



26th
Annual Report
2013-2014

BOARD OF DIRECTORS

SHRI JAIKISHAN B. GUPTA - Chairman
SHRI NAVEEN J. GUPTA - Managing Director
SHRI PARESH PANDYA - Director
SHRI RAMESH CHAND - Director
SHRI SHIVRATAN SHARMA - Director

AUDIT COMMITTEE

SHRI RAMESH CHAND
SHRI PARESH PANDYA
SHRI SHIVRATAN SHARMA

STAKEHOLDERS RELATIONSHIP COMMITTEE

SHRI JAIKISHAN GUPTA
SHRI NAVEEN GUPTA
SHRI SHIVRATAN SHARMA

NOMINATION & REMUNERATION COMMITTEE

SHRI RAMESH CHAND
SHRI PARESH PANDYA
SHRI SHIVRATAN SHARMA

STATUTORY AUDITOR

V. D. AGGARWAL & CO.
Chartered Accountants, Delhi

BANKER

INDIAN OVERSEAS BANK
Stadium Road Branch, Ahmedabad

REGISTRARS & SHARES TRANSFER AGENTS

LINK INTIME INDIA PVT. LTD.
HEAD OFFICE :
13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West),
Mumbai-400078. Tel.: 91-22-2596 3838. Fax: 91-22-2594 6969
E-mail : mumbai@linkintime.co.in

BRANCH OFFICE :
Unit No. 303, 3rd Floor, Shoppers Plaza V, Opp. Municipal Market,
Behind Shoppers Plaza II, Off C G Road, Ahmedabad-380009.
Tel.: 079-26465179. E-mail: ahmedabad@linkintime.co.in

E - VOTING AGENCY

CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED
E-mail : helpdesk.evoting@cdslindia.com

SCRUTINIZER

CS ASHOK P. PATHAK
Practising Company Secretary
E-mail : csashokppathak@gmail.com

REGISTERED OFFICE

701, Avdshesh House, Opp. Gurudwara, Near Thaltej Chokdi, Ahmedabad-380054
Tel.: 079 26858510/511. Fax : 079 30171202.
E-mail : contact@kalptaru.co.in Website : www.kalptaru.co.in

HEAD OFFICE

C 8/10, Model Town, Delhi-110009

WORKS

Khatraj Chokdi, Village Karoli, Kalol, Dist. Gandhinagar, Gujarat

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Important Communication to Shareholders "Green Initiative in the Corporate Governance"

Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued a circular No.17/2011 on April 21, 2011 stating that the service of document to shareholders by a Company can be made through electronic mode.

Keeping in view the underlying theme and to support this green initiative of Government in the right spirit, members who holds shares in electronic mode and who have not registered their email addresses, so far, are requested to register their email address and changes therein from time to time, with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to fill the below mentioned prescribed form, giving their consent to receive the Notices calling general meetings, audited financial statements, auditors' report, directors' report, explanatory statement or any other communication in electronic mode, and register the said form with Link Intime India Pvt. Ltd. The said form is also available on the Company's website www.kalptaru.co.in

Please note that you will be entitled to be furnished, free of cost, with a physical copy of the notice, balance sheet and all other documents required by law to be attached thereto including the profit & loss account and auditors' report etc., upon receipt of a requisition from you, any time, as a member of the Company.

We are sure you would appreciate the "Green Initiative" taken by MCA and your Company's desire to participate in such initiatives.

Email Address Registration Form

(For members who holds shares in Physical Forms)

KALPTARU PAPERS LIMITED

CIN:L21019GJ1988PLC040325

Registered Office : 701, Avdhesh House, Opp: Gurudwara, Nr. Thaltej Cross Road, Ahmedabad - 380054

Ledger Folio No. _____ No. of Share(s) held : _____

NAME OF THE SHAREHOLDER / JOINT HOLDER : _____

Email Address : i) _____ ii) _____

Contact No. (R) _____ M) _____

I hereby give my / our consent to receive the Notices calling general meetings, audited financial statements, auditors' report, directors' report, explanatory statement and all other documents required by law to be attached thereto or any other communication in electronic mode at my/our above mentioned email ID.

Signed this _____ day of _____, 2014.

Note :

- 1) Members are requested to send their duly completed form as above to the Registrar and Transfer Agent (RTA) namely Link Intime India Pvt. Ltd., Unit No. 303, 3rd Floor, Shoppers Plaza V, Opp. Municipal Market, Behind Shoppers Plaza II, Off C G Road, Ahmedabad-380009. Tel.: 079-26465179.
- 2) Members are also requested to inform about any change in their email ID immediately to RTA.
- 3) This form is also available on the Company's website www.kalptaru.co.in

NOTICE

NOTICE is hereby given that the 26th Annual General Meeting of the Members of M/S. Kalptaru Papers Limited will be held on Tuesday, 30th day of September, 2014 at 10:00 a.m. at the Registered Office of the Company situated at 701, Avdresh House, Opp. Gurudwara, Near Thaltej Chokdi, Ahmedabad - 380054 to transact the followings:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Accounts for the Financial Year ended on 31st March 2014 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri. Jai Kishan Gupta (having DIN 00148067), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Statutory Auditors to hold office from the conclusion of this Annual General Meeting of the Company until the conclusion of next Annual General Meeting and fix their remuneration and in this regard to consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT M/s. V D Aggarwal & Co., Chartered Accountants (ICAI Registration No. 008332N), Delhi, be and are hereby re-appointed as Statutory Auditors of the Company from the conclusion of this Annual General Meeting of the Company till the conclusion of next Annual General Meeting, subject to ratification by the shareholders annually, at a remuneration to be decided by the Board of Directors."

SPECIAL BUSINESS :

4. **TO CONSIDER AND IF THOUGHT FIT TO PASS, WITH OR WITHOUT MODIFICATION THE FOLLOWING AS AN ORDINARY RESOLUTION**

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other Applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri Shivratan Sharma having DIN - 05125991, Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing 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 five consecutive years for a term up to 31st Annual General Meeting of the Company to be held in the year 2019."

5. **TO CONSIDER AND IF THOUGHT FIT TO PASS, WITH OR WITHOUT MODIFICATION THE FOLLOWING AS AN ORDINARY RESOLUTION**

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other Applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri Ramesh Chand having DIN - 03592668, Director of the Company whose period of office is liable to determination by retirement of Director by rotation and in respect of whom the Company has received a notice in writing 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 five consecutive years for a term up to 31st Annual General Meeting of the Company to be held in the year 2019."

6. **TO CONSIDER AND IF THOUGHT FIT TO PASS, WITH OR WITHOUT MODIFICATION THE FOLLOWING AS AN ORDINARY RESOLUTION**

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other Applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri Paresch Pandya, Director having DIN - 01415525, Director of the Company whose period of office is liable to determination by retirement of Director by rotation and in respect of whom the Company has received a notice in writing 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 five consecutive years for a term up to 31st Annual General Meeting of the Company to be held in the year 2019."

7. **TO CONSIDER AND IF THOUGHT FIT TO PASS, WITH OR WITHOUT MODIFICATION THE FOLLOWING AS A SPECIAL RESOLUTION**

"RESOLVED THAT in supersession of the earlier resolution passed by postal ballot on 15th March, 2011, pursuant to Section 180(1)(c) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 / Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow from time to time, for the purpose of the Company's business, such sum or sums of money, as they in their absolute discretion think fit, notwithstanding that the monies so borrowed together with the monies already borrowed by the Company and remaining outstanding at any point of time will exceed the aggregate of the paid-up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose; Provided that the total amount up to which monies may be borrowed by the Board of Directors and which shall remain outstanding at any given point of time shall not exceed the sum of Rs. 100,00,00,000/- (Rupees One Hundred Crores only)."

"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."

8. TO CONSIDER AND IF THOUGHT FIT TO PASS, WITH OR WITHOUT MODIFICATION THE FOLLOWING AS A SPECIAL RESOLUTION

"RESOLVED THAT pursuant to Section 186 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 (the 'Act') and subject to such other approvals, consents, sanctions and permissions as may be necessary, consent of the members of the Company be accorded to the Board of Directors of the Company to make, from time to time, any investments in shares, debentures and/or other securities on behalf of the Company, which shall be subject to aggregate limit of Rs. 100,00,00,000/- (Rupees One Hundred Crores only) and which may be individual / aggregate in excess of the limits prescribed i.e. over and above 60% of the Company's paid-up share capital, security premium account and free reserves or 100 % of the Company's free reserves and security premium amount, whichever is more.

"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."

9. TO CONSIDER AND IF THOUGHT FIT TO PASS, WITH OR WITHOUT MODIFICATION THE FOLLOWING AS A SPECIAL RESOLUTION

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company."

"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."

Regd. Office:

701, Avdhesh House,
Opp. Gurudwara,
Near Thaltej Chokdi,
Ahmedabad - 380054. Gujarat
Date: 13th August, 2014

**By Order of the Board
For, Kalptaru Papers Limited**

**Jaikishan B. Gupta
Chairman**

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, VOTE INSTEAD OF HIMSELF.

AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. Proxies In Order To Be Effective Must Be Received By The Company Not Less Than 48 Hours Before The Meeting.

2. An explanatory statement pursuant to section 102 of the Companies Act, 2013, in respect of special business in the Notice is annexed hereto. The relevant details has stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges(s), in respect of Directors seeking appointments / re-appointments as directors under Item No. 2, 4, 5 & 6 above, are also annexed hereto.
3. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the company on all working days, except Sundays, between 11:00 a.m. and 1:00 p.m. up to the date of the meeting.
4. The Register of Members and the Share Transfer Books of the Company will remain closed From Thursday, 25th day of September, 2014 To Tuesday, 30th day of September, 2014 (both days inclusive).
5. The Equity Shares of the Company are available for Dematerialization, as the Company has entered into an agreement with National Securities Depository Limited (NSDL) and The Central Depository Services Limited (CDSL). Those Shareholders who wish to hold the Company's Share in electronic form may approach their Depository participants.
6. Members holding shares in physical form are requested to advise any change of address immediately to the Company's Registrar and Share Transfer Agent M/s. Link Intime India Pvt. Ltd., 13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai - 400 078. Members holding shares in electronic form must send the advice about change in address to their respective Depository Participant only and not to the Company or Company's Registrar and Share Transfer Agent. As per Circular No. MRD/Dop/ Cir-05/2009 dated 20th May 2009 issued by Securities and Exchange Board of India (SEBI), it is mandatory to quote PAN for transfer of shares in physical form. Therefore, the transferee(s) are required to furnish a copy of their PAN to the Registrar and Share Transfer Agent of the Company.
7. Members / Proxies should fill in the Attendance Slip for attending the meeting and they are requested to bring their Attendance Slip along with their copy of Annual Report to the meeting. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio No in Attendance Slip for attending the meeting.
8. Electronic copy of the Annual Report for 2013-14 is being sent to all the members whose email IDs are registered with the Company / Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2013-14 is being sent in the permitted mode.

9. Electronic copy of the Notice of the 26th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 26th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
10. Members may also note that the Notice of the 26th Annual General Meeting and the Annual Report for 2013-14 will also be available on the Company's website www.kalptaru.co.in for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id : contact@kalptaru.co.in
11. Members are requested to intimate to the company, queries, if any, on the accounts at least ten days before the meeting to enable the Management to keep the required information available at the meeting.
12. Voting through electronic means
In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 26th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting services provided by CDSL - Central Depository Services (India) Limited:

SECTION A - E-VOTING Process

- Step 1 - Open your web browser during the voting period and log on to the e-voting website www.evotingindia.com
- Step 2 - Click on "Shareholders" to cast your vote(s)
- Step 3 - Select the Electronic Voting Sequence Number - "EVSN" along with "COMPANY NAME" i.e. "Kalptaru Papers Limited" from the drop down menu and click on "SUBMIT"
EVSN of the Company: 140823023
- Step 4 - Please enter User ID
 - a) For account holders in CDSL :- Your 16 digits beneficiary ID
 - b) For account holders in NSDL :- Your 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.
- Step 5 - Enter the image Verification as displayed and Click on Login
- Step 6 - 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.
- Step 7 - If you are a first time user follow the steps given below
 - 7.1 Enter your 10 digit alpha-numeric **PAN** issued by Income Tax Department
For members who have not updated their PAN with the 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 Dasrath with folio number 100 then enter DA00000100 in the PAN field
 - 7.2 Enter the date of birth recorded in the demat account or registered with the company for the demat account in DD/MM/YYYY format*
 - 7.3 Enter your dividend bank details (Account Number) recorded in the demat account or registered with the company for the demat account*

* Any one of the details i.e. DOB or Dividend bank details should be entered for logging in to the account. If Dividend Bank details and Date of Birth are not recorded with the Depository or Company please enter the number of shares held by you as on the cut off date (record date) i.e. August 29 2014 in the Dividend Bank details field.
- Step 8 - After entering these details appropriately, click on "SUBMIT" tab.
- Step 9 - First time user holding shares in Demat form will now reach Password Generation menu wherein they are required to create their login password in the password field. Kindly note that this password is to be also used by the Demat holders for voting for resolution 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. The password has to be minimum eight characters consisting of one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character.
Members holding shares in physical form will then directly reach the Company selection screen.

Step 10 - Click on the relevant EVSN on which you choose to vote.

Step 11 - On the voting page, you will see Resolution description and against the same the option 'YES/NO' for voting.

Select the relevant option as desired YES or NO and click on submit.

Step 12 - Click on the Resolution File Link if you wish to view the Notice.

Step 13 - 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.

Step 14 - Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.

Kindly note that once you have cast your vote you cannot modify or vote on poll at the Annual General Meeting. However, you can attend the meeting and participate in the discussions, if any.

SECTION B - COMMENCEMENT OF E-VOTING PERIOD AND OTHER E-VOTING INSTRUCTIONS

- i. The e-Voting period commences on September 24, 2014 (9.00 am) and ends on September 26, 2014 (6.00 pm). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, may cast their vote electronically. The e-Voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- ii. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company.
- iii. CS Ashok P Pathak, Practicing Company Secretary (Membership No. ACS 9939, CP No: 2662) (Address: F - 904, Titanium City Centre, 100ft. Anand Nagar Road, Nr. Indian Oil Petrol Pump, Satellite, Ahmedabad - 380015) has been appointed as the Scrutinizer to scrutinize the e-Voting process.
- iv. 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 and submit forth with to the Chairman of the Company.
- v. The Results shall be declared on the date of AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.kalptaru.co.in and on the website of CDSL <https://www.evotingindia.co.in> within two days of the passing of the resolutions at the AGM of the Company and communicated to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.
- vi. The resolutions shall be deemed to be passed on the date of the Annual General Meeting, subject to receipt of sufficient votes.
- vii. For Members holding shares in physical form, the password and default number can be used only for e-Voting on the resolutions given in the notice.
- viii. 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 Corporate, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution in PDF format in the system for the scrutinizer to verify the vote.
- ix. You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending communication(s) regarding CDSL e-Voting system in future. The same may be used in case the Member forgets the password and the same needs to be reset.
- x. 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

Regd. Office:

701, Avdhesh House,
Opp. Gurudwara,
Near Thaltej Chokdi,
Ahmedabad - 380054. Gujarat

Date: 13th August, 2014

**By Order of the Board
For, Kalptaru Papers Limited**

**Jaikishan B. Gupta
Chairman**

ANNEXURE TO THE NOTICE

Notes on Directors seeking appointment / re-appointment at the annual general meeting as required under the revised Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

Profile of Directors being appointed / re-appointed:

Item No 2

Name	Shri Jai Kishan Gupta
Qualification	Graduate from Delhi University
Experience	He has experience of more than three and half decades in marketing and manufacturing papers and its allied products, products metals or non ferrous metals. He is associated with the Company since incorporation. Under his able guidance and direction, the Company has achieved phenomenon growth and prosperity.
Other Directorship	Kalptaru Alloys Pvt. Ltd. Kalptaru Fincap Limited Kalptaru Infosoft Pvt. Ltd. Kalptaru Insurance Brokers Limited
Chairman / Member of the Committees of the Board of the other companies on which he is a director	None
No. of shares held in the company	4,20,670 Equity Shares of Rs. 10/- each
Disclosure of the relationships	Shri Jai Kishan Gupta, Chairman of the Company is father of Shri Naveen Gupta- Managing Director of the Company.

Item No 4

Name	Shri Shivratan Sharma
Qualification	Graduate in Arts
Experience	He has more than 27 years of experience in Management Field
Other Directorship	Shree Maruti Tubes Pvt. Ltd.
Chairman / Member of the Committees of the Board of the other companies on which he is a director	None
No. of shares held in the company	None
Disclosure of the relationships	Shri Shivratan Sharma is not, in any way, concerned / interested / related with any of the other directors of the company.

Item No 5

Name	Shri Ramesh Chand
Qualification	Graduate in Business Administration
Experience	He has more than 27 years of experience in accounting and administration field.
Other Directorship	None
Chairman / Member of the Committees of the Board of the other companies on which he is a director	None
No. of shares held in the company	500 Equity Shares of Rs. 10/- each
Disclosure of the relationships	Shri Ramesh Chand is not, in any way, concerned / interested / related with any of the other directors of the company.

Item No 6

Name	Shri Paresh Pandya
Qualification	Post Graduate in Philosophy, LLB
Experience	Over 35 years as Management Consultant
Other Directorship	None
Chairman / Member of the Committees of the Board of the other companies on which he is a director	None
No. of shares held in the company	1,000 Equity Shares of Rs. 10/- each.
Disclosure of the relationships	Shri Paresh Pandya is not, in any way, concerned / interested / related with any of the other directors of the company.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

The Explanatory statement pursuant to section 102 of the Companies Act, 2013 set out all material facts relating to the Special Business mentioned in the accompanying Notice are as follows:

ITEM NO 4

Shri Shivratn Sharma is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in November 2011.

Shri Shivratn Sharma, aged 58 years is a graduate in Arts. He has his advantage more than 27 years of work experience in Management Field. He is also a Chairman in Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee. He is also director in Shree Maruti Tubes Pvt. Ltd. and he is not member or chairman of committees in other public Company. He does not held any shares in the Company.

Shri Shivratn Sharma is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. Under the Companies Act, 2013, it is required that independent directors not be liable to retire by rotation and be appointed for a fixed term. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Shri Shivratn Sharma being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st Annual General Meeting of the Company to be held in the year 2019. A notice has been received from a member proposing Shri Shivratn Sharma as a candidate for the office of Director of the Company.

In the opinion of the Board, Shri Shivratn Sharma fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Shri Shivratn Sharma as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Shivratn Sharma as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri Shivratn Sharma as an Independent Director, for the approval by the shareholders of the Company. Except Shri Shivratn Sharma, being an appointee, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 4. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

ITEM NO 5

Shri Ramesh Chand is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in July 2011.

Shri Ramesh Chand, aged 55 years is a graduate in Business Administration. He is also member of Audit Committee and Nomination and Remuneration Committee. He has his advantage more than 25 years of work experience in accounting and administration field. He does not hold any directorships in other companies nor is member or chairman of committees in other public Company. He holds 500 shares in the Company.

Shri Ramesh Chand is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. Under the Companies Act, 2013, it is required that independent directors not be liable to retire by rotation and be appointed for a fixed term. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Shri Ramesh Chand being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st Annual General Meeting of the Company to be held in the year 2019. A notice has been received from a member proposing Shri Ramesh Chand as a candidate for the office of Director of the Company.

In the opinion of the Board, Shri Ramesh Chand fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Shri Ramesh Chand as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Ramesh Chand as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri Ramesh Chand as an Independent Director, for the approval by the shareholders of the Company. Except Shri Ramesh Chand, being an appointee, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 5. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

ITEM NO 6

Shri Paresh Pandya is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in November 2011.

Shri Paresh Pandya, aged 64 years is a Post Graduate in Philosophy, LLB. He is also member of Audit Committee and Nomination and Remuneration Committee. He has his advantage more than 35 years of work experience in Management Field. He does not hold any directorships in other companies nor is member or chairman of committees in other public Company. He does not held any shares in the Company.

Shri Paresh Pandya is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. Under the Companies Act, 2013, it is required that independent directors not be liable to retire by rotation and be appointed for a fixed term. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Shri Paresh Pandya being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st Annual General Meeting of the Company to be held in the year 2019. A notice has been received from a member proposing Shri Paresh Pandya as a candidate for the office of Director of the Company.

In the opinion of the Board, Shri Paresh Pandya fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Shri Paresh Pandya as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Paresh Pandya as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri Paresh Pandya as an Independent Director, for the approval by the shareholders of the Company. Except Shri Paresh Pandya, being an appointee, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 6. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

ITEM NO 7

The members of the Company on 15th March, 2011 through Postal Ballot had authorised Board of Directors to exercise borrowing powers the outstanding amount of which at any time shall not exceed in the aggregate Rs. 100,00,00,000/- (Rupees One Hundred Crores only)..

Section 180(1)(c) of the Companies Act, 2013 which has replaced Section 293(1)(d) of the Companies Act, 1956 provides that the Board of Directors shall not borrow in excess of the Company's paid up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, except with the consent of the Company accorded by way of a special resolution. Further, as per a clarification issued by the Ministry of Corporate Affairs, the ordinary resolution earlier passed under Section 293(1)(a) of the Companies Act, 1956 will remain valid for a period of one year from the date of notification of Section 180 of the Companies Act, 2013 i.e. upto 11 September, 2014.

Accordingly, it is, therefore, necessary for the members to pass a special resolution under Section 180(1)(c) of the Companies Act, 2013, to enable to the Board of Directors to borrow money the outstanding amount of which at any time shall not exceed in the aggregate Rs. 100,00,00,000/- (Rupees One Hundred Crores only).

The Board of Directors recommends the above resolution for your approval.

None of the Directors or any key managerial personnel or any relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in anyway, concerned or interested in the above resolution.

ITEM NO 8

Pursuant to Section 186 of the Companies Act, 2013 and other applicable provisions of the Companies Act 2013 and / or the Companies Act, 1956 the Company can make loans to, give guarantees, provide securities to and make investments in the securities of any other person / other bodies corporate to the extent of 60% of its paid-up share capital and free reserves and security premium account or

100% of its free reserves and security premium account, whichever is higher, with the approval of the Board of Directors. Where the aggregate of loans and investments made, guarantees given and securities provided exceeds the aforesaid limits, prior approval of the shareholders is required by way of a special resolution.

The Company is constantly reviewing opportunities for expansion of its business operations either directly or through its joint ventures / associate companies / other bodies corporate or persons and would, therefore, be required to provide financial support by way of loan(s) / and / or guarantee(s) and/or security(ies)/investment in securities of any other person joint ventures / associate companies / other bodies corporate or otherwise, in order to achieve greater financial flexibility and to enable optimal financial structuring to facilitate speedy implementation of various projects of such persons/companies.

It is, therefore, proposed that the Board of Directors of the Company be authorized to invest by way of subscription and / or purchase of securities, grant of loan(s), giving of guarantee(s) and/or providing of security(ies) for an amount not exceeding Rs. 100,00,00,000/- (Rupees One Hundred Crores only) from time to time in/to one or more of the persons / entities i.e. subsidiaries / holding / joint ventures / associate companies / other bodies corporate. The source of funds for making these investments would be met from borrowings / surplus funds generated by the Company through operations or from such other sources as the Board may deem appropriate. Since the above investments, loans, guarantees and/or securities proposed together with the aggregate of loans made, guarantees given, securities provided and investments made from time to time by the Company may exceed the limit prescribed, approval of the shareholders is required for the same.

The proposal outlined above is in the interest of the Company and the Board commends the resolution set out in the accompanying Notice.

Except Directors and Key Managerial Personnel's of the Company who are / may be Directors / Shareholders in one or more Persons / bodies corporate described hereinabove, no other Director or Key Managerial Personnel of the Company is concerned or interested in the said resolution.

ITEM NO 9

The existing Articles of Association ("AoA") are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific Sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Act.

With the coming into force of the Companies Act, 2013, several regulations of the existing AoA of the Company require alteration or deletion. Accordingly, it is proposed to replace the entire existing AoA by a set of new Articles.

The new AoA to be substituted in place of existing AoA are based on Table 'F' of the Companies Act, 2013 which sets out the model Articles of Association for a Company limited by shares.

The proposed new draft of AoA is being uploaded on the Company's website for perusal by the shareholders.

The Board of Directors recommends the above resolution for your approval.

None of the Directors or any key managerial personnel or any relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in anyway, concerned or interested in the above resolution.

Regd. Office:

701, Avdhesh House,
Opp. Gurudwara,
Near Thaltej Chokdi,
Ahmedabad - 380054. Gujarat
Date: 13th August, 2014

**By Order of the Board
For, Kalptaru Papers Limited**

**Jaikishan B. Gupta
Chairman**

DIRECTORS' REPORT

To,
The Members,
Kalptaru Papers Limited,
Ahmedabad.

Your directors are presenting herewith their 26th Annual Report together with the Audited Statements of Accounts for the period ended on 31st March, 2014.

PERFORMANCE HIGHLIGHTS:

(Rs. in Lac)

Particulars	Current year Ended on 31/03/2014	Previous year Ended on 31/03/2013
Revenue from Operations	3622.89	7588.19
Other Income	11.18	8.43
Profit/Loss before exceptional & extraordinary items & tax	(1162.90)	(146.10)
Exceptional Items	21.15	-
Extraordinary Items	-	-
Profit /Loss before Tax	(1184.05)	(146.10)
Current Tax	-	-
Deferred Tax	(296.46)	(36.86)
P/L from the period from continuing Operations	-	-
P/L from the period from discontinuing Operations	-	-
P/L for the period	(887.60)	(109.25)

DIVIDEND:

Due to loss incurred during the year under review, your directors do not recommend any dividend for the financial year ended on 31st March, 2014.

BUSINESS PERFORMANCE & PROSPECTS:

During the year under report, the company has a turnover of Rs.3622.89 Lac as compared to Rs. 7588.19 Lac during the previous year and the operation for the year under review has resulted into net loss of Rs. 887.60 Lac in compared to previous year's loss of Rs. 109.25 Lac.

Your company will achieve sustained growth in business by continuing pursuit of our strategy to work with innovation ideas, developing new areas of its activities and reducing cost of products through process innovation. Directors are hoping better performance during the current year.

QUALITY, HEALTH, SAFETY & ENVIRONMENT (QHSE) AND CORPORATE SOCIAL RESPONSIBILITY:

'Quality, Health, Safety and Environment (QHSE) are our core values. Simply stated, our goals are: give best to all, no accidents, no harm to people and no damage to environment. Health, Safety and Security of everyone who works at Kalptaru are critical to our business.'

Kalptaru's commitment towards excellence in Health, Safety and Environment is one of the company's core values by complying with the Laws and Regulations first, and then going beyond the mandate to keep our planet safe for future generations. Minimizing the environment impact of our operations assumes utmost priority.

The company is unwavering in its policy of 'safety of persons overrides all production targets' which drives all employees to continuously break new grounds in safety management for the benefit of the people, property, environment and the communities in which Kalptaru operates. Our comprehensive QHSE Policy, as well as dedicated measures by conducting the Risk Assessment, Identification of significant environment aspects of all manufacturing plants and signatory commitment of Responsible Care, Greatest emphasis is given to safety measures for minimizing accidents and incidents.

The Company continued extending helping hand towards Social and Economic Development of the villages and the community located closed to its operations and also providing assistance to improving the quality of life.

The Company understands its social obligations. It pays back to the society in whatever way is possible be it flood relief or giving school bags and books to children, installing slides and rides, donating computers in schools in villages around the factory.

The Company is regularly organizing sports and cultural activities for its staff members and their families. The national events like Independence Day and Republic Day are celebrated with full enthusiasm.

FINANCE:

The Company is at present enjoying financial assistance in the form of working capital facilities and term loan from Indian Overseas Bank, Stadium Road Branch, Ahmedabad, and from Axis Bank Limited, Ahmedabad.

PUBLIC DEPOSITS:

The Company has complied with the provisions of Section 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposits) Rules, 1975.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS / OUTGO:

The information relating to conservation of Energy, Technology, Absorption and Foreign Exchange Earning / Outgo as required under section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is given by way of annexure attached hereto which forms part of this report.

PARTICULARS OF EMPLOYEES:

The information required under the provision of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Amendment Rules, 2011 be treated as Nil as none of the employees of the Company was in receipt of total remuneration exceeding of Rs.60,00,000 p.a. or Rs.5,00,000 p.m. for part of the year during the financial year under review. No employee is related to any Director of the Company.

BOARD OF DIRECTORS:

In accordance with provisions of Section 152 of the Companies Act, 2013, Shri Jai Kishan Gupta retires by rotation at the forthcoming Annual General Meeting and being eligible offers themselves for re-appointment.

The Companies Act, 2013 provides for appointment of Independent Directors. Section 149(10) provides that independent director shall hold office for a term of upto five consecutive years on the Board of a company and shall be eligible for reappointment on passing special resolution by the shareholder of the Company. Section 149(11) states that no independent directors shall be eligible for more than two consecutive term of five years. sub section (13) state that the provisions of retirement by rotation as defined in sub section (6) and (7) of section 152 of the Act shall not apply to such independent director.

Independent Directors, Shri Shivratan Sharma, Shri Ramesh Chand and Shri Paresh Pandya as per New Companies Act, 2013 is proposed to be appointed till March 31, 2019 as per Notice of AGM dated 13th August, 2014.

RECONSTITUTION OF AUDIT COMMITTEE:

The Board of Directors of the company at its meeting held on 27th July, 2013 has re-constituted an Audit Committee comprising three Independent Non-Executive Directors viz. Shri Ramesh Chand, Ex-Chairman, Shri Paresh Pandya and Shri Shivaratan Sharma. Shri Paresh Pandya (having financial and accounting knowledge) was appointed as Chairman of the Audit Committee as Shri Ramesh Chand has expressed his willingness to continue as Member of the Committee.

The Board of Directors of the company at its meeting held on 28th May, 2014 has again re-constituted an Audit Committee comprising three Independent Non-Executive Directors viz. Shri Shivaratan Sharma - Chairman, Shri Paresh Pandya and Shri Ramesh Chand.

The constitution of Audit Committee meets with the requirements under Section 177(2) of the Companies Act, 2013 and Clause 49 of the Listing agreement of the Stock Exchanges as well.

The Committee periodically discussed the Financial Reporting process, reviewed the Financial Statements, and discussed the quality of the applied accounting principles and significant judgment that affected the Company's Financial Statements. Before presenting the audited accounts to the members of the Board, the Audit Committee recommended the appointment of the statutory auditors, subject to the Board's approval. The audit Committee reviewed with adequacy of internal control systems with the management, statutory and internal auditors.

RECONSTITUTION AND CHANGE OF NAME OF STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The Board of Directors of the company at its meeting held on 27th July, 2013 has re-constituted a Stakeholders' Relationship Committee comprising three Directors viz. Shri Paresh Pandya, Shri Naveen Gupta and Shri Jai Kishan Gupta. Shri Paresh Pandya was appointed as Chairman as well as Member of the Stakeholders' Relationship Committee.

The Board of Directors of the company at its meeting held on 28th May, 2014 has again re-constituted a Stakeholders' Relationship Committee comprising three Directors viz. Shri Shivaratan Sharma - Chairman, Shri Naveen Gupta and Shri Jai Kishan Gupta. Shri Shivaratan Sharma, Independent Non Executive Director was appointed as Chairman as well as Member of the Stakeholders' Relationship Committee as Shri Paresh Pandya has shown his unwillingness to act as a Chairman and Member of the Stakeholders' Relationship

Committee. On 28th May, 2014 the name of the Stakeholders & Investors' Grievance Committee has been changed to Stakeholders' Relationship Committee to meet with the requirement of new Companies Act, 2013.

The constitution of Stakeholders' Relationship Committee meets with the requirements under Section 178(5) of the Companies Act, 2013 and Clause 49 of the Listing agreement of the Stock Exchanges as well.

The Committee, inter alia, approves issue of duplicate certificates and oversees and reviews all matters connected with the securities transfers. The Committee also looks into redressal of shareholders' complaints like transfer of shares, non-receipts of balance sheet, non-receipt of declared dividends etc. The Committee oversees the performance of the Registrar and Transfer Agents and recommends measures for overall improvement in the quality of investor services.

CONSTITUTION OF NOMINATION AND REMUNERATION COMMITTEE:

The Board of Directors of the company at its meeting held on 28th May, 2014 has constituted a Nomination & Remuneration Committee comprising three Independent Non Executive Directors viz. Shri Shivaratan Sharma - Chairman, Shri Paresh Pandya and Shri Ramesh Chand.

The constitution of Nomination & Remuneration Committee meets with the requirements under Section 178(1) of the Companies Act, 2013 and Clause 49 of the Listing agreement of the Stock Exchanges as well.

The Nomination and Remuneration Committee identifies persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance. The Nomination and Remuneration Committee also formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

ACCOUNTING STANDARDS AND FINANCIAL REPORTING:

The Company incorporates the accounting standards as and when issued by the Institute of Chartered Accountants of India. The Company complied with the Stock Exchange and legal requirement concerning the Financial Statements at the time of preparing them for the Annual Report.

CORPORATE GOVERNANCE:

Your Company follows the principles of effective Corporate Governance. The Company has complied with the mandatory provisions of Corporate Governance as prescribed in the revised Clause 49 of the Listing Agreement executed with the Stock Exchange(s).

A separate section on Corporate Governance is included in the Annual Report and Certificate from Company's Auditors confirming the compliance with the code of Corporate Governance as enumerated in Clause-49 of the listing agreement with the Stock Exchange is annexed hereto.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT:

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement executed with the Stock Exchanges, is presented in a separate section forming part of the Annual Report.

DEMATERIALISATION OF EQUITY SHARES :

As per direction of the SEBI and the Bombay Stock Exchange Limited, the shares of the Company are under compulsory demat form. The Company has established connectivity with both the Depositories i.e. National Securities Depository Limited [NSDL] and Central Depository Services India Limited [CDSL] and the demat activation number allotted to the Company is ISIN: INE783C01019. Presently shares are held in electronic and physical mode (96.71% of shares in demat and 3.29 % in physical mode.)

LISTING:

The Equity Shares of the Company are listed in the Stock Exchange, Mumbai (BSE) which has the connectivity in most of the cities across the country.

AUDITORS:

M/s. V. D. Aggarwal & Co., Chartered Accountants, Delhi, (ICAI Registration No. 008332N) retires at the ensuing Annual General Meeting and have expressed their willingness to continue, if so appointed. As required under the provisions of Section 139 (1) of the Companies Act, 2013 the Company has obtained a written confirmation from the Statutory Auditor's proposed to be reappointed to the effect that their re-appointment, if made at the ensuing AGM would be in terms of Section 139 and 141 of the Companies Act, 2013 and Rules made thereunder.

A proposal seeking their re-appointment is provided as a part of the Notice of the ensuing Annual General Meeting.

AUDITORS REPORT:

The comments in the Auditors Report with Notes to Accounts referred to the Auditor's Report are self explanatory and, therefore do not call for any further explanation.

INTERNAL AUDITOR:

The Company has appointed M/S. A J Jain & Co., Chartered Accountants, Ahmedabad, as an Internal Auditor of the Company as required under Section 138 of the Companies Act, 2013.

APPOINTMENT OF COST AUDITOR:

The Cost Audit Report of the Company for the Financial Year 2012 – 2013 had been filed by the Cost Auditor on 11/10/2013. The Due Date of filling of Cost Audit Report by the Cost Auditor for the Financial Year ending on 31st March, 2014 (i.e. Financial Year 2013 – 2014) is within 180 days from the end of Financial Year i.e. before 30th September, 2014. Shri Kiran J Mehta & Co., Cost Auditor of the Company is in process to prepare Cost Audit Report for the Financial Year ending on 31st March, 2014.

INDUSTRIAL RELATIONS:

Industrial relations continued to be cordial during the year under review. The Directors express their appreciation towards the workers, staffs and executive staffs for their support and hope for a continued harmonious relations.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Director's Responsibilities Statement, it is hereby confirmed:

- (i) that in the preparation of the Annual Accounts for the Financial Year ended 31st March, 2014, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that the Director had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the Financial Year and of the Profit or Loss of the Company for the Company for the year under review;
- (iii) that the Directors had taken proper and sufficient care for the maintenance of Adequate accounting records in according with the provisions of the Companies Act 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors had prepared the accounts for the Financial Year ended 31st March, 2014, on a going concern basis.
- (v) that the company has adequate internal systems and controls in place to ensure compliance of laws applicable to the company.

VISION :

"LEADERSHIP" that allows you to stretch yourself; beyond the impossible, saying SKY IS THE LIMIT.

OUR MISSION :

Offering "COST EFFECTIVE PRODUCTS" of BEST QUALITY.

INSURANCE:

The company has made the necessary arrangement for adequately insuring its insurable interests.

ACKNOWLEDGEMENT:

Your Directors would like to express their grateful appreciation for the assistance and co operation received from the Government, Banks, Customers, Suppliers and Business associates during the year under review. The Directors also express their gratitude to the shareholders for the confidence reposed towards the Company. Your Directors wish to place on record their deep sense of appreciation to all the employees for their commendable team work and enthusiastic contribution during the year.

Regd. Office :

701, Avdhesh House,
Opp. Gurudwara,
Near Thaltej Chokdi,
Ahmedabad - 380054. Gujarat

Date: 28th May, 2014

**By Order of the Board
For, Kalptaru Papers Limited**

**Jaikishan B. Gupta
Chairman**

ANNEXURE FORMING PART OF DIRECTOR' REPORT

Disclosure of particulars with respect to conservation of energy as required under Section 217 (1) (e) read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of Report of Board of Directors for the year ended on 31st March, 2014.

I ENERGY CONSERVATION MEASURES:

Energy Conservation is the most essential part in today's working. It is the duty of every individual at all levels to save energy as far as possible. Saving energy is not one time job but constant efforts are required for the same. The management has formed Committee to look into the matter and suggest latest measures to save steam and power.

Variable Drives have been installed to save energy. Energy efficient Motors / Pumps have been installed to achieve energy savings.

II TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION:

Use of the latest technology is the dire need of the industry if it wants to survive and keep pace with others in the changed environment.

III FOREIGN EXCHANGE EARNINGS AND OUTGO:

	2013-14	2012-13
Foreign exchanges earned :	43,971.21	NIL
Foreign exchange outgo : (Including Imports & Traveling)	US\$2,16,494.08	US\$ 5,17,268

FORM A

(DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY)

Particulars	2013-2014	2012-2013
(A) Power and Fuel Consumption :		
1. Electricity		
Purchased Power (units)	4856009	10821628
Total Amount	37124349	74411114
Rate (unit)	7.64	6.88
Non performance from October 2013 to march 2014	41330237	
2. Boiler Fuel		
Quantity (kg)	6148250	16729745
Total Amount	22994455	43367470.00
Average Rate (kg)	3.74	2.59
3. (a) LNG Gas		
In SCM	NIL	NIL
In Rs.	NIL	NIL
Average Rate	NIL	NIL
Total Units	NIL	NIL
Rate per Unit	NIL	NIL
(b) L.E.O.		
In Liters	NIL	NIL
In Rs.	NIL	NIL
Average Rate	NIL	NIL
Total Units	NIL	NIL
Rate per Unit	NIL	NIL
(c) Furnace Oil		
In Liters	NIL	NIL
In Rs.	NIL	NIL
Average Rate	NIL	NIL
Total Units	NIL	NIL
Rate per Unit	NIL	NIL
(B) Consumption per unit of production :		
Electricity (Unit)	0.672	0.500
Coal (kg)	0.850	0.773

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A. BUSINESS HIGHLIGHTS :

Turnover :

Kalptaru Papers Limited has achieved a turnover of 3622.89 Lacs in 2013-2014 as against 7588.19 Lacs during the previous year recording an decrease of over 52.25%

Other Income:

Other income mainly consists of sales of scrap, profit on sales of assets, etc. Other income for the year amounted to 11.18 Lacs as against 8.43 Lacs during the previous year.

Material Costs :

Purchase costs include Raw Material consumption for the year was 1300.98 Lacs as against 2808.48 Lacs during the previous year. Inventory of Raw Materials has decreased during the year by 49.57 Lacs. Work in progress has decreased by 2.88 Lacs.

Manufacturing Expenses :

Purchase Cost also includes Manufacturing Expenses mainly comprises Power & Fuel 370.72 Lacs, Repairs & Maintenance 8.98 Lacs, as against 744.11Lacs and 12.37 Lacs respectively during the previous year.

Employee Emoluments:

Employee's emoluments (other than managerial remuneration) have decreased to 183.90 Lacs during the year as against 224.86 Lacs during the previous year.

Administrative, Selling and Other Expenses:

Major components of administrative, selling and other expenses include managerial remuneration, rent, postage, stationary, audit fees, traveling, commission on sales etc. Administrative, selling and other expenses for the year amounted to 242.65 Lacs as against 132.01 Lacs during the previous year. These expenses accounted for 6.69% of sales during the year as against 1.73% during the previous year.

Interest and Finance Charges:

Interest and finance charges during the year come to 474.42 Lacs as against 399.62 Lacs during the previous year.

Depreciation:

Depreciation charge for the current year came to 261.16 Lacs as against 257.24 Lacs during the previous year.

Provision for Tax :

Provision made during the year towards current tax as Nil against Nil Lacs during the previous year. The deferred tax for current year was 296.46 Lac.

Profit after Tax :

Net profit during the year was (887.60) Lacs as against (109.24) Lacs during the previous year.

Financial Condition:

Secured loans:

Secured loans stood at 3526.93 Lacs as at 31st March, 2014 as against 3447.36 Lacs as at 31st March, 2013 due to disbursement of loans sanctioned (enhanced credit facilities) during the year.

Unsecured Loans :

Unsecured loans as on 31st March, 2014 were at 672.24 Lacs as against 761.46 Lacs as on 31st March, 2013.

Inventories :

Major items of inventories as of 31st March, 2014 are as under :

	(Rs. in Lac)	
Particulars	2013-2014	2012-2013
Raw Materials	93.20	144.61
Work in process	-	2.88
Finished goods	5.97	99.88

Debtors :

Debtors as on 31st March, 2014 amounted to 905.95 Lacs as against 1220.39 Lacs during the previous year.

Fixed Assets :

Net block of the fixed assets at the end of the year increased to 4207.15 Lacs compared to previous year's figure of 4606.62 Lacs.

B. SEGMENT WISE PERFORMANCE :

The company is operating in only one segment i.e. paper. The production of Kraft Paper is 70% and of news print paper is only 30% of total production. There is no material deference in the technical and financial performance in either of the papers.

Your company has adopted various marketing strategies for sustained growth including increase in number of clients / customers to reduce the dependency on any single client / customer.

C. AN INDUSTRY OVERVIEW:

The paper industry in India is having shortage of raw materials, as we do not have enough forests to meet the industry requirement of pulpable wood, hence the dependence on waste paper is on higher scale. The central pulp and papers research institute and many other organizations are actively involve to find out ways to increase collection of waste papers to reduce dependence on imports.

The management is confident of improvement in the demand of paper in the near future with fast growth of decorative and industrial laminate industry. News paper readers are also on increase. Both this trends will lead to higher demand of your company products year by year. The unit of the company is eco-friendly and has already adopted the concept of recycle of papers.

The scenario of the paper industry and economy in general is buoyant even after the industry is exposed to global competition with globalization policy of the government. The industry is facing problems for availability of raw materials and high cost of power and steam. The process of development, increasing thrust of the government on the education and demand from packaging sector, the future of papers industry appears quite bright.

D. SWOT ANALYSIS OF THE COMPANY :

Strength:

- Management depth and ability to manage client relationships.
- R & D capabilities to develop efficient and cost effective process at short notice having a State of the Art dedicated R & D Center.
- Multi-purpose and multi-production facilities having Quality Certifications.
- Enhanced presence in the market through clientele basis.
- Has equipped itself with new business dynamics of comprehensive service providers to the clients this may call for required diversification also for which the company has already equipped itself.

Opportunities:

The paper industry in subject to tough competition amongst various segments of manufactures within and outside the country. The threat of competition is comparatively less in the product which your company is manufacturing viz. Absorbent paper and news print. Your company is exclusively manufacturing Absorbent paper which is being supplied to almost all the decorative and Industrial Laminate manufactures, and the products have been well approved by them. The company is market leader in absorbent paper. The increase in demand from this sector will provide opportunity to your company to increase its sale and capture more market share. Moreover, Indian paper industry witnessing changes in business dynamics.

Threats:

- Competition from other Indian companies operating in similar segments.

E. RISKS AND CONCERNS :

Your company is mainly focusing on R & D and manpower and the intelligence. Apart from the risk on account of interest rate and regulatory changes, business of the company are exposed to certain operating business risks, which is mitigated by regular monitoring and corrective actions. The company has taken necessary measures to safe guard its assets and interest etc.

F. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY :

The company has proper and adequate system of internal controls commensurate with its size and nature of operations to provide reasonable assurance that all assets are safeguarded, transactions are authorized, recorded and reported properly and to monitor internal business process, financial reporting and compliance with applicable laws.

The internal control system has been designed so as to ensure that the financial and other records are reliable and reflects a true and fair view of the state of the Company's business.

To further strengthen the Internal Audit system, including internal control systems and MIS, your company has appointed an experienced firm of Chartered Accountants as Internal Auditors.

G. INDUSTRIAL RELATIONS & HUMAN RESOURCE MANAGEMENT :

The Company believes that human resource is the most important assets of the organization. It is not shown in the corporate balance sheet, but influences appreciably the growth, progress, profits and the shareholders' values. During the year your company continued its efforts aimed at improving the HR policies and processes to enhance its performance. The vision and mission of the company is to create culture and value system and behavioral skills to insure achievement of its short and long term objectives.

The company as at year end has 40 employees on its role and continues to attract talent both from within and outside India to further its business interests. Industrial relations continue to be cordial.

Cautionary Statement:

Statement made in the Management Discussion & Analysis describing the company's objectives, projections, estimates, expectations may be "Forward-looking statements" within the meaning of applicable securities laws & regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand supply and price conditions in the markets in which the company operates, changes in the government regulations, tax laws & other statutes & other incidental factors.

CORPORATE GOVERNANCE REPORT

Corporate Governance and practices in accordance with the provisions of the Revised Clause 49 of the Listing Agreement:

1. Company's philosophy on Code of Governance :

The Company believes that good Corporate Governance is essential to achieve long term corporate goals and enhance stakeholders' value. Thus, Company's philosophy on Corporate Governance is aimed at the attainment of laws in all facets of operations, leading to best standards of Corporate Governance.

It is Company's belief that good ethics make good business sense and our business practices are in keeping with this spirit of maintaining the highest level of ethical standards. The implementation of Company's code for prohibition of Insider Trading exemplifies this spirit of good ethics.

Corporate Governance signifies acceptance by management of the inalienable rights of shareholders as the true owners of organization and of their own role as trustees on behalf of the shareholders. At the highest level, the company continuously endeavors to improve upon these aspects on an ongoing basis and adopts innovative approaches for leveraging resources, converting opportunities into achievements through proper empowerment and motivation, fostering a healthy growth and development of human resources to take the company forward.

2. Board of Directors :

Composition:

The Board of Directors of the Company (hereinafter referred as 'Board') comprises of a combination of executive and non - executive Directors. The Chairman of the Board is an Executive Director and more than half of the Board Members (excluding Alternate Director) are Independent. The Composition of the Board is in line with the requirement of Clause 49 of the Listing Agreement. Directors are qualified and experienced professionals in business, finance and corporate management.

The present Board of Directors consists of 3(three) non-executive / independent directors. As of date, the Board Comprises of 1(one) promoter and whole time executive director and 1(one) promoter and executive directors and 3(three) independent / Non-Executive directors.

The number of non-executive/independent directors is 60% of the total number of directors. The Company, therefore, meets with the requirements relating to the composition of the Board of Directors.

The composition and category of Directors are as follows :

Category	Name of Directors
Promoter and Whole Time Executive Director	Shri Naveen J. Gupta, Managing Director
Promoter and Executive Directors	Shri Jaikishan B. Gupta, Chairman
Independent & Non-Executive Directors	Shri Paresh Pandya - Director Shri Ramesh Chand - Director Shri Shivratn Sharma - Director

Disclosure of relationships between Directors inter-se :

Name of Directors	Relationship with other Director
Shri Jaikishan B. Gupta	Father of Shri Naveen Gupta, Managing Director of the Company.
Shri Naveen J. Gupta	Son of Shri Jaikishan Gupta, Chairman of the Company.
Shri Paresh Pandya	Not, in any way, concern / interested / related with any of the other directors of the company.
Shri Ramesh Chand	Not, in any way, concern / interested / related with any of the other directors of the company.
Shri Shivratana Sharma	Not, in any way, concern / interested / related with any of the other directors of the company.

Attendance of each Director at the Board meetings, Last Annual General Meeting and Number of Other Directorships and Chairmanships / Memberships of Committees of each Director in various Companies, during the year 2013-2014 :

Name of Directors	Attendance particulars		No. of Directorships and Committees Memberships / Chairmanships		
	Board Meetings	Last AGM	Other Directorship*	Committee Membership**	Committee Chairmanship**
Shri Naveen Gupta	9	Present	3	1	None
Shri Jaikishan Gupta	8	Present	4	1	1
Shri Paresh Pandya	9	Present	None	2	None
Shri Ramesh Chand	9	Present	None	2	None
Shri Shivratana Sharma*	9	Present	1	3	3

* The number of Directorships means maximum twenty out of which maximum number of public Companies in which a person can be appointed as a Director shall not exceed ten and excludes Directorships of Foreign Companies, Companies licensed under section 8 of the Companies Act, 2013 and Alternate Directorships.

** Committee includes Audit Committee, Stakeholders' Relationship Committee and Nomination & Remuneration Committee of Public Limited Companies (excluding Foreign Companies and Section 8 Companies) in terms of Clause 49 of the Listing Agreement.

Note :

- I) Details of the Committee membership/chairmanship are in accordance with the revised Clause 49 of Listing Agreement.
- II) None of the Directors of the Company is a member of more than ten committees nor is the Chairman of more than five Committees across all the Companies in which he is a Director.

Number of Board Meetings held and the dates on which held

9(Nine) Board Meetings were held during the year 2013-2014, as against the minimum requirement of 4 meetings. The dates on which the meetings were held are: 29/05/2013, 24/06/2013, 01/07/2013, 27/07/2013, 14/08/2013, 25/09/2013, 13/11/2013, 12/02/2014 and 26/02/2014.

The Company has held one meeting every quarter and the maximum time gap between any two meetings was not more than four months.

The Information as required under Annexure IA to Clause 49 of the Listing Agreement is made available to the Board. The agenda and the papers for consideration at the Board meeting are circulated to the Directors in advance to the meeting. Adequate information is circulated as part of the Board papers and is also made available at the Board meeting to enable the Board to take informed decisions.

Where it is not practicable to attach supporting / relevant document(s) to the Agenda, the same are tabled at the meeting with specific reference to this is made in the Agenda.

Remuneration to directors:

Non - Executive Directors:

The Non Executive Directors do not draw any remuneration from the Company including the Sitting Fees.

Executive Directors:

The salary, perquisites and allowances paid for the year ended March, 31 2014 to Executive Directors are:

(Amount in Rs.)

Name of Director	Salary	Perquisites & Allowances	Total
Shri Jai Kishan Gupta	NIL	NIL	NIL
Shri Naveen Gupta (Managing Director)*	9,00,000	NIL	9,00,000

Information provided to the Board :

The agenda is circulated well in advance to the Board members to enable the Board to deliberate on relevant points and arrive at an informed decision. All relevant information related to the working of the Company is made available to the Board. In addition to matters which require to be placed before the Board for its noting and / or approval, information is also provided on various other significant matters.

CEO Certification :

The Managing Director of the Company gives annual certification on financial reporting and internal controls to the Board in terms of Clause 49. The Managing Director also gives quarterly certification on financial results while placing the financial results before the Board in terms of Clause 41.

Code of Conduct :

The Company has formulated and implemented a Code of Conduct for all Board members and senior management personnel of the Company in compliance with Clause 49(I) (D) of the Listing Agreement.

The code of conduct for Directors and Senior Managerial Management personnel's has been posted at Company's website www.kalptaru.co.in. A declaration of CEO / Managing Director of the Company to this effect is also appended to this report.

Risk Management Policy :

The Company has formulated a Corporate Policy applicable to its operations, and duly approved by the Board of Directors in compliance with the requirement of the revised Clause 49 of the Listing Agreement with the Stock Exchanges. Audit Committee and Board Members are reviewing and updating the said policy periodically.

3. Audit Committee for the Financial Year 2013-2014:**Composition and procedure of Audit Committee**

Audit Committee of the Company comprises three independent Non-Executive Directors viz. Shri Shivratn Sharma, Chairman (having financial and accounting knowledge), Shri Paresh Pandya and Shri Ramesh Chand.

The constitution of Audit Committee meets with the requirements under Section 177(2) of the Companies Act, 2013 and Clause 49 of the Listing agreement of the Stock Exchanges as well. Detail of members and number of meeting attended by Committee members as mentioned as under:

Sr. No.	Name of the Member	Designation	No. of meeting attended
1	Shri Shivratn Sharma*	Chairman	6
2.	Shri Paresh Pandya**	Member	6
3.	Shri Ramesh Chand	Member	6

*Appointed as Chairman w.e.f. 28/05/2014.

**Appointed as Chairman on 27/07/2013 and shown unwillingness to act as a Chairman on 28/05/2014.

The necessary quorum was present at the meetings. There are changes in the composition of the Committee during the year. Six (6) meetings were held during the year. Dates of the meetings are: 29/05/2013, 27/07/2013, 14/08/2013, 25/09/2013, 13/11/2013 and 12/02/2014.

Powers of the Audit Committee:

The Audit Committee has powers that include the following:

- To investigate any activity of the Company within its terms of reference
- To seek information from any employee
- To obtain outside legal and other professional advice
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

4. Nomination & Remuneration Committee:

The Board of Directors of the Company has constituted a Nomination & Remuneration Committee w.e.f. 28/05/2014. Presently, Nomination & Remuneration Committee comprising three Independent Non Executive Directors viz. Shri Shivratn Sharma - Chairman, Shri Paresh Pandya and Shri Ramesh Chand.

The constitution of Nomination & Remuneration Committee meets with the requirements under Section 178(1) of the Companies Act, 2013 and Clause 49 of the Listing agreement of the Stock Exchanges as well Agreement, with following terms of reference:

- To determine the Company's policy on specific remuneration packages for Executive Directors including pension rights and any compensation payment;
- To approve remuneration payable to all managerial personnel including the Executive Directors;
- To determine the elements of remuneration package of Executive Directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc;
- To determine details of fixed component and performance linked incentives, alongwith the performance criteria;
- Service contracts, notice period, severance fees;
- Stock options details, if any.

5. Shareholders' Relationship Committee :

The Board of Directors of the Company has constituted a Stakeholders' Relationship Committee. Presently, the Stakeholders' Relationship Committee comprises of three directors namely, Shri. Shivratan Sharma, Chairman of the Committee, Shri Jai Kishan Gupta and Shri. Naveen Gupta. The Committee, inter alia, approves issue of duplicate certificates and oversees and reviews all matters connected with the securities transfers. The Committee also looks into redressal of shareholders' complaints like transfer of shares, non-receipts of balance sheet, non-receipt of declared dividends etc. The Committee oversees the performance of the Registrar and Transfer Agents and recommends measures for overall improvement in the quality of investor services.

Sr. No.	Name of the Member	Designation	No. of meeting attended
1	Shri Shivratan Sharma*	Chairman	NIL
2	Shri Jai Kishan Gupta	Member	4
3	Shri Naveen Gupta	Member	5

*Appointed as Chairman as well as Member w.e.f. 28/05/2014

Five (5) meetings were held in year 2013-14. Dates of the meetings are: 30/05/2013, 14/08/2013, 07/11/2013, 21/01/2014 and 13/02/2014.

The necessary quorum was present at the meetings. There is no change in the composition of the Committee during the year. None of the request for transfers, dematerialization and re-materialization was pending for approval as on 31st March, 2014. Quarter-wise Summary of Investors' Complaints received and resolved to the satisfaction of the shareholders during the financial year 2013-2014.

Quarter Period		Complaints Position at the beginning of the quarter	Complaints received during the quarter	Complaints resolved during the quarter	Complaints pending at the end of the quarter
From	To				
01/04/2013	30/06/2013	NIL	NIL	NIL	NIL
01/07/2013	30/09/2013	NIL	NIL	NIL	NIL
01/10/2013	31/12/2013	NIL	NIL	NIL	NIL
01/01/2014	31/03/2014	NIL	NIL	NIL	NIL
Total		NIL	NIL	NIL	NIL
Complaint pending at beginning of the year		=	NIL		
Complaint received during the year		=	NIL		
Complaint resolved during the year		=	NIL		
Complaint pending at the end of the year		=	NIL		

6. Annual General Body Meetings :

Location, Date and Time for last three Annual General Meetings were as follows :

Year	Location	Date	Time
2010-11	701, Avdhesh House, Opp : Gurudwara, Nr. Thaltej Chokdi, Ahmedabad - 380054	28/09/2011	10.30 am
2011-12	701, Avdhesh House, Opp : Gurudwara, Nr. Thaltej Chokdi, Ahmedabad - 380054	26/09/2012	10.00 am
2012-13	701, Avdhesh House, Opp : Gurudwara, Nr. Thaltej Chokdi, Ahmedabad - 380054	25/09/2013	10.00 am

Pursuant to the provisions of Section 192A of the Companies Act, 1956 there was one matter required to be dealt by the company to be passed through Postal Ballot.

Whether any Special Resolutions :

(a)	Were put in the previous AGM	:	No
(b)	Were put through Postal Ballot last year	:	Yes
(c)	Are proposed to be conducted through postal ballot	:	No

7. Disclosures:

- 7.1** There are no materially significant related party transactions i.e. transactions of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc., that may have potential conflicts with the interests of the company at large in the financial year 2013 - 2014. Related party transactions have been disclosed in the Notes to the Annual Accounts of the Company for the year ended 31st March, 2014.
- 7.2** There has been no instance of non-compliance by the company on any matter related to capital markets, during the last three years and hence no penalties or strictures have been imposed on the company by Stock Exchange(s) or SEBI or any other statutory authority.
- 7.3** The Company has complied with all the mandatory requirements of the Revised Clause 49 of the Listing Agreement.

8. Means of Communication:

The Company has always promptly reported to all the Stock Exchanges where the securities of the Company are listed, all the material information including declaration of quarterly/ half yearly and annual Financial Results in the prescribed formats and through press release etc.

The Financial Result and the other statutory information are communicated to the shareholders by way of advertisement in one English daily and one Gujarati language daily newspaper, as per the requirement of the Listing Agreement entered with Stock Exchanges.

Financial Results are normally published in "Western Times" in English daily and in its Gujarati edition.

The said are also available on the Company's website: www.kalptaru.co.in

As the Financial Results are published in leading newspapers as well as hosted on the Company's website, the results are not sent to the households of the individual shareholders.

All price sensitive information and announcements are communicated immediately after the Board decisions to the Stock Exchanges, where the company's shares are listed, for dissemination to the Shareholders and also hosted on Company's website.

The Management Discussion and Analysis Report forms part of this report.

9. General Shareholder Information :

9.1 26th Annual General Meeting

Date : 30th day of September, 2014

Time : 10:00 a.m.

Venue : 701, Avdshesh House, Opp. Gurudwara, Near Thaltej Chokdi, Ahmedabad - 380054

As required under Clause 49(IV) (G) (i), particulars of Directors seeking appointment/re-appointment are given in Annexure to the Notice of the Annual General Meeting to be held on 30th September, 2014.

9.2 Financial Year / Calendar :

The Company follows April to March as its Financial Year. The results for every quarter beginning from April are being declared in the month following the quarter as per the Listing Agreement.

9.3 Date of Book Closure :

From Thursday, 25th day of September, 2014 To Tuesday, 30th day of September, 2014 (both days inclusive), for the Annual General Meeting scheduled to be held on 30th September, 2014.

9.4 Listing on Stock Exchanges :

Bombay Stock Exchange Limited.

9.5 Stock Code

Bombay Stock Exchange Limited : **590036**

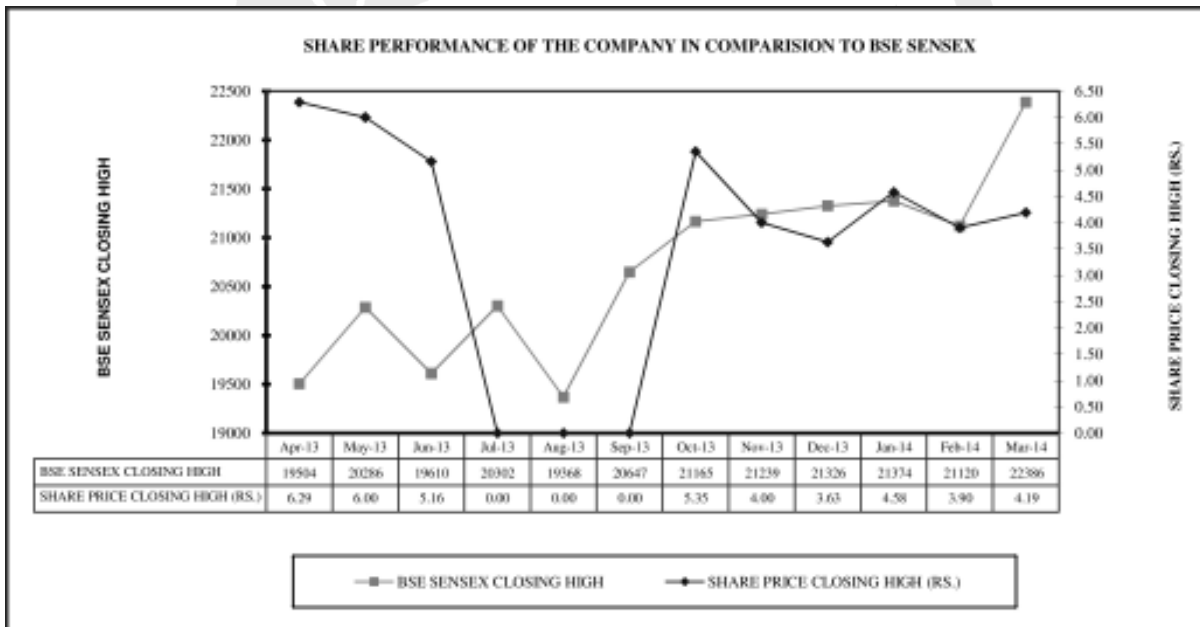
Demat ISIN Number in NSDL & CDSL for Equity Shares : **INE783C01019**

9.6 Market Price Information and Other information concerning the shares

The table below sets forth, for the periods indicated, the Closing high and low and volume of trading activity on the BSE for the shares

Month	Bombay Stock Exchange (BSE)		
	High (₹)	Low (₹)	Volume Traded
April, 2013	6.29	6.00	1085
May, 2013	6.00	5.43	474
June, 2013	5.16	5.16	75
July, 2013	0.00	0.00	0
August, 2013	0.00	0.00	0
September, 2013	0.00	0.00	0
October, 2013	5.35	3.97	415
November, 2013	4.00	3.50	12980
December, 2013	3.63	3.00	119030
January, 2014	4.58	3.81	28855
February, 2014	3.90	4.19	10787
March, 2014	4.19	3.99	662
Total			174363

9.7 BSE - Share performance of the Company



9.8 Registrars and Shares Transfer Agents :

LINK INTIME INDIA PVT. LTD.

Head Office :

13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai – 400 078
Tel.: 91-22-2596 3838. Fax : 91-22-2594 6969. E-mail : mumbai@linkintime.co.in

Branch Office:

Unit No. 303, 3rd Floor, Shoppers Plaza V, Opp. Municipal Market,
Behind Shoppers Plaza II, Off C G Road, Ahmedabad - 380009
Tel.: 079-26465179. E-mail : ahmedabad@linkintime.co.in

9.9 Share Transfer / Demat System

All the shares related work is being undertaken by our R & T Agent, Link Intime India Pvt. Ltd., 13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai - 400 078. To expedite the process of share transfer, transmission, split, consolidation, re-materialization and de-materialization etc. of securities of the Company, the Board of Directors has delegated the power of approving the same to the Company's R & T Agent under the supervision and control of the Company Secretary & Compliance Officer of the Company, who is placing a summary statement of transfer / transmission etc. of securities of the Company at the meeting of the Shareholders' and Investors' Grievance Committee.

Shares lodged for transfer at the R & T Agents address in physical form are normally processed and approved within 15 days from the date of receipt, subject to the documents been valid and complete in all respect. Normally, the entire requests for de-materialization of shares are processed and the confirmation is give to the Depository within 15 days. The investors / shareholders grievances are also taken-up by our R & T Agent.

The Company has obtained and filed with the Stock Exchange(s), the half yearly certificates from a Company Secretary in Practice for due compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement.

9.10 Details of Shares held by Non Executive Directors as on 31st March, 2014:

Name of Non Executive Director	Shares held
Shri Paresh Pandya	1000
Shri Ramesh Chand	500
Shri Shivratn Sharma	NIL

9.11 Distribution Schedule and Shareholding Pattern as on 31st March, 2014

Distribution Schedule

No. of equity shares held	No. of holders	%	No. of Shares	% of Total
1 - 500	1727	79.80	251235	5.62
501 - 1000	182	8.41	152888	3.42
1001 - 2000	98	4.53	157918	3.54
2001 - 3000	48	2.22	118310	2.65
3001 - 4000	15	0.69	52737	1.18
4001 - 5000	19	0.88	87976	1.97
5001 - 10000	27	1.25	198477	4.44
10001 and Above	48	2.22	3448579	77.18
Total	2164	100.00	4468120	100.00

Shareholding Pattern :

No.	Category	As on March 31, 2014		As on March 31, 2013	
		Nos. of Shares held	Voting Strength %	Nos. of Shares held	Voting Strength %
1	Promoters	2684165	60.07	2655686	59.44
2	Mutual Fund & UTI	0	0.00	0	0.00
3	Bank, Financial Institutions (FI's), Insurance Companies	0	0.00	0	0.00
4	Foreign Institutional Investors (FII's)	0	0.00	0	0.00
5	Private Bodies Corporate	135172	3.03	166296	3.72
6	Indian Public	1601812	35.85	1599547	35.80
7	Any other (i) Non Resident Indian	41555	0.93	40305	0.90
	(ii) Clearing Member	5416	0.12	6286	0.14
	Total	4468120	100.00	4468120	100.00

9.12 Dematerialization of Shares and Liquidity :

The Company's Shares are in compulsory De-mat segment and as on 31st March, 2014, Equity Shares of the Company forming 96.71% of the company's paid - up Equity share capital is in dematerialized form. Company's shares are easily traded on Bombay Stock Exchange Limited.

The Table herein below gives the breakup of shares in physical and demat form as on 31st March, 2014:

No. of Shares in Physical Segment	147100	3.29%
No. of Shares in Demat Segment	4321020	96.71%
Total	4468120	100.00%

9.13 Out standing GDRs/ADRs/Warrants or any Convertible Instruments

- Not applicable.

9.14 Insider Trading

All the Directors and Senior Management have affirmed compliance of "The Code of Conduct and Ethics" as suggested under the SEBI (Prohibition of Insider Trading) regulations, 1992.

9.15 Plant Location :

Khatraj Chokdi, Village Karoli, Kalol, Dist. Gandhinagar, Gujarat

9.16 Address for correspondence :

a) Investor correspondence for transfer / dematerialization of shares, payment of dividend on shares and any other query relating to the shares of the company.	Link Intime India Pvt. Ltd. 13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai – 400 078
b) Any query on Payment of Dividend on shares and Annual Report	701, Avdhesh House, Opp. Gurudwara, Near Thaltej Chokdi, Ahmedabad – 380054 Tel.: 079 26858510/511, 40230202. Fax : 079 30171202 e-mail : contact@kalptaru.co.in

9.17 Reconciliation of Share Capital Audit Report :

The Reconciliation of Share Capital Audit Report of the Company prepared in terms of SEBI Circular No. D&CC/FITTC/CIR-16/2002 dated December 31, 2002 reconciling the total shares held in both the depositories, viz NSDL and CDSL and in physical form with the total issued / paid-up capital of the Company were placed before the Board of Directors every quarter and also submitted to the Stock Exchange(s) every quarter.

9.18 Investor Education and Protection Fund:

Pursuant to the provision of Section 125(2) of the Companies Act, 2013, dividends, matured fixed deposits, redeemed debentures and interest thereon, which remained unclaimed up to 29th October, 2014 were deposited with Investors' Education and Protection Fund (IEPF) of the Central Government.

The amount of dividend paid, fixed deposit that have matured, debentures redeemed and interest thereon, after 29th October, 2014 will be transferred to the IEPF as mentioned above, no claim shall lie in respect of the same, with the Company and /or Government of India. Therefore, the shareholders are advised to claim such amounts immediately.

CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT FOR BOARD OF DIRECTOR AND SENIOR MANAGEMENT PERSONNEL

To

The Member of

M/S. Kalptaru Papers Limited,

As required under Clause 49(l) (D) of the Listing Agreement with the Stock Exchanges, I hereby declare that all the Board Members and senior management personnel of the Company have complied with the Code of Conduct of the Company for the year ended 31st March, 2014.

For, Kalptaru Papers Limited

Place: Ahmedabad

Date : 28/05/2014

Naveen Gupta
Managing Director

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of M/s. Kalptaru Papers Limited

We have examined the compliance of condition of Corporate Governance by M/s. Kalptaru Papers Limited ('the Company') for the year ended 31st March, 2014 as stipulated in Clause 49 of Listing Agreement of the company with Stock Exchanges.

The compliance of condition of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion of the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

V. D. AGGARWAL & CO.
Chartered Accountant

(CA ABHIJAI AGGARWAL)
Partner

Membership No. 517463
FRN No. 008332N

Place : Ahmedabad
Date : 28/05/2014

CEO / MD CERTIFICATION PURSUANT TO CLAUSE 49 (V) OF THE LISTING AGREEMENT

To,

The Board of Directors

Kalptaru Papers Limited

701, Avdshesh House, Opp. Gurudwara, Near Thaltej Chokdi, Ahmedabad-380054

CERTIFICATION BY CHIEF EXECUTIVE OFFICER / MANAGING DIRECTOR

I, Naveen J. Gupta, Managing Director of the Company M/s. Kalptaru Papers Limited, hereby certify that for the financial year ending 31st March, 2014 on the basis of the review of the financial statements and the cash flow statement and to the best of my knowledge and belief that :

- 1 These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
- 2 These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- 3 There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year 2013-2014 which are fraudulent, illegal or in violation of the Company's code of conduct.
- 4 I accept responsibility for establishing and maintaining internal controls. I have evaluated the effectiveness of the internal control systems of the company and I have disclosed to the auditors and the Audit Committee those deficiencies, of which I am aware, in the design or operation of the internal control systems and that I have taken the required steps to rectify these deficiencies.
- 5 I further certify that :
 - a) there have been no significant changes in internal control during this year.
 - b) there have been no significant changes in accounting policies during this year.
 - c) there have been no instances of significant fraud of which I have become aware and the involvement therein, of management or an employee having a significant role in the Company's internal control system.

Place : Ahmedabad
Date : 28/05/2014

Naveen J. Gupta
Managing Director

INDEPENDENT AUDITOR'S REPORT

To,
The Shareholders

KALPTARU PAPERS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of KALPTARU PAPERS 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 then ended, 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 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 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 of 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 Profit and Loss Account, of the profit/ loss for the year ended on that date; and
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.

in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;

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.

Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

Forming an Opinion and Reporting on Financial Statements

**For V. D. AGGARWAL & CO.
CHARTERED ACCOUNTANTS**

**CA ABHIJAI AGGARWAL
(PARTNER)**

**Membership No. 517463
FRN No. 008332N**

**Place : Ahmedabad
Date : 28/05/2014**

ANNEXURE TO THE AUDITOR'S REPORT

The Annexure referred to in paragraph 1 of the Our Report of even date to the members of KALPTARU PAPERS LIMITED on the accounts of the company for the year ended 31st March, 2014.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us, no fixed asset has been disposed during the year and therefore does not affect the going concern assumption.
2. (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii(c) and iii (d) of the order are not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.

No of Parties	Maximum Outstanding Balance	Closing Balance
3	6,89,05,381.00	6,42,74,381.00

- (c) According to information & Explanations given to us the rate of interest & other terms & Conditions of Secured/Unsecured loans taken by the company from companies, Firms & other parties listed in the register maintained u/s 301 of the Companies Act, 1956 are prime facie not prejudicial to the interest of the company.
- (d) Stipulations regarding repayment of principal amount have not been made. However loans are repayable on demands, as we have been explained.
- (e) There are no over due amount of loan of more than one Lakh taken from or granted to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) As per information & explanations given to us and in our opinion, the transaction entered into by the company with parties covered u/s 301 of the Act does not exceeds five lacs rupees in a financial year therefore requirement of reasonableness of transactions does not arises.
6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
8. As per information & explanation given by the management, maintenance of cost records has been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.

9. According to information & explanations given to us an amount of Rs. 1,49,410.00 in respect of sales tax is disputed & appeal for the same is still pending with Gujrat Sales tax Department. The details of which are

Name of Statute	Nature of Dues	Amount (Rs.)	Forum where Dispute is Pending
Gujrat Sales tax Act	Excess benefit Claimed under Deferment tax Scheme in FY 2004-05	1,49,410.00	Gujrat Sales Tax Deptt.

10. The Company have accumulated loss of Rs. 3,92,02,658.23 and has incurred cash loss of Rs. 9,22,89,152.82 during the financial year covered by our audit and no cash loss incurred in the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has defaulted in repayment of dues to Indian Overseas Bank from Oct-13 and became NPA w.r.f 30.06.2012.
12. According to the 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. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
14. According to information and explanations given to us, the Company is trading in Shares, Mutual funds & other Investments. Proper records & timely entries have been maintained in this regard & further investments specified are held in their own name.
15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
16. Based on our audit procedures and on the information given by the management, we report that the company has not raised any term loans during the year.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2014, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.
19. The Company has no outstanding debentures during the period under audit.
20. The Company has not raised any money by public issue during the year.
21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

**For V. D. AGGARWAL & CO.
CHARTERED ACCOUNTANTS**

**CA ABHIJAI AGGARWAL
(PARTNER)**

**Membership No. 517463
FRN No. 008332N**

**Place : Ahmedabad
Date : 28/05/2014**

BALANCE SHEET AS AT 31ST MARCH, 2014

Particulars	Note No.	Figures as at the end of the current reporting period (₹)	Figures as at the end of the Previous reporting period (₹)
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	4,46,81,200.00	4,46,81,200.00
(b) Reserves and Surplus	2	(2,99,86,975.98)	5,87,72,288.25
(c) Money received against share warrants		-	-
(2) Share Application money pending allotment			
		-	-
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	3	29,85,70,464.53	29,85,39,898.06
(b) Deferred Tax Liabilities (Net)	4	19,38,751.72	3,15,84,605.39
(c) Other Long Term Liabilities	5	5,48,91,681.00	5,78,45,403.00
(d) Long Term Provisions	6	14,36,859.00	10,58,475.00
(4) Current Liabilities			
(a) Short-Term Borrowings	7	10,59,68,480.33	9,74,06,798.93
(b) Trade Payables	8	3,37,10,867.43	4,25,31,032.61
(c) Other Current Liabilities	9	5,59,16,364.90	4,72,72,570.29
(d) Short-Term Provisions	10	1,85,83,584.29	29,46,945.00
Total Equity & Liabilities		58,57,11,277.24	68,26,39,216.53
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
1) Tangible Assets	11	32,43,42,364.18	34,48,37,195.31
2) Intangible Assets		1,28,922.31	1,74,148.21
3) Capital Work-in-progress		9,62,44,470.39	11,56,51,039.50
4) Intangible Assets under Development		-	-
(b) Non-current investments	12	46,000.00	46,000.00
(c) Deferred tax assets (net)		-	-
(d) Long term loans and advances	13	35,89,886.88	35,52,886.88
(e) Other non-current assets	14	2,36,19,989.50	2,37,19,989.50
(2) Current Assets			
(a) Current investments		-	-
(b) Inventories	15	2,61,56,124.35	5,39,56,978.31
(c) Trade receivables	16	9,05,95,441.24	12,20,39,824.38
(d) Cash and cash equivalents	17	25,71,337.44	79,30,580.34
(e) Short-term loans and advances		-	-
(f) Other current assets	18	1,84,16,740.95	1,07,30,574.11
Total Assets		58,57,11,277.24	68,26,39,216.53

NOTES TO ACCOUNTS

01-33

The notes form an integral part of these Financial Statements

For and on behalf of the Board

Naveen Gupta
Managing DirectorJaikishan Gupta
DirectorShrima Dave
Company SecretaryPlace : Ahmedabad
Date : 28/05/2014Auditor's Report
As per our report of even date attachedFor V. D. Aggarwal and Co.
Chartered AccountantsCA Abhijai Aggarwal
(Partner)M.N:517463
FRN No. 008332N

PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2014

Particulars	Note No.	Figures as at the end of the current reporting period (₹)	Figures as at the end of the Previous reporting period (₹)
I Revenue from operations	19	36,22,89,604.45	75,88,19,499.73
II Other Income	20	11,17,580.00	8,43,068.22
III Total Revenue (I + II)		36,34,07,184.45	75,96,62,567.95
IV Expenses:			
Cost of materials consumed	21	13,00,97,897.58	28,08,48,329.61
Purchase of Stock-in-Trade	22	13,83,04,131.00	23,89,70,262.00
Manufacturing & Operating Cost	23	8,54,02,678.91	14,90,67,576.25
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	24	96,78,643.00	40,11,599.00
Employee Benefit Expense	25	1,83,90,731.00	2,24,86,966.00
Financial Costs	26	4,74,41,680.72	3,99,62,042.05
Depreciation and Amortization Expense	27	2,61,15,965.07	2,57,24,928.70
Other Administrative Expenses	28	2,42,65,383.06	1,32,01,174.15
Total Expenses (IV)		47,96,97,110.34	77,42,72,877.76
V Profit before exceptional and extraordinary items and tax (III - IV)		(11,62,89,925.89)	(1,46,10,309.81)
VI Exceptional Items		21,15,192.00	-
VII Profit before extraordinary items and tax (V - VI)		(11,84,05,117.89)	(1,46,10,309.81)
VIII Extraordinary Items		-	-
IX Profit before tax (VII - VIII)		(11,84,05,117.89)	(1,46,10,309.81)
X Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		(2,96,45,853.67)	(36,85,537.66)
XI Profit(Loss) from the period from continuing operations (IX-X)		(8,87,59,264.23)	(1,09,24,772.15)
XII Profit/(Loss) from discontinuing operations		-	-
XIII Tax expense of discounting operations		-	-
XIV Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV Profit/(Loss) for the period (XI + XIV)		(8,87,59,264.23)	(1,09,24,772.15)
XVI Earning per equity share:			
(1) Basic		(19.86)	(2.44)
(2) Diluted		(19.86)	(2.44)

NOTES TO ACCOUNTS

01-33

The notes form an integral part of these Financial Statements

For and on behalf of the Board

Naveen Gupta
Managing Director

Jaikishan Gupta
Director

Shrima Dave
Company Secretary

Place : Ahmedabad
Date : 28/05/2014

Auditor's Report
As per our report of even date attached

For V. D. Aggarwal and Co.
Chartered Accountants

CA Abhijai Aggarwal
(Partner)

M.N.:517463
FRN No. 008332N

NOTES TO THE FINANCIAL STATEMENTS

Particulars	As on 31.03.2014 Amount (₹)	As on 31.03.2013 Amount (₹)
Note : 1 Share Capital		
Authorized Shares:-		
10000000 Equity Shares of ₹ 10/- each.	10,00,00,000.00	10,00,00,000.00
Issued, Subscribed & Paid up:-		
To the Subscribers of the Memorandum		
4468120 Equity Shares of ₹ 10/- each, Fully Paid Up	4,46,81,200.00	4,46,81,200.00
Total	4,46,81,200.00	4,46,81,200.00

Note : 1A

The company has only one class of Equity Shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of shareholder, except in case of Interim Dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion of their shareholding.

Note : 1B

Reconciliation of Shares Held by Shareholders at the beginning of the year and at the end of the year:-

Particulars	Equity Shares		Preference Shares	
	Number	₹	Number	₹
Shares at the beginning of the year	44,68,120	4,46,81,200.00	-	-
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares at the end of the year	44,68,120	4,46,81,200.00	-	-

Note : 1C

Details of shares held by shareholders holding more than 5% of the aggregate shares in the company:-

Name of the Shareholder	As at 31st March,2014		As at 31st March,2013	
	No. of shares held	% of Holding	No. of shares held	% of Holding
N.N.Papers Pvt.Ltd.	750700	16.80	750700	16.80
Kalptaru Fincap Limited	546650	12.23	546650	12.23
Jai Kishan Gupta	420670	9.41	420670	9.41
Naveen Jai Kishan Gupta	311820	6.98	311820	6.98

Note : 2 Reserve & Surplus

Particulars	As on 31.03.2014 Amount (₹)	As on 31.03.2013 Amount (₹)
1 Capital Reserve*	22,27,481.25	22,27,481.25
2 Capital Redemption Reserve	-	-
3 Securities Premium Reserve	-	-
4 Debenture Redemption Reserve	-	-
5 Revaluation Reserve	-	-
6 Share option outstanding Account	-	-
7 Other Reserves		
General Reserve	69,88,201.00	69,88,201.00
8 Surplus (Profit & Loss Account)		
Opening Balance	4,95,56,606.00	6,04,81,378.15
Less: Tax on Regular Assessment Paid	-	-
Add/(Less): Profit/(Loss) for the period	(8,87,59,264.23)	(1,09,24,772.15)
Transfer from/(to) General Reserve	-	-
Proposed Dividend	-	-
Tax on Proposed Dividend	-	-
Closing Balance	-3,92,02,658.23	4,95,56,606.00
Total	-2,99,86,975.98	5,87,72,288.25

* Capital Reserve includes G.S.F.C. Sidsidy received of ₹ 609000

NOTES TO THE FINANCIAL STATEMENTS

Note : 3 Long Term Borrowings

Particulars	As on 31.03.2014 Amount (₹)	As on 31.03.2013 Amount (₹)
1 Bonds / Debentures	-	-
2 Term Loan (Secured)		
- From Bank (after 12 months)	15,39,27,353.47	16,86,25,444.00
- From Other Parties (after 12 mts)	5,06,18,730.06	5,37,68,454.06
3 Deferred Payment Liabilities	-	-
4 Deposit	-	-
5 Loans & Advances From Related Parties	96,70,000.00	37,30,000.00
6 Long Term Maturities of Finance lease obligation	-	-
7 Loans From Directors & Shareholders	5,46,04,381.00	4,30,16,000.00
8 Other Loans & Advances	2,97,50,000.00	2,94,00,000.00
Total	29,85,70,464.53	29,85,39,898.06

Nature of Security and Terms of Repayment for Long Term secured borrowings:

Nature of Security	Terms of Repayment
i) Term Loan from Axis Bank Ltd. amounting to Rs.78,84,016.47 (31/03/13: Rs. 1,14,61,884.00) is collaterally secured by Residential property in the name of Directors of the company personal guarantee of the directors of the company.	Repayable in monthly installment of Rs. 5,45,570.00 including Interest amount calculated on Base Rate +4% Rate of Interest 14% p.a. as at year end.
ii) Term Loans from IOB (Refer Sub-Notes-1, 2 & 3):- a) Amounting to Rs.90,61,337.00 (31/03/13: Rs.89,00,000.00) b) Amounting to Rs.49,91,248.00 (31/03/13: Rs.51,00,000.00) c) Amounting to Rs.81,46,042.00 (31/03/13: Rs. 80,00,000.00) d) Amounting to Rs. 3,84,49,696.00(31/03/13: Rs.3,77,65,169.00) e) Amounting to Rs. 2,10,62,681.00 (31/03/13: Rs.1,56,23,547.00)	Each Term loan Repayable in 84 monthly installments commencing from April 2013. Last installment due in march 2020.
iii) WCTL from IOB (Refer Sub-Notes-1, 2 & 3):- Working Capital Term Loan from IOB to Rs. 2,14,85,161.00 (31/03/13: Rs.2,10,99,984.00) is secured by a first charge on Factory Land and Building and Plant and Machinery of the Company.	Repayable in 84 monthly installments commencing from April 2013. Last installment due in March 2020.
iv) WCTL from IOB (Refer Sub-Notes-1, 2 & 3):- Working Capital Term Loan from IOB to Rs. 8,01,08,860.00 (31/03/13: Rs.8,01,08,860.00) is secured by a first charge on Factory Land and Building and Plant and Machinery of the Company.	Repayable in 84 monthly installments commencing from April 2013. Last installment due in March 2020.
v) Term Loan from Religare Finevest Ltd. amounting to Rs.3,55,77,340.00(31/03/13: Rs.3,87,36,970.00) is secured by specific and exclusive charge on Residential property in the name of Directors of the company and personal guarantee of the directors of the company.	Repayable in 117 monthly installments commencing from October 2010. Last installment due in June 2020.
vi) Term Loan from Religare Finevest Ltd. amounting to Rs.1,77,71,481.00 (31/03/13: Rs. 1,87,07,153.00) is secured by specific and exclusive charge on Residential property in the name of Directors of the company and personal guarantee of the directors of the company.	Repayable in 135 monthly installments commencing from September 2011. Last installment due in November 2022.
vii) Vehicle loan from Tata Capital Limited amounting to Rs.4,88,030.06 (31/03/13: Rs.7,90,984.17) is secured by hypothecation of vehicle.	Repayable in 60 monthly installments commencing from September 2010. Last installment due in August 2015.
viii) Others Loans:- Amounting Rs. 9,39,17,956.00 (31/03/13 Rs 7,61,46,000.00)	The terms of arrangement do not stipulate any repayment schedule and the loan is repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

Sub-Notes:-

- 1) Term Loans taken from IOB are primarily secured against Equitable mortgage of factory Land & Building and hypothecation of plant & machinaries/misc.fixed assets of the company situated at survey No.116/P and 117/P of mouje Karoli, Kalol Distt, Gandhinagar.
- 2) All type of Loans from IOB are collateraly secured by:-
 - a) Residual value of exisiting fixed assets of the company valued by approved valuation officer.
 - b) Equitable mortgage of residential flats at B-4/101 & B-4/103, Goyal intercity, Drive-in-Road, Ahmedabad in the name of company and residential value of Factory & Building situated at Kalol Distt, Gandhinagar.
 - c) Personal guarantee of Directors and corporate guarantee of M/s Kalptaru Alloys Pvt.Ltd., Kalptaru Fincap Ltd., Kalptaru Insurance Brokers Ltd. And N.N.Papers Pvt.Ltd.
- 3) Installments falling due in respect of all the above Loans upto 31.03.2014 have been grouped under "Current maturities of Long Term debt".(Refer to Note No-9)

Note : 4 Deferred Tax Liabilities (Net)

Particulars	As on 31.03.2014 Amount (₹)	As on 31.03.2013 Amount (₹)
1 Deferred Tax Liability on account of:-		
Depreciation	5,00,80,602.27	5,22,29,168.66
	<u>5,00,80,602.27</u>	<u>5,22,29,168.66</u>
2 Deferred Tax Assets on account of:-		
(i) Gratuity	4,43,989.43	3,27,068.78
(ii) Earn Leave	3,42,562.65	2,71,958.63
(iii) Bonus Payable	2,98,927.53	1,85,564.70
(iv) Loss c/f	4,70,56,370.94	1,98,59,971.22
	<u>4,81,41,850.55</u>	<u>2,06,44,563.32</u>
Total	<u>19,38,751.72</u>	<u>3,15,84,605.34</u>

- i) Deferred tax is recognised only on timing difference between the accounting income and taxable income, which are capable of reversal in subsequent periods.
- ii) Deferred assets on carried forward business loss and unabsorbed depreciation is recognised only if management certifies with virtual certainty & convincing evidence that there will be sufficient future taxable income.
- iii) Value of deferred tax is assessed on each balance Sheet date and any change in value is recognised in the profit & loss appropriation account.

Note : 5 Other Long Term Liabilities

Particulars	As on 31.03.2014 Amount (₹)	As on 31.03.2013 Amount (₹)
1 Advance from Spl.Land Acquisition Authority*	44,688.00	44,688.00
2 Trade Deposits	5,47,21,278.00	5,76,75,000.00
3 Other Payables	1,25,715.00	1,25,715.00
Total	<u>5,48,91,681.00</u>	<u>5,78,45,403.00</u>

* Advance from Spl.Land Acquisition Authority of Rs.44688 is claim received by company against Compulsory acquisition of a part of land situated in Satpuda.This amount is not a final compensation. Proceedings are still going with authority against this compulsory acquisition.

NOTES TO THE FINANCIAL STATEMENTS

Note : 6 Long Term Provisions

Particulars	As on 31.03.2014 Amount (₹)	As on 31.03.2013 Amount (₹)
1 Provision For Employees Benefit		
Gratuity Payable	14,36,859.00	10,58,475.00
Total	14,36,859.00	10,58,475.00

Note : 7 Short Term Borrowings

1 Loan Repayable on Demand		
- From Bank	-	-
- From Other Parties	-	-
2 Loans & Advances From Related Parties	-	-
3 Deposits	-	-
4 Others loans & Advances	10,59,68,480.33	9,74,06,798.93
Total	10,59,68,480.33	9,74,06,798.93

- i) Working Capital Loan from Axis Bank Limited is collaterally secured by residential property in the name of directors of the company and the personal guarantee of the directors of the company.
- ii) Cash Credit facility from IOB is primarily secured against hypothecation of paid up stock upto 90 days and entire current assets of the company.
- iii) Limit for letter of credits from IOB primarily Secured against documents of title to goods/underlying stocks/ accepted hundies.
- iv) Limit for letter of guarantee from IOB primarily secured against counter guarantee of the company.
- v) All type of borrowings from IOB are collaterally secured by:-
- Residual value of existing fixed assets of the company valued by approved valuation officer.
 - Equitable mortgage of residential flats at B-4/101 & B-4/103, Goyal intercity, Drive-in-Road, Ahmedabad in the name of company and residential value of Factory & Building situated at Kalol Distt, Gandhinagar.
 - Personal guarantee of Directors and corporate guarantee of M/s Kalptaru Alloys Pvt.Ltd., Kalptaru Fincap Ltd., Kalptaru Insurance Brokers Ltd. and N. N. Papers Pvt. Ltd.

Note : 8 Trade Payable

Particulars	As on 31.03.2014 Amount (₹)	As on 31.03.2013 Amount (₹)
1 Payable against Materiel/Supplies	3,37,10,867.43	4,25,31,032.61
Total	3,37,10,867.43	4,25,31,032.61

Note : 9 Other Current Liabilities

Particulars	As on 31.03.2014 Amount (₹)	As on 31.03.2013 Amount (₹)
1 Current Maturities of Long Term Debt (Secured)		
- From Bank (within 12 months)	3,72,61,688.00	1,94,34,000.00
- From Other Parties (within 12 mts)	49,16,871.00	55,01,653.11
2 Interest accrued but not due on borrowings	-	-
3 Interest accrued and due on borrowings	-	-
4 Statutory Dues	10,98,330.08	19,18,555.50
5 Unclaimed Dividend	2,73,861.11	2,73,861.11
6 Other Payables		
Creditors against Expenses	76,06,273.00	1,49,95,389.00
Creditors against Capital goods	46,21,915.71	46,15,786.57
Advance from Customers	1,37,426.00	5,33,325.00
Total	5,59,16,364.90	4,72,72,570.29

NOTES TO THE FINANCIAL STATEMENTS

Note : 10 Short Term Provisions

Particulars	As on 31.03.2014 Amount (₹)	As on 31.03.2013 Amount (₹)
1 Provision For Employees Benefit		
Providend Fund Payable	2,82,049.00	1,10,378.00
Bonus Payable (10-11)	54,285.00	56,707.00
Bonus Payable (11-12)	41,876.00	46,951.00
Bonus Payable (12-13)	4,67,376.00	4,96,875.00
Bonus Payable (13-14)	4,03,866.00	-
Earn Leave Payable	11,08,617.00	8,80,125.00
2 Others		
Interest Expenses Payable (IOB)	-	-
Provision for Expenses	14,25,803.00	96,255.00
Provision of Internal Audit Fee	-	-
Provision for Expenses (others)	1,47,59,008.29	20,865.00
Labour Charges (Contractor) Payable	-	3,263.00
Legal & Professional Fee Payable	-	25,000.00
Income Tax Provision	-	-
Provision of Telephone Expense	24,902.00	44,072.00
Provision of Electricity Expense	15,802.00	11,66,454.00
Total	1,85,83,584.29	29,46,945.00

NOTES TO THE FINANCIAL STATEMENTS

NOTE 11 - FIXED ASSETS

Amount in ₹

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK		
		Value at the beginning	Additions during the Year	Deduction during the year	Value at the end	Value at the beginning	Sales / Adjustments	Depreciation of the year	Total Depreciation	WDV as on 31.03.2014	WDV as on 31.03.2013
I	<u>Tangible Assets</u>										
1	Land	10,57,469.00	-	-	10,57,469.00	-	-	-	-	10,57,469.00	10,57,469.00
2	Building	8,26,59,427.99	24,36,617.01	-	8,50,96,045.00	1,82,22,197.84	-	27,28,461.58	2,09,50,659.42	6,41,45,385.58	6,44,37,230.15
3	Plant and Machinery	38,98,78,909.62	1,37,22,986.89	3,12,94,678.00	37,23,07,218.51	14,09,93,225.21	1,44,53,861.02	2,00,98,619.39	14,66,37,983.58	22,56,69,234.93	24,88,85,684.41
4	Electrical Installation	3,80,33,022.99	61,84,471.13	-	4,42,17,494.12	1,45,05,662.34	-	20,40,586.52	1,65,46,248.86	2,76,71,245.26	2,35,27,360.65
5	Furnitures & Fixtures	25,29,974.80	-	-	25,29,974.80	18,96,997.57	-	1,43,401.47	20,40,399.04	4,89,575.76	6,32,977.23
6	Office Equipment	66,56,881.00	72,650.00	-	67,29,531.00	52,67,896.43	-	1,27,465.94	53,95,362.37	13,34,168.63	13,88,984.57
7	1,15,78,071.40	-	-	1,15,78,071.40	66,70,562.11	-	9,32,204.27	76,02,766.38	39,75,285.02	49,07,489.29	-
	SUB TOTAL (A)	53,23,93,756.80	2,24,16,725.03	3,12,94,678.00	52,35,15,803.83	18,75,56,561.49	1,44,53,861.02	2,60,70,739.17	19,91,73,439.65	32,43,42,364.18	34,48,37,195.31
II	<u>Intangible Assets</u>										
1	Software	2,79,000.00	-	-	2,79,000.00	1,04,851.79	-	45,225.90	1,50,077.69	1,28,922.31	1,74,148.21
	SUB TOTAL (B)	2,79,000.00	-	-	2,79,000.00	1,04,851.79	-	45,225.90	1,50,077.69	1,28,922.31	1,74,148.21
III	<u>Capital Work-in-progress</u>										
2	Capital Work-in-progress	11,56,51,039.50	24,38,082.92	2,18,44,652.03	9,62,44,470.39	-	-	-	-	9,62,44,470.39	9,62,44,470.39
	SUB TOTAL (C)	11,56,51,039.50	24,38,082.92	2,18,44,652.03	9,62,44,470.39	-	-	-	-	9,62,44,470.39	9,62,44,470.39
IV	<u>Intangible Assets Under Development</u>										
	SUB TOTAL (D)	-	-	-	-	-	-	-	-	-	-
	Total [A + B + C + D] Current Year	64,83,23,796.30	2,48,54,807.95	5,31,39,330.03	62,00,39,274.22	18,76,61,413.28	1,44,53,861.02	2,61,15,965.07	19,93,23,517.34	42,07,15,756.88	44,12,55,813.91

NOTES TO THE FINANCIAL STATEMENTS

Particulars	As on 31.03.2014 Amount (₹)	As on 31.03.2013 Amount (₹)
Note : 12 Non Current Investment		
1 Investment in Property	-	-
2 Investment in Equity Instrument (G.S.F.C. shares-Quoted)	46,000.00	46,000.00
3 Investment in Preference shares	-	-
4 Investment in Government or Trust Securities	-	-
5 Investment in Debentures & Bonds	-	-
6 Investment in Mutual Fund ₹ - In Reliance Energy Fund	-	-
7 Investment in Partnership Firm	-	-
8 Other	-	-
Total	46,000.00	46,000.00
Investment in Equity Shares:-		
(Quoted, Non-Trade)		
4600 shares of ₹ 10/- face value of Gujrat State Financial Corporation Ltd. (G.S.F.C.) having market value of ₹ 2.33/- per share as on 31/03/2013.		
Note : 13 Long Term Loans and Advances		
I) Capital Advances		
a) Secured, Considered Good :	-	-
b) Unsecured, Considered Good :	29,29,685.88	28,79,685.88
c) Doubtful	-	-
II) Security Deposit		
a) Secured, Considered Good :	6,60,201.00	6,73,201.00
b) Unsecured, Considered Good :	-	-
c) Doubtful	-	-
Total	35,89,886.88	35,52,886.88
Note : 14 Other Non Current Assets		
a) Long Term Trade Recievables		
i) Secured, Considered Good :	-	-
ii) Unsecured, Considered Good :	-	-
iii) Doubtful	-	-
b) Others		
1 Advance Recoverable in Cash or in Kind	74,12,212.50	74,12,212.50
2 Advance to Suppliers	1,27,08,414.00	1,28,08,414.00
3 Indirect Taxes/claims recoverables	34,99,363.00	34,99,363.00
Total	2,36,19,989.50	2,37,19,989.50
Note : 15 Inventories		
1 Finished Goods	5,97,509.00	99,88,152.00
2 Goods in Transit	-	1,84,400.00
3 Raw Material	93,20,168.31	1,42,77,563.31
4 Stores & Spare Parts	1,62,38,447.04	2,92,18,863.00
5 Work in Progress	-	2,88,000.00
6 Packing Material	-	-
Total	2,61,56,124.35	5,39,56,978.31

NOTES TO THE FINANCIAL STATEMENTS

Particulars	As on 31.03.2014 Amount (₹)	As on 31.03.2013 Amount (₹)
i) Mode of Valuation of Inventories:-		
a) Raw Material, stores & spares are valued at cost on FIFO basis.		
b) Work in Progress at estimated cost.		
c) Stock in transit are valued at cost.		
d) Finished goods are valued at cost or net realizable value whichever is lower on FIFO basis.		
e) Packing Material is valued at cost.		
ii) Detail of Raw Material:-		
Ahmedabad		
a) Kraft Waste	74,60,989.00	
b) News Waste	12,52,460.00	
c) Mix Tissue Paper	2,53,500.00	
Satpuda		
a) Bagasse	3,53,219.31	
Total	93,20,168.31	
iii) Detail of Finished Goods:-		
Ahmedabad		
a) Kraft Waste	4,89,855.00	
b) News Print	26,400.00	
c) Sundry Board	26,294.00	
d) MG Poster	54,960.00	
Total	5,97,509.00	
Note : 16 Trade Recievables		
1 Outstanding for more than six months		
a) Secured, Considered Good :	-	-
b) Unsecured, Considered Good :	8,67,46,804.47	1,29,10,251.38
c) Doubtful	-	-
2 Others		
a) Secured, Considered Good :	-	-
b) Unsecured, Considered Good :	38,48,636.77	10,91,29,573.00
c) Doubtful	-	-
Total	9,05,95,441.24	12,20,39,824.38
Note : 17 Cash & Cash Equivalents		
1 Cash & Bank Balances		
a) Cash in Hand	6,33,069.68	4,41,721.00
b) Balance with Banks	14,073.65	98,548.23
2 Other Bank Balances		
a) Unclaimed Dividend Account	2,73,861.11	2,73,861.11
3 Cheques on Hand (C)	-	-
4 Others		
Margin Money with Bank	16,50,333.00	71,16,450.00
Total [1 + 2 + 3]	25,71,337.44	79,30,580.34

NOTES TO THE FINANCIAL STATEMENTS

Particulars	As on 31.03.2014 Amount (₹)	As on 31.03.2013 Amount (₹)
Note : 18 Other Current Assets		
1 Advance Recoverable in cash or in kind	1,46,45,961.59	49,07,505.51
2 Advance to Staff	2,14,319.00	3,85,669.00
3 Advance to Suppliers	24,89,068.00	30,37,540.12
4 Advance Income Tax/Refund Due	58,098.00	64,495.00
5 Indirect Tax/claims Recoverables	7,61,006.06	21,12,393.18
6 Advance against Expenses	2,48,288.30	2,22,971.30
Total	1,84,16,740.95	1,07,30,574.11
Note : 19 Revenue from Operations		
1 Sales (Net of Return)	37,09,80,338.67	78,05,35,967.73
Less:-Excise Duty	(86,90,734.22)	(2,17,16,468.00)
Total	36,22,89,604.45	75,88,19,499.73
Note : 20 Other Income		
1 Interest Income		
(i) Interest Received	9,03,235.00	6,75,428.00
(ii) Interest on I.Tax Refund	-	-
2 Dividend Income	-	-
3 Net Gain on Sale of Investments	-	-
4 Other non-operating income		
(i) Insurance Claim Received	1,66,735.00	6,170.22
(ii) Miscellaneous Income	10.00	-
(iii) Provision of Gratuity no longer required	47,600.00	-
(iv) Prior period adjustments (Net)	-	98,110.00
(v) Sale Others	-	41,875.00
(vi) Profit on Sale of Assets	-	21,485.00
Total	11,17,580.00	8,43,068.22
Note : 21 Cost of Material Consumed		
Raw Materials		
Opening Stock	1,42,77,563.31	83,75,210.31
Purchases (including Direct cost)	12,51,40,502.58	28,67,50,682.61
Less:-Closing Stock	(93,20,168.31)	(1,42,77,563.31)
Total	13,00,97,897.58	28,08,48,329.61

Import & Indigenous Raw Material Consumed:-

	Current Year		Previous Year	
	Value	Percentage	Value	Percentage
Imported	3,15,90,505.5	24.28	1,56,31,897.00	5.35
Indigenous	9,85,07,392.09	75.72	27,68,01,962.00	94.65
	13,00,97,897.58	100.00	29,24,33,859.00	100.00

NOTES TO THE FINANCIAL STATEMENTS

Particulars	As on 31.03.2014 Amount (₹)	As on 31.03.2013 Amount (₹)		
Note : 22 Purchase of Stock-in-Trade				
1 Purchase Account Trading	13,83,04,131.00	23,89,70,262.00		
Total	13,83,04,131.00	23,89,70,262.00		
Note : 23 Manufacturing & Operating Cost				
Building Repair & Maintenance	2,48,286.00	1,56,754.00		
Commission on Purchase	88,643.00	5,02,853.00		
Machinery Repairs & Maintenance	6,49,983.32	10,81,065.56		
Electric Repairs & Maintenance	2,27,903.00	10,78,658.00		
Power, Electricity & Water Charges	3,70,71,777.00	7,44,11,114.00		
Manufacturing Expenses (Others)	4,66,636.63	5,33,283.00		
Stores Consumed	4,64,52,030.96	7,07,75,796.49		
Packing Material Consumed	1,97,419.00	5,28,052.20		
Total	8,54,02,678.91	14,90,67,576.25		
Import & Indigenous Raw Material Consumend:-				
	Value	Current Year Percentage	Value	Previous Year Percentage
Imported	19,55,600.15	4.21	18,95,098.10	2.35
Indigenous	4,44,96,430.81	95.79	7,88,61,697.05	97.65
	4,64,52,030.96	100.00	8,07,56,795.15	100.00
Note : 24 Change in Inventories				
1 Opening Stock				
(i) Finished Goods	99,88,152.00		1,43,74,710.31	
(ii) Work in Progress	2,88,000.00		2,72,000.00	
	1,02,76,152.00		1,46,46,710.31	
2 Closing Stock				
(i) Finished Goods	5,97,509.00		96,29,192.69	
(ii) Work in Progress	-		2,88,000.00	
	5,97,509.00		99,17,192.69	
Total	96,78,643.00		47,29,517.62	
Note : 25 Employment Benefit Expenses				
1 Bonus Expense	4,03,866.00		5,01,075.00	
2 Earn Leave Expense	4,31,490.00		5,08,825.00	
3 Gratuity Expense	4,49,057.00		3,47,692.00	
4 Provident Fund Contribution	5,89,295.00		7,04,820.00	
5 Recruitment Expense	2,169.00		-	
6 Salary (Staff)	50,82,492.00		51,45,714.00	
7 Salary (Worker)	1,11,35,738.00		1,48,08,579.00	
8 Staff Welfare & Medical Exp.	2,96,624.00		4,70,261.00	
Total	1,83,90,731.00		2,24,86,966.00	
Note : 26 Financial Cost				
1 Bank Charges & Commission	4,72,27,164.83		3,98,30,837.08	
2 Interest on Car Loan	69,765.89		1,31,204.97	
3 Other Interest	1,44,750.00		-	
Total	4,74,41,680.72		3,99,62,042.05	

NOTES TO THE FINANCIAL STATEMENTS

Particulars	As on 31.03.2014 Amount (₹)	As on 31.03.2013 Amount (₹)
Note : 27 Depreciation & Amortised Cost		
1 Depreciation	2,61,15,965.07	2,57,24,928.69
Total	2,61,15,965.07	2,57,24,928.69
Note : 28 Other Expenses		
1 Advertisement Expenses	53,100.00	1,80,009.00
2 Audit Fees	97,900.00	97,900.00
3 Balance W/off	-	-
4 Commission, Rebate & Discount	14,46,468.70	32,78,751.00
5 Director Remuneration	9,00,000.00	12,00,000.00
6 Donation & Charity	79,810.00	26,732.00
7 Electric Power (Office)	2,98,835.00	3,28,010.00
8 Foreign Exchange Fluctuation	4,41,410.37	1,88,874.62
9 Freight & Cartage Outward	61,929.00	1,38,440.00
10 Insurance Expenses	10,04,624.00	9,88,753.00
11 Internal Audit Fee	2,40,000.00	2,40,000.00
12 Legal & Professional Fee	3,50,968.67	11,32,567.00
13 Loss on Insurance Claim	-	-
14 Loss on Sales of Assets	1,24,90,816.98	16,192.00
15 Miscellaneous Expenses	4,31,959.34	4,73,562.53
16 Prior Period Adjustment (Net)	-	-
17 Postage & Telegram Expenses	6,08,754.00	6,15,865.00
18 Printing & Stationary	2,24,480.00	2,51,182.00
19 Rates & Taxes	-	1,16,255.00
20 Rent	8,36,625.00	7,46,625.00
21 Repair & Maintenance (Others)	1,16,210.00	2,46,710.00
22 Sales Tax Expense (06-07)	-	-
23 Subscription & Membership Fee	88,302.00	57,719.00
24 Travelling Expense (Other Than Director)	2,61,268.00	3,45,917.00
25 Travelling Expense (Director)	9,300.00	88,363.00
26 Vehicle Repair & Maintenance Exp.	13,35,512.00	10,98,478.00
27 Watch & Ward	14,42,728.00	12,73,788.00
28 Water Cess Charges	22,268.00	70,481.00
29 Bad Debts	14,22,114.00	-
Total	2,42,65,383.06	1,32,01,174.15
i) Payment made to auditor includes following:		
	Year ended 2014	Year ended 2013
Audit Fees	42,900.00	42,900.00
Income Tax matter	55,000.00	55,000.00
Total	97,900.00	97,900.00

Note : 29 Expenditure in Foreign Currency:

Particulars	Current Year	Previous Year
(a) Travelling (Director)	Nil	Nil

Note : 30 Earnings in Foreign Currency:

Particulars	Current Year	Previous Year
	Nil	Nil

NOTES TO THE FINANCIAL STATEMENTS

Note : 31 Related Party disclosures

1 Relationships:-

(A) Key Management Personnel

Sh. J.K. Gupta	(Director Cum Chairman)
Sh. Naveen Gupta	(Managing Director)
Sh. Shivratn Jivaram Sharma	(Independent Director)
Sh. Paresh Babu Laxminandan Pandya	(Independent Director)
Sh. Ramesh Chand	((Independent Director)

(B) Associate Concerns

Kalptaru Fincap Ltd.
N.N Papers (P) Ltd. (Earlier known as Kalptaru Softech Pvt Ltd)
Jai Kishan & Sons (HUF)
Naveen Gupta (HUF)
Kalptaru Alloys Pvt. Ltd.
Kalpatru Insurance Broker Ltd.
Kalpatru Infosoft Pvt. Ltd.

2 Transactions carried out with related parties referred in 1 above, in ordinary course of business:-

S. No.	Nature of Transaction	Current year			Previous year		
		Key Management Personnel	Associate Concerns	Year end Balance	Key Management Personnel	Associate Concerns	Outstanding Balance
1.	a) Director's Remuneration	9,00,000.00	Nil	86,432.00	12,00,000.00	Nil	76,420.00
	b) Comp Cont to E.P.F	1,08,000.00	Nil		1,44,000.00	Nil	
2	Rent Paid		4,80,000.00	-	4,80,000.00	-	
3	Rent Security Paid			-		-	
4	Loans accepted	1,52,62,956.00	11,40,41,000.00	6,41,67,956.00	1,24,86,421.00	4,13,87,200.00	4,67,46,000.00
5	Loans repaid	37,81,000.00	10,81,01,000.00		50,95,421.00	6,54,89,200.00	

Note : 32 The Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification/ disclosure.

Note : 33 Significant accounting policies and practices adopted by the company:-

1 Basis of Accounting:-

Accounts of the company are prepared on mercantile system of accounting and on going concern basis. The accounting policies are consistent and in accordance with generally accepted Auditing Standards and Indian Accounting Standards specified by ICAI

2. Fixed Assets:-

- a) Fixed assets are stated at cost of acquisition or construction, net of accumulated depreciation, cenvat credit adjustments and inclusive of non refundable taxes, incidental Expenses and interest on borrowings till the Assets are put to use
- b) Capital work – in – progress are valued at cost
- c) Land is valued at cost.
- d) Advances paid towards acquisition of Fixed assets are Shown as advance Against Capital Goods.

3. Depreciation:-

- a) Depreciation on fixed assets has been provided on straight-line basis at the rates prescribed in schedule XIV of the Companies act, 1956
- b) Fixed Assets acquired below Rs. 5000/- has been fully written off in the year.

4. Recognition of Income & Expenditure

Items of income and expenditure are recognized on accrual basis, except various Govt. revenues, Insurance claims and prior period incomes.

5. Excise Duty

Excise duty on manufactured goods is accounted for at the time of their clearance from the factory rather than at the time of manufacturing. The above policy has, however no impact on the operating results of the company.

6. Investments

Permanent investments are valued at cost less permanent diminution, if any in value of investment.

7. Employment Benefits**A) Retirement Benefits****i) Gratuity**

Liability for gratuity is accounted as per actuarial valuation and in accordance with the Accounting Standard 15 issued by ICAI.

ii) Provident Fund

Retirement benefits in the form of provident fund are charged to profit & loss account for the year.

B) Short Term Employee Benefits**i) Leave Encashment**

Provision for leave encashment made on 31.03.2014 is paid within 12 months.

8. Borrowing Costs

- a. Interest on borrowing costs & other incidental expenses are charged to Profit & Loss except for the:
 - i) Interest on borrowings for acquisition of capital assets till the date of its put to use.

9. Revenue Recognition

- i) Revenue is recognised on completion of sale of goods.
- ii) Sales are stated at inclusive of excise duty and net of sales tax /vat & other incidental amount collected.

10. Taxation

Income tax on current year profits has been accounted for as per provisions of Income Tax Act, 1961.

11. Cash Flow Statement

Cash flow statement is prepared as per indirect method prescribed under Accounting Standard 3 issued By ICAI.

12. Prior period Items

- i) Prior period items are incomes/ expenses, which arise in the current period due to error or omissions in the preparation of financial statements of one or more earlier Period.

13. Segment Reporting

Company is engaged in the core business of manufacturing of paper; therefore reporting requirements of under AS-17 are not applicable in the company case.

14. Estimated amount of contracts remaining to be executed on capital A/c and not provided for:-

CURRENT YEAR	₹ Nil
PREVIOUS YEAR	₹ Nil

15. In the opinion of the Board of Directors, the current assets, loans and advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.

Place : Ahmedabad

NAVEEN GUPTA

JAI KISHAN GUPTA

CA ABHIJAI AGGARWAL

Date : 28/05/2014

Managing Director

Director

Chartered Accountant



CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31.03.2014

Particulars	Current Year Amount (₹)	Previous Year Amount (₹)
[A] Cash Flow from Operating Activities		
Net Profit after tax as per Profit and Loss Account	(8,87,59,264.23)	(1,09,24,772.14)
Add: Adjustments for Non Cash Items		
Deferred Tax	(2,96,45,853.67)	(36,85,537.66)
Depreciation	2,61,15,965.07	2,57,24,928.69
Loss on sale of Fixed Assets	1,24,90,816.98	16,192.00
Profit on sale of Fixed Assets	0.00	(21,485.00)
Financial Charges Paid	4,74,41,680.72	3,99,62,042.05
Operating Profit before Working Capital changes	(3,23,56,655.12)	5,10,71,367.94
Change in Inventory	2,78,00,853.96	(54,21,365.00)
Change in Trade Receivables	3,14,44,383.14	(2,37,46,299.75)
Change in Loans and Advances	(37,000.00)	7,13,273.00
Change in Other current Assets	(76,28,068.84)	55,768.38
Change in Other non-current Assets	1,00,000.00	494.07
Change in Trade Payables	(88,20,165.18)	(56,56,229.05)
Change in Other Current Liabilities	(85,99,111.28)	25,36,256.29
Change in Long Term Liabilities	(29,53,722.00)	(8,64,071.00)
Change in Long Term Provisions	3,78,384.00	(1,16,525.00)
Change in Short Term Provisions	1,56,36,639.29	(6,23,594.00)
Less: Taxes Paid	(58,098.00)	(64,495.00)
	4,72,64,095.09	(3,31,86,787.06)
Net Cash Inflow from Operating Activities [A]	1,49,07,439.97	1,78,84,580.88
[B] Cash Flow from Investing Activities		
Net Addition to Fixed Assets including Capital WIP	(30,10,155.92)	(3,17,24,238.17)
Sale of Fixed Assets	43,50,000.00	7,61,000.00
Net Cash Inflow from Investing Activities [B]	13,39,844.08	(3,09,63,238.17)
[C] Cash Flow from Financing Activities		
Proceeds from New Borrowings	15,22,02,029.40	2,58,35,153.83
Repayment of Long Term Borrowings	(12,63,66,875.57)	(43,32,406.18)
Financial Charges Paid	(4,74,41,680.72)	5,72,14,397.28
Net Cash Inflow from Financing Activities [C]	(2,16,06,526.89)	1,29,19,949.05
Net Cash And Cash Equivalents [A + B + C]	(53,59,242.84)	(1,58,708.24)
Opening Balance of Cash and Cash Equivalents	79,30,580.28	80,89,288.52
Closing Balance of Cash and Cash Equivalents	25,71,337.43	79,30,580.28

This is the Cash Flow referred to in our report of even date.

For V. D. Aggarwal and Co.
Chartered Accountants

CA Abhijai Aggarwal
Partner
M.N:517463
FRN No. 008332N

Place : Ahmedabad
Date : 28/05/2014

For and on behalf of the Board

Naveen Gupta
Managing Director

Jaikishan Gupta
Director

Shrima Dave
Company Secretary

STATEMENT OF MOVEMENT OF FIXED ASSETS

Particular	Amount
Opening WDV	460,662,383.02
Less: Depreciation	(2,61,15,965.07)
Add : Addition	30,10,155.92
Less: Sale During the Year	(43,50,000.00)
Less: Loss on Sale of FA	(1,24,90,816.98)
Closing WDV	42,07,15,756.88

STATEMENT FOR ACCEPT AND REPAYMENT OF LOAN

Particular	Closing Balance	Opening Balance	Accept	Repayment
Short Term Borrowing	10,59,68,480.33	9,74,06,798.93	85,61,681.40	-
Axis Bank Ltd. (Term Loan)	78,84,016.47	1,14,61,884.00	-	35,77,867.53
IOB Term Loan - 380400026	90,61,337.00	89,00,000.00	1,61,337.00	-
IOB Term Loan - 380600007	49,91,248.00	51,00,000.00	-	1,08,752.00
IOB Term Loan - 380600008	81,46,042.00	80,00,000.00	1,46,042.00	-
IOB Term Loan - 380700041	3,84,49,696.00	3,77,65,169.00	6,84,527.00	-
IOB Term Loan (New TL 3281200005)	2,10,62,681.00	1,56,23,547.00	54,39,134.00	-
IOB Term Loan (WCTL 3281200004)	8,01,08,860.00	8,01,08,860.00	-	-
IOB Term Loan -380700004	2,14,85,161.00	2,10,99,984.00	3,85,177.00	-
Religare	43,930,880.00	3,55,77,340.00	83,53,540.00	-
Life Insurance Corporation of India	16,98,750.00	10,35,000.00	6,63,750.00	-
Tata Capital Limited	4,88,030.00	7,90,984.17	-	3,02,954.11
Abhipra Capital Limited	11,00,000.00	11,00,000.00	-	-
Abhipra Management Services P. Ltd	4,00,000.00	4,00,000.00	-	-
Bhagwati Corporation - USL	50,00,000.00	50,00,000.00	-	-
Harikrupa Enterprise - USL	30,00,000.00	30,00,000.00	-	-
MIS Infra Pvt. Ltd.	1,00,00,000.00	85,00,000.00	15,00,000.00	-
Par Techno Heat Pvt.Ltd = USL	8,00,000.00	8,00,000.00	-	-
Shubhangi Papers Private Limited USL	50,00,000.00	-	50,00,000.00	-
Shreenath Electrical Services - USL	2,50,000.00	10,00,000.00	-	7,50,000.00
S.L.Engineers - USL	14,00,000.00	19,00,000.00	-	5,00,000.00
SPM Engineers - USL	18,00,000.00	18,00,000.00	-	-
Vasundhra Machines Ltd. - USL	10,00,000.00	10,00,000.00	-	-
Space Exim Private Limited	-	24,00,000.00	-	24,00,000.00
Real Engineering & Boiler Repairers	-	25,00,000.00	2,50,000.00	27,50,000.00
N N Paper Private Limited	96,70,000.00	37,30,000.00	11,40,41,000.00	10,81,01,000.00
Jai Kishan Gupta	3,14,94,381.00	1,92,85,000.00	1,53,59,381.00	31,50,000.00
Naveen Gupta	2,31,10,000.00	2,37,31,000.00	10,000.00	6,31,000.00
	43,72,99,562.86	39,90,15,567.10	16,05,55,569.40	12,22,71,573.64



Creating wealth from waste

CIN:L21019GJ1988PLC040325

Registered Office : 701, Avdhesh House, Opp. Gurudwara, Near Thaltej Chokdi, Ahmedabad - 380054

ATTENDANCE SLIP

Full name of the member attending _____

Full name of the joint-holder _____

(To be filled in if first named Joint - holder does not attend meeting)

Name of Proxy _____

(To be filled in if Proxy Form has been duly deposited with the Company)

I hereby record my presence at the 26th Annual General Meeting of Kalptaru Papers Limited held at 701, Avdhesh House, Opp. Gurudwara, Near Thaltej Chokdi, Ahmedabad - 380054 at 10:00 a.m. on Tuesday, 30th day of September, 2014.

Registered Folio No. _____

DP Id.* _____

No of Share Held _____

Client Id.* _____

Member's / Proxy's name _____

Member's / Proxy's Signature _____

In Block Letters

*Applicable for investors holding shares in electronic form

KALPTARU PAPERS LIMITED

CIN:L21019GJ1988PLC040325

Registered Office : 701, Avdhesh House, Opp. Gurudwara, Near Thaltej Chokdi, Ahmedabad - 380054

Form No. MGT- 11

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 Members :

Registered Address :

E-mail Address :

Folio No. | Client ID :

DP Id :

I / We, being the member(s) of shares of the above named Company, hereby appoint:

- 1) Name : Address : E Mail : Signature : or failing him
2) Name : Address : E Mail : Signature : or failing him
3) Name : Address : E Mail : Signature :

as my / our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 26th Annual General Meeting of the members of the company to be held on Tuesday, 30th day of September, 2014 at 10:00 a.m. and at any adjournment thereof in respect of such resolutions as are indicated below:

Table with 2 columns: NO, RESOLUTIONS. Rows include Ordinary Business (Adoption of Annual Accounts, Re-appointment of Mr. Jai Kishan Gupta, Appointment of M/s. V D Aggarwal & Co.) and Special Business (Appointment of Mr. Shivratan Sharma, Appointment of Mr. Ramesh Chand, Appointment of Mr. Paresh Pandya, Borrowing Limits, Investment Limits, Adoption of new Articles of Association).

Signed this day of 2014

Signature of Shareholder

Signature of Proxy holder(s):



Note: 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.

If undelivered, please return to :



Registered Office :

701, Avdhesh House, Opp. Gurudwara, Near Thaltej Chokdi, Ahmedabad-380054

Tel.: 079 26858510/511 Fax : 079 30171202 E-mail : contact@kalptaru.co.in Website : www.kalptaru.co.in
