

KAY POWER AND PAPER LIMITED



**27th
Annual Report
2017-2018**



KAY POWER AND PAPER LIMITED

BOARD OF DIRECTORS	:	1. Mr. Niraj Chandra - Chairman and Managing Director 2. Mrs. 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. A. C. DOSHI & CO. Chartered Accountants 472/A, Shri Jay Apts, Near Kadam Baug, Sadar Bazar Satara -: 415001
BANKERS	:	IDBI Bank Ltd. HDFC Bank Ltd.
REGISTERED OFFICE	:	Gat No. 454/457, Village Borgaon, Tal Dist- Satara - 415519 Maharashtra
CORPORATE IDENTITY NO. (CIN)	:	L21099MH1991PLC061709
INVESTOR SERVICE CELL	:	Liaison Office : Plot no. B -54, Old MIDC Area, Satara - 415004 Maharashtra. Email ID - kppl.secretarial@gmail.com
WEBSITE	:	www. Kaypowerandpaper.com

TWENTY SEVENTH ANNUAL GENERAL MEETING
MONDAY 24th SEPTEMBER, 2018

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



NOTICE is hereby given that the Twenty Seventh Annual General Meeting of the Members of KAY POWER AND PAPER LIMITED will be held at 3.00 p.m. on Monday, 24th September 2018 at the Registered Office of the Company at Gat No. 454/457, Village Borgaon, Tal. /Dist. Satara-415519, Maharashtra, to transact the following business:

1. To consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2018, 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. Ratification of Appointment of Statutory Auditors: M/s. A. C. Doshi & Co. (M. No. 103730) Chartered Accountants, Satara has been appointed for five years as a statutory auditors of the company in twenty Sixth Annual General meeting of the company subject to ratification of their appointment in the every Annual General Meeting of the company and for ratification of their appointment, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time and resolution passed by the members in their 26th Annual General Meeting (AGM) of the company, the Company hereby ratifies the appointment of M/s. A. C. Doshi & Co. (M. No. 103730) Chartered Accountants, Satara, as Auditors of the Company to hold office from the conclusion of this Annual

General Meeting (AGM) till the conclusion of the next Annual General Meeting of the Company to examine and audit the accounts of the Company at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors."

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

[illegible]

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

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

2. Brief resume of Directors including those proposed to be re-appointed, as stipulated under Regulation 36(3) Securities and Exchange Board of India (listing obligations and Disclosure requirements) regulations, 2015, are provided in the Corporate Governance Report forming part of the Annual Report.



3. Register of Members and Share Transfer Books of the Company will be closed from Monday 17th, September 2018 to Monday, 24th, September 2018 (Both Days inclusive).
4. In case, members wish to ask for any information about accounts and operations of the Company, they are requested to send their queries in writing at least 7 days in advance of the date of the Meetings so that the information can be made available at the time of the Meeting.
5. Shareholders can send all documents/ transfers, share certificates and all communications directly to Registrar and Transfer Agent at the address given below:-

M/s. Link Intime India Private Limited.,
Unit: KAY POWER AND PAPER LTD.
C 101, 247 Park, 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 .
6. The shares of the Company are compulsorily traded in demat. The shareholders who have not dematerialized their shares are requested to opt for dematerialization of their shareholding by opening DP account with nearest Depository Participant at the earliest, which will facilitate smooth purchase/sale of shares of the Company.
7. The Ministry of Corporate Affairs ("MCA") has started "Green Initiative in Corporate Governance", which provides for paperless compliances by companies through electronic mode. In accordance with provisions of Companies Act 2013, and as per the regulation 36 (1) Securities and Exchange Board of India (listing obligations and Disclosure requirements) regulations, 2015 companies can now send documents and other notices to shareholders through electronic mode to promote paperless compliances.

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

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

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

8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN and Bank Account details to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details and Bank Account Details to the Company or RTA.
9. Members attending the Annual General Meeting are requested to bring the following for admission to the meeting hall (as applicable).
 - a) Attendance Slip duly completed and signed as per the specimen signature lodged with the Company.



- b) Members holding shares in dematerialized form, their DP and Client ID number(s).
 - c) Members holding shares in physical form, their folio number(s).
 - d) Copy of the Annual Report (2017-18).
10. Members holding shares in physical form are requested to notify immediately any change in their address along with address proof, i.e. Electric/ Telephone Bill, Driving License or a copy of the Passport and bank particulars to the Company or its Registrar & Share Transfer Agent and in case their shares are in dematerialized form, this information should be passed on directly to their respective Depository Participants and not to the Company/ RTA
11. In terms of Section 72 of the Companies Act, 2013, nomination facility is available to an Individual Member. Members holding share physical form may utilize the nomination facility available by sending prescribed Form SH. 13 duly filled to our Registrars and Share Transfer Agents Viz. M/s. Link Intime India Private Limited, Unit:- Kay Power and Paper Limited, C 101, 247 Park, 1st Floor, L.B.S. Marg, Vikhroli (W), Mumbai - 400083. Members holding shares in dematerialized form has to send their "nomination" request to the respective Depository Participants.
12. In all correspondence with the Company, members are requested to quote their account/ folio numbers and in case their shares are held in the dematerialized form, they must quote their DP ID. and Client ID. No(s).

13. 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 27th 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, 21st September 2018 at 9.00 am. and ends on Sunday 23rd September 2018 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 17th September 2018 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	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 sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details	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.
OR Date of Birth (DOB)	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 & entering the details as prompted by the system.

Shareholders can also cast their vote using CDSL's mobile app M-Voting available for android



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.

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

Place : Satara
Date : 14th August, 2018

NIRAJ CHANDRA
CHAIRMAN &
MANAGING DIRECTOR
DIN: - 00452637

DIN: - 00452637

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting Twenty Seventh Annual Report on the business and operations of your Company and Audited Financial Statement for the year ended 31st March 2018.

FINANCIAL RESULTS :

	(Rs. in lacs)	
	2017-18	2016-17
Revenue from operations (Net)	4173.61	3467.93
Other Income	1597.82	386.67
Total Revenue	5771.43	3854.60
Less: Expenses		
Cost of material consumed	3052.63	2595.27
Changes in Inventories of finished Goods & Work in Progress	9.88	16.05
Manufacturing Expenses	598.27	612.96
Employee Benefit Cost	119.20	91.69
Finance cost	12.25	40.76
Depreciation and amortisation Expenses	85.87	90.63
Other Expenses	252.03	219.96
Total Expenses	4130.13	3667.32
Exceptional Items	1574.80	-
Net Profit	66.50	187.28

OPERATIONS :

During the year under review, Paper Division was operational throughout the year and produced 16094.32 M.T. of Kraft Paper and achieved sales of Rs. 4173.61 Lacs as Compared to 15238.48 M.T. and Rs. 3467.94 Lacs of the previous year. The net profit was Rs. 66.50 Lacs as against

Rs. 187.28 Lacs of the previous year.

During the year under the review, Shareholders of the company have passed special resolution through Postal ballot for sale of assets of power division of the company, accordingly company has sold out major portion of Machineries of power division.

PROSPECTS :

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

DIVIDEND:

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

MATERIAL CHANGES AND COMMITMENT

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

FIXED DEPOSIT:

As on 31st March 2018, Company has no fixed deposits.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

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

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

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED

**PARTIES**

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

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

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

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

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

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

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

DIRECTORS:

Mrs. Deepa Agarwal, director of the company retires by rotation in ensuing general meeting and being eligible offers herself for re-appointment at the ensuing Annual General Meeting. The necessary resolution is being put in the Notice of the ensuing Annual General Meeting for the consideration of the Members.

BOARD EVALUATION

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

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

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

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

NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW:

The Company had 5 (Five) Board meetings during the financial year under review. The Details thereof are given in the corporate Governance Report. The intervening gap between the meeting was within the period prescribed under the companies Act, 2013

DIRECTORS RESPONSIBILITY STATEMENT:

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

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) We have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of 31st March 2018 and of the profit and loss of the company for that period;
- (c) We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) We have prepared the annual accounts on a going concern basis; and
- (e) The accounts for the Financial Year ended on 31st March, 2018 have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and under recognized accounting practices and policies to the extent applicable. Beginning April 1, 2017, the company has for the first time adopted Ind AS with a transition date of April 1, 2016.
- (f) We have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (g) We have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS:

At the Annual General Meeting held on 18th September 2017 M/s. A. C. Doshi & Co. (M. No. 103730) Chartered Accountant, Satara were appointed as statutory auditors of the company to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2022. In the terms of the first proviso to section 139 of the companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s. A. C. Doshi & Co. (M. No. 103730) Chartered Accountant, Satara, as statutory auditors of the company, is placed for ratification by the shareholders.

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

AUDITORS' REPORT:

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

SECRETARIAL AUDITOR:

M/s. Neha Doshi & Co., Practicing Company Secretaries, was appointed to conduct the secretarial audit of the Company for the financial year 2017-18, as required under Section 204 of the Companies Act, 2013 and Rules there under. The secretarial audit report for FY 2017-18 forms part of the Annual Report as Annexure I to the Board's report.

SECRETARIAL AUDITOR'S REPORT :

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