

KAY POWER AND PAPER LIMITED



**26th
Annual Report
2016-2017**



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](http://www.Kaypowerandpaper.com)

TWENTY SIXTH ANNUAL GENERAL MEETING
18TH SEPTEMBER, 2017

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 Sixth Annual General Meeting of the Members of KAY POWER AND PAPER LIMITED will be held at 3.00 p.m. on Monday, 18th September, 2017 at the Registered Office of the Company at Gat No. 454/457, Village Borgaon, Tal. Dist. Satara-415519, Maharashtra, to transact the following business :

ORDINARY BUSINESS:

1. To consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2017, the reports of the Board of Directors and Auditors thereon;
2. To appoint a Director in place of Mr. Arvind Kulkarni (DIN: 06378344), who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment.
3. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

The term of existing auditor M/s. Godbole & Co. Chartered Accountant, Satara will expire at the conclusion of 26th Annual General Meeting by rotation as per the Section 139 (2) of the company's act 2013 and rules made thereunder and as per the said provision, company cannot appoint such auditor for next Five years after expiry of his term. Further the board has recommend to the Members to appoint M/s. A.C. Doshi & Co. Chartered Accountant, Satara as statutory auditor of the company in the place of M/s. Godbole & Co. for the term of five years from the conclusion of this 26th Annual General Meeting to the conclusion of 31st Annual General Meeting of the company which will be held in the year 2022 (From the Financial Year 2017-18 to 2021-22). Further the company has received

necessary consent from Mr. A.C. Doshi as per the section 141 of the Companies Act 2013 for appointment as a statutory auditor of the company.

Further the said appointment is subject to ratification of auditor in every Annual General Meeting of the company.

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Audit and Auditors) Rules, 2014, M/s. A.C. Doshi & Co, (M. No. 103730), Chartered Accountants, Satara the Auditors, be and are hereby appointed as the Auditors of the Company to hold office for 5 (Five) years from the conclusion of 26th Annual General Meeting until the conclusion of the 31st Annual General Meeting of the Company to be held in the calendar year 2022, subject to ratification of their appointment at every Annual General Meeting and that the Board of Directors of the Company and/or the Audit Committee of the Company be and are hereby authorized to fix their remuneration for the said period and reimbursement of actual out of pocket expenses, as may be incurred in the performance of their duties."

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 borrow money, where the money to be borrowed, together with the money already borrowed by the company will exceed aggregate of its paid-up share capital and free reserves, apart from temporary loans obtained from the company's bankers.

To consider and if thought fit, to pass with or without modifications as may be practical and

permissible the following Resolution as a **SPECIAL RESOLUTION:-**

"RESOLVED THAT pursuant to the provisions of Section 180 (1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) (hereinafter referred to as the "Act"), consent of the members, be and is hereby accorded to the Board of Directors (hereinafter referred to as the "Board" which term shall be deemed to include any committee(s) constituted/to be constituted by the Board to exercise its powers including the powers conferred by this resolution) for borrowing, on behalf of the Company, any sum or sums of money, from time to time, as they may consider fit, any sum of money, in any manner, and without prejudice to the generality thereof, by way of loans, advances, credits, acceptance of deposits or otherwise in Indian rupees or any other foreign currency, from any bank or banks, or any financial Institutions, other person or persons, and whether the same may be secured or unsecured, and if secured, whether domestic or international, whether by way of mortgage, charge, hypothecation, pledge or otherwise in any way whatsoever, on, over or in any respect of all, or any of the Company's assets and effects or properties including uncalled capital, stock in trade (including raw materials, stores, spares and components in stock or stock in transit), notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) and remaining un-discharged at any given time, will or may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose so however that the total amount up to which money may be borrowed by the

Board under this resolution, at any one time shall not exceed, in the aggregate, the sum of Rs. 225/- Crores (Rupees Two Hundred and Twenty Five Cores Only) and /or in equivalent foreign currency;

RESOLVED FURTHER THAT the Board be and is hereby authorised, to do all such acts, deeds, matters and things as may be necessary, expedient and usual to implement this resolution."

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

Place : Satara

Date : 25th July, 2017

NIRAJ CHANDRA

CHAIRMAN &
MANAGING DIRECTOR

NOTES:

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

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



2. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto 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, 11th September, 2017 to Monday, 18th September, 2017 (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 Meetings 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:-
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 share holding 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 companies website fill up the same and send to the Registrar and Share Transfer Agent (RTA) on given address or Email- dematremat@linkintime.co.in \ rnt.helpdesk@linkintime.co.in or kppl.secretarial@gmail.com.

M/s. Link Intime India Private Limited.,
Unit: KAY POWER AND PAPER LTD.
C 101, 247 Park, 1st Floor, L.B.S. Marg,
Vikhroli (W), Mumbai - 400083.
Tel No: 022 49186000 (F) 49186060
Email ID:-dematremat@linkintime.co.in/
rnt.helpdesk@linkintime.co.in .

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 (2016-17).

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. Link Intime India Private Limited, Unit:- Kay Power and Paper Limited, C 101, 247 Park, 1st Floor, L.B.S. Marg, Vikhroli (W), Mumbai - 400083. Members holding shares in 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) 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 26th AGM by electronic means and the business may be transacted through e-voting services. The facility of casting votes by the members using an electronic voting system from a place other than venue of the AGM ('remote e-voting') will be provided by Central Depository Services (India) Limited (CDSL).



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

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

The instructions for shareholders voting electronically are as under:

The voting period begins on Friday 15th September 2017 at 9.00 am. and ends on Sunday 17th September 2017 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 11th September 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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

Click on Shareholders / Members

Now Enter your User ID

For CDSL: 16 digits beneficiary ID,

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

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

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

If you are holding shares in demat form and had logged on to www.evotingindia.com and voted

on an earlier voting of any company, then your existing password is to be used.

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

	For Members holding shares in Demat Form and Physical Form
PAN	<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 enter 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).

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

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

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

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

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

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

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

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

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

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

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

Note for Non - Individual Shareholders and Custodians

Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com 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.

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.

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

Keeping in view the Company's existing and future financial requirements to support its business operations, the Company needs additional funds. For this purpose, the Company is desirous of raising finance from various Banks and/or Financial Institutions and/or any other lending institutions and/or Bodies Corporate and/or such other persons/ individuals as may be considered fit, which, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up capital and the free reserves of the Company. Hence it is proposed to fix the maximum



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borrowing limits upto Rs. 225 crores (Rupees Two Hundred and Twenty Five Crores only). Pursuant to Section 180(1)(c) of the Companies Act, 2013, the Board of Directors cannot borrow more than the aggregate amount of the paid up capital of the Company and its free reserves at any one time except with the consent of the members of the Company in a general meeting. The Board recommends these resolutions for the approval of the members as a Special Resolutions.

None of the Directors and key managerial personnel of the Company or their respective relatives are concerned or interested in the said Resolution.

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

Place: Satara
Date: 25th July, 2017

NIRAJ CHANDRA
CHAIRMAN &
MANAGING DIRECTOR

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting Twenty Sixth Annual Report on the business and operations of your Company and Audited Financial Statement for the year ended 31st March, 2017.

FINANCIAL RESULTS :

	(Rs. in lacs)	
	2016-17	2015-16
Revenue from operations (Net)	3466.85	3477.36
Misc Sale (Net)	1.08	0.23
Other Income	386.67	195.08
Total Revenue	3854.60	3672.67
Less: Expenses		
Cost of material consumed	2595.27	2588.04
Changes in Inventories of finished Goods & Work in Progress	16.05	25.61
Manufacturing Expenses	612.96	585.75
Employee Benefit Cost	91.69	86.70
Finance cost	40.76	
Depreciation and amortisation Expenses	90.63	79.47
Other Expenses	219.96	147.83
Total Expenses	3667.32	3513.42
Net Profit	187.28	159.26

OPERATIONS :

During the year under review, only Paper Division was operational through out the year and produced 15238.48 M.T of Kraft Paper and achieved sales of Rs. 3467.94 Lacs as Compared to 15096.18 M.T' and Rs. 3477.36 Lacs of the previous year. The net profit was

Rs. 187.28 Lacs as against Rs. 159.26 Lacs of the previous year.

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

PROSPECTS :

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

ABOLITION OF SICK INDUSTRIAL COMPANIES ACT (SICA):

The Ministry of Finance vide a notification dated 25th November 2016, has repealed the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) with effect from 1st Dec, 2016 and any appeal preferred to the Appellate Authority or any reference made or inquiry pending to or before the BIFR Board or any proceeding of whatever nature pending before the Appellate Authority or the BIFR Board under the Sick Industrial Companies (Special Provisions) Act, 1985 (1 of 1986) shall stand abated. Further such appeal or reference or inquiry stands abated under this clause may make application to the National Company Law Tribunal (NCLT) under the Insolvency and Bankruptcy Code, 2016 (IB CODE) within one hundred and eighty days from the commencement of the respective provisions of Insolvency and Bankruptcy Code, 2016 (IBC 2016).

With view of the above and the fact that the company was registered under BIFR, company had initially decided to file the application to the National Company Law Tribunal (NCLT) in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016 to continue the protection which it had received from the BIFR Board and to request the extension of period for repayment of deferred sales tax liability, extension of period for fulfilment of unfulfilled export obligation and allotment of share against the pending share applications. But later on, Maharashtra sales tax dept' has agreed to provide the extension for repayment of sales tax liability. Further company has already agreed