans and advances	(22,23,704.00)	(34,68,217)
Short terms Loans and advances	200,703.00	(323598)
Increase/ (Decrease) in Current Laibilities	(33,95,775.00)	33,57,831.00
Trade payable	(3327078.00)	32,59,669.00
other Laibilities	(37,685.00)	14,730.00
Provisions	(31,012.00)	83,432.00
Cash Generated form Operations	(96,96,362.00)	(60,50,061.00)
Less Tax Paid	-	-
Net cash form Operating Activities	(96,96,362.00)	(60,50,061.00)
B. Cash Flow form Investing Activities		
(Purchase) / of fixed Assets	(14,40,008)	(21,96,949)
Sale of Fixed Assets	-	2,75,248.00
Net Cash Flow from Investing Activities	(14,40,008)	(19,21,701)
C. Cash Flow From Financial Activities		
Increase / (Decrease) in Borrowing	1,19,45,601.00	1,33,11,760.00
Interest Paid	-	(62,823)
Share Application Money	-	(56,80,000)
Increase in Non Current Assets		
Net Cash Flow from Financial Activities	1,19,45,601.00	75,68,937.00
Net Increase in Cash and cash Equivalent	8,09,231.00	(4,02,825.00)
Cash and cash equivalents at beginning of period	4,49,639.00	8,52,464.00
Cash and cash equivalents at End of period	12,58,872.00	4,49,639.00

For and on behalf of the Board of Directors

 Sagar Mohite
 Company Secretary
 Pune, 28th May, 2014

 Niraj Chandra
 Chairman and
 Managing Director
 Deepa Agarwal
 Director

Auditor's Certificate

The above cash flow statement has been compiled from and is based on the Audited accounts of Kay Power and Paper Limited, for the year ended 31st March 2014 reported upon by us on 28th May, 2014 According to the information and explanations given, the aforesaid Cash Flow Statement has been prepared pursuant to clause 32 of the Listing Agreement with Stock Exchange

 For GODBOLE & COMPANY
 Chartered Accountants

Ashutosh Godbole - Proprietor

 Satara, 28th May, 2014

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2014

Note 1 : Statement of Significant Accounting Policies.

1. Basis of preparation of financial statements

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

2. Use of Estimates

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

3. Fixed Assets and Depreciation

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

b) Depreciation

Depreciation on Fixed Assets has been provided at the rate provided in Schedule XIV to the Companies Act, 1956 for SLM method on the opening written down value of the assets. No depreciation on assets of Power Division is charged as power division was not functional and assets in power division remained idle for the whole year. Depreciation on Fixed Assets of Paper Division is charged for the whole year. Depreciation on addition to Fixed Assets is charged on pro-rata basis from date on which asset is put to use.

4. Interest

In view of the B.I.F.R. registration and pending proceedings for rehabilitation, the Company has stopped providing, for interest on outstanding loans of Financial Institutions and Banks from 1st July, 2003. The Company has effected one time settlement of dues with SICOM LIMITED, State Bank of India, Central Bank of India, MSFC and IREDA, where it has got rebate in the interest amount already provided for, which are reversed in the Profit and Loss Account as extra ordinary Items, in previous years.

5. Investment

Long Term investments are valued at cost.

6. Inventories

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

7. Segmental Reporting

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

8. Deferred Tax Liability

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

9. Retirement Benefits

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2014

	As at 31 March, 2014 Rupees	As at 31 March, 2013 Rupees
Note 2 : Share Capital		
Authorised		
1,50,00,000 Equity Shares of Rs.10/- each	15,00,00,000.00	15,00,00,000.00
Issued, Subscribed and Paid-up		
1,06,40,000 Equity Shares of Rs.10/- each	10,64,00,000.00	10,64,00,000.00
Total (2)	10,64,00,000.00	10,64,00,000.00

a Terms/rights attached to equity shares.

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

b Details of shareholders holding more than 5% shares in the Company.

	31 March, 2014		31 March, 2013	
	No. of shares held	% of holding	No. of share held	% of holding
Equity Shares of Rs. 10/- each fully paid up				
1 Niraj Chandra	16,52,100	15.53	16,52,100	15.53
2 Deepa Agarwal	7,41,100	6.97	7,41,100	6.97
3 Sushil Chandra	6,75,100	6.34	6,75,100	6.34
4 Usha Gupta	11,77,100	11.06	11,77,100	11.06
5 BAMPSL Securities Ltd.	11,87,813	11.16	-	-

	As at 31 March, 2014 Rupees	As at 31 March, 2013 Rupees
Note 3 : Reserves & Surplus		
Securities Premium Account	2,57,136.00	2,57,136.00
Special capital incentive of Govt. of Maharashtra	50,00,000.00	50,00,000.00
Surplus in statement of profit and loss		
Balance as per last balancesheet	(14,71,29,477)	(14,77,32,079)
Balance in the statement of Profit and loss	6,67,629.00	6,02,600.00
Total (3)	(14,12,04,712)	(14,18,72,343)

Note 4 : Share Application Money Pending Allotment

Preferential allotment pending subject to sanction of rehabilitation scheme from BIFR	9,36,00,000.00	9,36,00,000.00
Sub Total (4)	9,36,00,000.00	9,36,00,000.00

23RD ANNUAL REPORT 2013-2014

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2014

	As at 31 March, 2014 Rupees	As at 31 March, 2013 Rupees
Note 5 : Long Term Borrowings		
Term loan from Indian Renewable Energy Development Agency Ltd. (IREDA) (Secured by First Mortgage and charge on all fixed assets both movable and immovable of the company)	<u>8,29,36,042.00</u>	<u>9,49,36,042.00</u>
Additional Term loan from Indian Renewable Energy Development Agency Ltd. (IREDA) (Secured by First Mortgage and charge on all fixed assets both movable and immovable of the company)	<u>2,71,61,817.00</u>	<u>2,71,61,817.00</u>
Total	<u><u>11,00,97,859.00</u></u>	<u><u>12,20,97,859.00</u></u>
Unsecured Loan		
Intercompany Deposits (The terms of repayment of these deposits are not defined)	<u>16,31,11,814.00</u>	<u>15,36,11,814.00</u>
Deferred Liability for Sales tax (Maharashtra sales tax department has granted facility of differed of sales tax liability under packaged scheme of incentive. The company has proposed extension of the scheme under the reconstruction proposal submitted to B.I.F.R)	<u>8,93,92,750.00</u>	<u>7,49,47,149.00</u>
Sub Total (5)	<u><u>25,25,04,564.00</u></u>	<u><u>22,85,58,963.00</u></u>
Gross Total (5)	<u><u>36,26,02,423.00</u></u>	<u><u>35,06,56,822.00</u></u>
Note 6 : Trade Payables		
Due to Micro, Small and Medium Enterprises* others	<u>1,71,48,728.00</u>	<u>2,04,75,806.00</u>
Total (6)	<u><u>1,71,48,728.00</u></u>	<u><u>2,04,75,806.00</u></u>

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2014

	As at 31 March, 2014	As at 31 March, 2013
	Rupees	Rupees
Note 7 : Other Current Liabilities		
Dealer Deposit	–	–
Salary Payables	2,77,438.00	2,80,739.00
Wages Payables	3,86,627.00	3,35,646.00
Water charges payable	–	47,125.00
TDS Contractors Payable	10,220.00	10,724.00
Imprest Account	–	19,520.00
TDS Salary Payable	13,100.00	31,316.00
Total (7)	6,87,385.00	7,25,070.00

Note 8 : Other Short Term Provisions

MPCB Fees Payables	11,509.00	13,719.00
Labour charges payables	1,22,622.00	1,50,056.00
Professional tax payables	9,075.00	8,900.00
Unpaid wages	2,623.00	2,000.00
Unpaid Salary	2,000.00	4,000.00
Employees PF Payables	1,281.00	1,447.00
Total (8)	1,49,110.00	1,80,122.00

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2014

Note 9 : Fixed Assets

Name of Asset	Dep. %	GROSSBLOCK (RUPEES)				DEPRECIATION (RUPEES)				NETBLOCK (RUPEES)	
		As at 01.04.13	Additions	Deductions	As at 31.03.14	Up to 31.03.13	For the Year	Additions	Upto 31.03.14	As at 31.03.14	As at 31.03.2013
		A	B	C	D=(A+B-C)	E	F	G	H=(E+F+G)	I=(D-H)	J=A-E
Paper Divisions											
Free hold land		5,73,245			5,73,245	-	-	-	-	5,73,245	5,73,245
Land & Site Development		13,49,328			13,49,328	-	-	-	-	13,49,328	13,49,328
Building, Factory & Resi	3.34	2,10,16,941			2,10,16,941	70,03,816	4,68,038	-	74,71,854	1,35,45,087	1,40,13,125
Well & Lift Scheme	3.34	43,02,456			43,02,456	12,78,000	1,01,017	-	13,79,017	29,23,439	30,24,456
Plant & Machinery	5.28	11,36,59,046	4,25,008		11,40,84,054	5,48,43,011	31,05,487	20,312	5,79,68,810	5,61,15,244	5,88,16,035
E T Plant	5.28	50,97,470			50,97,470	26,79,686	1,27,659	-	28,07,345	22,90,125	24,17,784
Weigh Bridge	4.75	7,05,872			7,05,872	3,16,004	18,519	-	3,34,523	3,71,349	3,89,868
Boiler	5.28	96,15,999			96,15,999	39,71,037	2,98,054	-	42,69,091	53,46,908	56,44,962
Laboratory Equipment	4.75	2,55,346			2,55,346	59,470	9,304	-	68,774	1,86,572	1,95,876
Furniture & Fixture	6.33	2,47,562			2,47,562	1,30,191	7,430	-	1,37,621	1,09,941	1,17,371
Vehicle	9.55	17,90,434	10,15,000		28,05,434	904382	84,618	41,209	10,30,209	17,75,225	8,86,052
Office Equipment	6.33	11,61,461			11,61,461	5,13,097	41,041	-	5,54,138	6,07,323	6,48,364
Software & Licenses		28,000			28,000	-	-	-	-	28,000	28,000
Total		15,98,03,160	14,40,008	-	16,12,43,168	7,16,98,694	42,61,167	61,521	7,60,21,382	8,52,21,786	8,81,04,466
Power Divisions											
Land & Site Development		11,22,850			11,22,850	-	-	-	-	11,22,850	11,22,850
Building	3.34	1,52,18,490			1,52,18,490	17,27,564	-	-	17,27,564	1,34,90,926	1,34,90,926
Cooling Tower	5.28	21,34,719			21,34,719	3,32,887	-	-	3,32,887	18,01,832	18,01,832
D M Plant	5.28	13,17,022			13,17,022	2,02,428	-	-	2,02,428	11,14,594	11,14,594
Steam Line	5.28	4,81,300			4,81,300	88,289	-	-	88,289	3,93,011	3,93,011
L T Electrical Pannels	5.28	3,310,435			3,31,0435	4,76,023	-	-	4,76,023	28,34,412	28,34,412
System withdRBC											
Bagasse handling	5.28	54,34,6274			5,43,46,274	99,55,924	-	-	99,55,924	4,43,90,350	4,43,90,350
Boiler	5.28	8,29,09,042			8,29,09,042	1,50,31,985	-	-	1,50,31,985	6,78,77,057	6,78,77,057
T G Set with H T Pannels	5.28	14,14,47,609			14,14,47,609	2,49,00,948	-	-	2,49,00,948	11,65,46,661	11,65,46,661
Furniture & Fixture	6.33	56,781			56,781	11,317	-	-	11,317	45,464	45,464
Kiosk Unit	5.28	1,80,163			1,80,163	3,269	-	-	3,269	1,76,894	1,76,894
Total		30,25,24,685	-	-	30,25,24,685	5,27,30,634	-	-	5,27,30,634	24,97,94,051	24,97,94,051
Total a+b		46,23,27,845	14,40,008	-	46,37,67,853	1,24,429,328	42,61,167	61,521	12,87,52,016	33,50,15,837	33,78,98,517
Previous Year		46,04,06,144	21,96,949.00	2,75,248	46,23,27,845	11,99,94,113	44,35,215	-	12,44,29,328	33,78,98,517	34,04,12,031

(* As the Power Div is not started in the year no Depreciation is Charged)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2014

	As at 31 March, 2014 Rupees	As at 31 March, 2013 Rupees
Note 10 : Non Current Investments		
1500 Equity Shares of Rs.10/- each of National General Industries Ltd	22,500.00	22,500.00
900 Equity Shares of Rs.10/- each of Ambala Cement Ltd.	9,000.00	9,000.00
Sub Total (10)	31,500.00	31,500.00
Note 11 : Long Term Loans and Advances		
Sundry Deposits	23,000.00	23,000.00
Deposits with irrigation dept.	35,000.00	35,000.00
Security deposits with Delhi High Court	29,44,900.00	29,44,900.00
M.S.E.D.C.L. Deposits (Lift Scheme)	42,130.00	1,06,185.00
M.S.E.D.C.L. Deposits (HT Connection)	23,15,280.00	23,82,999.00
Telephone Deposits	25,027.00	25,027.00
Vat Credit Refundable	1,44,42,348.00	1,21,22,469.00
Imprest	4,625.00	-
TDS Receivable	30,974.00	-
Total (11)	1,98,63,284.00	1,76,39,580.00
Note 12 : Other Non Current Assets		
Balances with Scheduled Banks in Fixed Deposit	33,750.00	33,750.00
Fixed Deposit as security for Bank Guarantee For MPCB	25,000.00	25,000.00
Total (12)	58,750.00	58,750.00
Note 13 : Inventories		
Tools and spares (Value at cost price)	44,79,756.00	45,76,027.00
Raw Material (Value at cost price)	5,27,80,083.00	4,67,83,249.00
Finished goods (Value at cost of production)	45,22,235.00	21,36,169.00
Total (13)	6,17,82,074.00	5,34,95,445.00
Note 14 : Trade Receivables		
(Unsecured and Considered Good)		
Outstanding over six months	3,23,793.00	3,23,793.00
Others	2,02,65,712.00	1,92,84,438.00
Total (14)	2,05,89,505.00	1,96,08,231.00
Note 15 : Cash and Bank Balances		
Cash in hand	26,581.00	26,156.00
Balances with bank	12,32,291.00	4,23,483.00
Total (15)	12,58,872.00	4,49,639.00

23RD ANNUAL REPORT 2013-2014

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2014

	<u>As at 31 March, 2014</u> Rupees	<u>As at 31 March, 2013</u> Rupees
Note 16 : Short Term Loans and Advances		
Balances with Statutory / Public Authorities	7,83,112.00	9,83,815.00
Advance recoverable in cash or in kind or for value to be recoverable		
Total (16)	<u>7,83,112.00</u>	<u>9,83,815.00</u>
Note 17 : Revenue from Operations (Gross)		
Kraft Paper		
Gross Sales	29,44,33,933.00	27,01,28,378.00
Less . Excise Duty	1,74,78,779.00	1,60,60,901.00
Net Sales	27,69,55,154.00	25,40,67,477.00
Misc Sale (Scrap)	58,955.00	-
Less . Excise Duty	6,485.00	
	<u>52,470.00</u>	
Total (17)	<u>27,70,07,624.00</u>	<u>25,40,67,477.00</u>
Note 18 : Other Income		
Profit on Sale of Assets	-	2,89,404.00
Foreign Exchange Rate Diff.	92,176.00	2,74,775.00
Interest Received	2,96,006.00	-
Discount Received	-	16,562.00
Misc. / Sundry Other Income	6,50,000.00	3,50,000.00
Total (18)	<u>10,38,182.00</u>	<u>9,30,741.00</u>
Note 19 : Cost of material consumed		
Raw material consumed		
Opening Stock	4,67,83,249.00	4,47,73,294.00
Add: Purchase	21,79,98,493.00	18,68,51,544.00
Less Closing stock	52,780,083.00	4,67,83,249.00
Total (19)	<u>21,20,01,659.00</u>	<u>18,48,41,589.00</u>
Note 20 : Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Stock at Opening		
Finished Goods	21,36,169.00	14,81,880.00
Less Stock at Closing		
Finished Goods	45,22,235.00	21,36,169.00
Total (20)	<u>(2386066)</u>	<u>(654289)</u>
Note 21 : Manufacturing Expenses		
Carriage Inward	3,25,889.00	4,32,041.00
Power & Fuel	3,15,23,161.00	3,27,49,280.00
Repairs and Maintainance	4,727,989.00	45,03,297.00
Other Manufacturing Expenses	28,58,896.00	52,40,534.00
Total (21)	<u>3,94,35,935.00</u>	<u>4,29,25,152.00</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2014

	As at 31 March, 2014 Rupees	As at 31 March, 2013 Rupees
Note 22 : Employee Benefits Expense		
Salary and wages	90,22,419.00	83,74,264.00
Welfare Expenses	8,597.00	21726.00
Contribution to P.F.	18,301.00	30,055.00
Total (22)	90,49,317.00	84,26,045.00
Note 23 : Finance Costs		
Bank Charges / Commission	-	62,823
Total (23)	-	62,823
Note 24 : Other Expenses		
CDSL Custodial Fees	33,708.00	3,00,00.00
Legal & Professional Fees	2,63,034.00	3,93,941.00
Packing & Forwarding	7,937.00	5,256.00
Testing Fees	2,650.00	6,851.00
ROC Filing Fees	11,500.00	6,500.00
Directors Sitting Fees	2,000.00	2,000.00
Factory Licence Fees	42,005.00	42,000.00
MPCB Fees	-	1,50,000.00
Boiler Inspection Fees	11,200.00	-
Electrical Inspection Fees	-	800.00
BSE Listing Fees	40,000.00	40,000.00
Audit Fees	15,000.00	15,000.00
Membership & Subscription	16,296.00	22,624.00
Excise Duty Expenses	77,954.00	60,355.00
Interest on excise duty	-	258.00
M.S.E.D.C.L. Shortfall	-	14,915.00
MPCB Cess / Testing Fees	16,812.00	15,330.00
Professional tax - company	2,500.00	2,500.00
Printing & Stationary	76,246.00	86,478.00
Postage & Telephone Expenses	83,868.00	1,17,808.00
Insurance	1,91,442.00	57,401.00
Rent, Rates & Taxes	2,02,222.00	1,50,378.00
Rounded off	217.00	-
Dealer Discount	1,22,28,624.00	1,17,97,536.00
Vehicle Repairs & Maintainance	97,431.00	1,01,117.00
Fuel for vehicle	1,28,343.00	1,17,990.00
Craft Paper Loading charges	5,39,100.00	4,57,200.00
Advertisement Charges	3,348.00	3,520.00
Local Conveyance	88,098.00	64,448.00
Carriage outward	1,00,550.00	110200.00
Travelling Expenses	1,06,841.00	1,15,485.00
Postal Ballot Exps	1,06,837.00	-
Miscellaneous Office Expenses	3,91,134.00	3,27,490.00
Total (24)	1,48,86,897.00	1,43,15,381.00

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2014

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

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

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

Note 28 : C.I.F. value of imported west paper Rs. 41,73,614.43 (Rs.1,54,36,753)

Note 29 : Consumption Raw Material

Item Name	Opening Stock		Purchases		Total		Consumption		Closing Stock	
	Qty	Value	Qty	Value	Qty	Value	Qty	Value	Qty	Value
Bagasse	15332	35867919	9798	21058026	25130	56925945	10208	21825603	14922	35100342
	(19439)	(35329521)	(8072)	(19747257)	(27511)	(55076778)	(12179)	(19208859)	(15332)	(35867919)
Firewood	728	(1366501)	2710	5288769	3438	6655270	69	4120810	1265	2534460
	(7)	(10654)	(790)	(1484962)	(797)	(1495616)	(69)	(129115)	(728)	(1366501)
Coal	95	441143	1053	5203396	1148	5644539	1033	5261276	78	383263
	(0)	(0)	(1128)	(5260016)	(1128)	(5260016)	(1033)	(4818873)	(95)	(441143)
Indian Waste	401	4592057	13497	170843626	13898	175435683	13433	163876830	465	11558853
Paper	(576)	(6631455)	(11983)	(133735652)	(12559)	(140367107)	(12158)	(135775050)	(401)	(459205)
Imported Waste	219	3529601	291	5303555	510	8833156	1195	6849113	115	1984043
Paper	(146)	(2351026)	(1268)	(20387861)	(1414)	(22738887)	(1195)	(19209286)	(219)	(3529601)
Chemicals	0	787124	0	7525209	0	8312333	0	7217960	0	1094373
	(0)	(339489)	(0)	(3582699)	(0)	(3922188)	(0)	(3135064)	(0)	(787124)
Packing Material	0	198904	0	2775912	0	2974816	0	2850067	0	124749
	(0)	(111149)	(0)	(2653097)	(0)	(2764246)		(2565342)	(0)	(198904)
Total	16775	46783249	27349	217998493	44124	264781742	25938	212001659	16845	52780083
	(20168)	(44773294)	(23241)	(186851544)	(43409)	(231624838)	(26634)	(184841589)	(16775)	(46783249)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2014**Note 30 : Related Party Disclosure :**

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

- a. Associate Companies -
 - 1) Kay Bouvet Engineering Ltd. - Unit III,
 - 2) Kay Nitroxigen Pvt Ltd.
- b. Key Management Personnel -
 - 1) Mr. Niraj Chandra, Chairman and Managing Director
 - 2) Ms. Deepa Agarwal, Director & Relative

1) Details of Transactions are as follows :-

a) With Associate Companies - (Rs.In lac)

	Purchases	Sales
1) Kay Bouvet Engineering Ltd. - Unit III,	13.07	0.35
2) Kay Nitroxigen Pvt Ltd.	0.19	

b) With Key Management Personnel - NIL,

2) Outstanding Balance as on 31.03.2014 :

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

Note 31 : Segmentwise Reporting :

The company has mainly two divisions viz Paper and power. During the current year 2013-14 only paper Division was operational, hence segmentwise results are not given.

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

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

The accompanying notes are an integral part of the financial statements

As per our report of even date

For GODBOLE & COMPANY
Chartered Accountants
Ashutosh Godbole
Proprietor

Sagar Mohite
Company Secretary

For and on behalf of the Board of Directors
Niraj Chandra
Chairman and
Managing Director
Deepa Agarwal
Director

Place : Satara
Date : 28th May, 2014

Place : Satara
Date : 28th May, 2014



KAY POWER AND PAPER LIMITED

CIN- L21099MH1991PLC061709

Regd. Office : Gat No. 454/457, Village Borgaon, Tal./Dist. Satara-415 519

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) ofshares 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 Third Annual General Meeting, to be held on the 22nd day of September, 2014 At 3.00 p.m. at Registered Office of the company at Gat No. 454/457, A/P - Borgaon, Tal Dist - Satara- 415519 and at any adjournment thereof in respect of such resolutions as are indicated below:

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

S.N.	Resolutions	For	Against
1.	Consider and adopt: Audited Financial Statement, Reports of the Board of Directors and Auditors		
2.	Re-appointment of Mrs. Deepa Agarwal who retires by rotation		
3.	Appointment of Auditors and fixing their remuneration		
4.	Appointment of Mr. Kaustubh Narayan Wadikar as an Independent Director		
5.	To appoint Mr. Sandeep Shahapurkar as an Independent Director		
6.	Approval of the Remuneration of the Cost Auditors		

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

Signature of shareholder

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

Affix
Revenue
Stamp

Notes.

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

BOOK - POST

If undelivered, please return to :

KAY POWER AND PAPER LIMITED

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



KAY POWER AND PAPER LIMITED

CIN- L21099MH1991PLC061709

Regd. Office : Gat No. 454/457, Village Borgaon, Tal./Dist. Satara-415 519

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 THIRD 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, 22nd September, 2014.

Member's/ Proxy's Signature