

KAY POWER AND PAPER LIMITED



**25th
Annual Report
2015-2016**



KAY POWER AND PAPER LIMITED

(Formerly KAY PULP AND PAPER MILLS LTD.)

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

TWENTY FIFTH ANNUAL GENERAL MEETING
MONDAY, 19TH SEPTEMBER, 2016

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



NOTICE

NOTICE is hereby given that the Twenty Fifth Annual General Meeting of the Members of M/ S. KAY POWER AND PAPER LIMITED will be held at 3.00 p.m. on Monday, 19th September, 2016 at the Registered Office of the Company at Gat No. 454/457, Village Borgaon, Tal./Dist. Satara - 415 519, Maharashtra, to transact the following business :

ORDINARY BUSINESS:

1. To consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2016, the reports of the Board of Directors and Auditors thereon;
2. To appoint a Director in place of Mrs. Deepa Agarwal (DIN: 00452947), who retires by rotation at this Annual General Meeting and being eligible has offered herself for re-appointment.
3. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

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

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

SPECIAL BUSINESS:

Item No. 4:- To approve re-appointment of Mr. Niraj Chandra, Chairman and Managing Director of the Company.

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

resolution as a Special Resolution

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

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

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

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



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

2. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto and all related documents of explanatory statement are available for inspection in physical or in electronic form during business hours of the company at the Registered Office of the company.
3. Brief resume of Directors including those proposed to be re-appointed, as stipulated under Regulation 36(3) Securities and Exchange Board of India (listing obligations and Disclosure requirements) regulations, 2015, are provided in the Corporate Governance Report forming part of the Annual Report.
4. Register of Members and Share Transfer Books of the Company will be closed from Monday, 12th September, 2016 to Monday, 19th September, 2016 (Both Days inclusive).
5. In case, members wish to ask for any information about accounts and operations of the Company, they are requested to send their queries in writing at least 7 days in advance of the date of the Meeting so that the information can be made available at the time of the Meeting.
6. Shareholders can send all documents/transfers, share certificates and all communications directly to Registrar and Transfer Agent at the address given below:-

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

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

7. The shares of the Company are compulsorily traded in demat. The shareholders who have not dematerialised their shares are requested to opt for dematerialisation of their shareholding by opening DP account with nearest Depository Participant at the earliest, which will facilitate smooth purchase/sale of shares of the Company.
8. The Ministry of Corporate Affairs ("MCA") has started "Green Initiative in Corporate Governance", which provides for paperless compliances by companies through electronic mode. In accordance with provisions of Companies Act 2013, and as per the regulation 36 (1) Securities and Exchange Board of India (listing obligations and Disclosure requirements) regulations, 2015 companies can now send documents and other notices to shareholders through electronic mode to promote paperless compliances.

Therefore we request the Members who have not registered or updated their e-mail addresses so far to register/update their e-mail address with their Depository Participants (DP). Members holding shares in physical mode can then download E-Communication Registration Form from our company website fill up the same and send to the Registrar and Share Transfer Agent (RTA) on given address or Email- sysss72@yahoo.com / zoebsss@hotmail.com or kppl.secretarial@gmail.com.

All the communication i.e. Annual Report, Notices and other documents shall be sent to all registered shareholders in electronic form. Please note that these documents shall also be available at the



Company's website www.kaypowerandpaper.com for downloading.

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

9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or RTA.

10. Members attending the Annual General Meeting are requested to bring the following for admission to the meeting hall (as applicable).

- a) Attendance Slip duly completed and signed as per the specimen signature lodged with the Company.
- b) Members holding shares in dematerialized form, their DP and Client ID number(s).
- c) Members holding shares in physical form, their folio number(s).
- d) Copy of the Annual Report (2015-16).

11. Members holding shares in physical form are requested to notify immediately any change in their address along with address proof, i.e. Electric/ Telephone Bill, Driving License or a copy of the Passport and bank particulars to the Company or its Registrar & Share Transfer Agent and in case their shares are in dematerialised form, this information should be passed on directly to their respective Depository Participants and not to the Company/ RTA

12. In terms of Section 72 of the Companies

Act, 2013, nomination facility is available to an Individual Member. Members holding share physical form may utilise the nomination facility available by sending prescribed Form SH. 13 duly filled to our Registrars and Share Transfer Agents viz. M/s. System Support Services, Unit:- Kay Power and Paper Limited, Gala No 209, Shivai Industrial, Near Logitech Park, 89, Andheri Kurla Road, Sakinaka, Andheri (E), Mumbai - 400072. Members holding shares in dematerialised form has to send their "nomination" request to the respective Depository Participants.

13. In all correspondence with the Company, members are requested to quote their account/ folio numbers and in case their shares are held in the dematerialised form, they must quote their DP ID. and Client ID. No(s).

14. I. Voting through Electronic Means

a) In compliance with the provisions of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 and Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rule 2014 as amended by the Companies (Management and Administration) Amendment Rules 2015, the Company is offering e-voting facility to all its Members to enable them to exercise their right to vote on all matters listed in this Notice of 25th AGM by electronic means and the business may be transacted through e-voting services. The facility of casting votes by the members using an electronic voting system from a place other than venue of the AGM ('remote e-voting') will be provided by Central Depository Services (India) Limited (CDSL).

b) The facility for voting through ballot paper or polling paper shall be made



available at the AGM venue also and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot/ Polling paper.

- c) The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

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

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on Friday, 16th September, 2016 at 9.00 am and ends on Sunday, 18th September, 2016 at 5.00 pm. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 12th September, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to

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

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

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

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

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- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Non - Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- II.a) M/s. Neha Doshi & Co. Company Secretaries has been appointed as Scrutinizer to Scrutinize voting process in a fair and transparent manner.
- b) The Scrutinizer shall within a period not exceeding three (3) working days from



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

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

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

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

Item no. 4

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

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

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

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

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

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

Item no. 5

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

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

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

of the company.

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

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

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

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

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

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