



*25<sup>th</sup> Annual Report 2012-2013*



**Factory Machines**

**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

**SHAREHOLDERS' AND INVESTORS' GRIEVANCE COMMITTEE**

SHRI JAIKISHAN GUPTA  
SHRI NAVEEN GUPTA

**COMPANY SECRETARY**

MS. SHRIMA DAVE

**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

**REGISTERED OFFICE**

701, Avdhesh House, Opp. Gurudwara, Near Thaltej Chokdi, Ahmedabad-380054  
Tel.: 079 26858510/511, 40230230. 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](http://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

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 \_\_\_\_\_, 2013.

#### 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](http://www.kalptaru.co.in)



## NOTICE

**NOTICE** is hereby given that the 25th Annual General Meeting of the Members of M/S. Kalptaru Papers Limited will be held on Wednesday, 25th day of September, 2013 at 10:00 a.m. at the Registered Office of the Company situated at 701, Avdhesh 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 2013 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri. Jai Kishan Gupta, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri. Paresh Pandya, who retires by rotation and being eligible, offers himself for re-appointment.
4. 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, Delhi, be and are hereby re-appointed as Statutory Auditors of the Company from the conclusion of this Annual General Meeting of the Company until the conclusion of next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors, exclusive of traveling and other out of pocket expenses."

### SPECIAL BUSINESS :

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

**"RESOLVED THAT** in accordance with the provisions of Section 198, 269, 309, 310, 311 and 317 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, approval be and is hereby accorded to the re-appointment of Shri Naveen Gupta as a Managing Director of the Company, for a further period of 5(five) years with effect from 1st March, 2013 on the terms and conditions including remuneration as are set out hereunder and in the Articles of Agreement for re - appointment of Managing Director."

**FUNCTIONS:** Shri Naveen Gupta shall have substantial power of management subject to direction, control and supervision of the Board of Directors of the Company.

**REMUNERATION:** The Company shall, in consideration of the performance of his duties, pay to Shri Naveen Gupta the following remuneration :

1 Salary	Maximum monthly remuneration of Rs.1,00,000/-
2 Conveyance	Free use of Company's car with driver for official purpose.
3 Traveling/Boarding/Lodging	Actual expenditure to be reimbursed - Boarding/Lodging by the Company for outstation journey for official work, in India or abroad.
4 Leave Travel	Entitled to travel with family by any Concession mode, i.e. air/ train/ road once in two years for visiting any place in India.
5 Medical Benefit	Actual Expenses incurred for Managing Director and his family
6 Other Perquisites	As may be determined by the Board of Directors from time to time and may be payable monthly or otherwise provided that the perquisites shall be evaluated as per Income Tax Act and Rules wherever applicable. The remuneration for a part of the year, if any, shall be computed on pro rata basis.

**SITTING FEES:** As long as Shri Naveen Gupta functions as the Managing Director, he shall not be paid any sitting fees for attending the meetings of the Board of Directors/ Committee thereof.

**"FURTHER RESOLVED THAT** where in a financial year during the currency of his tenure, the Company has no profits or its profits are inadequate the remuneration payable to him shall not exceed the ceiling prescribed in Section II of Part II of Schedule XIII of the Companies Act for the year, which will be payable to him as minimum remuneration for that year."

### Regd. Office:

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

**Date: 29th May, 2013**

**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.** 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 173(2) of the Companies Act, 1956, 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 Nos. 2, 3 and 5 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 Friday, 20th day of September, 2013 To Wednesday, 25th day of September, 2013 (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. The Annual Report of the Company for the year 2012-13, circulated to the members of the Company, will also be uploaded on the Company's website [www.kalptaru.co.in](http://www.kalptaru.co.in)
9. 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.

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**Date: 29th May, 2013**

**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 ₹ 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 3**

Name	Shri Paresh Pandya
Qualification	Post Graduate in Philosophy, LLB
Experience	Over 30 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 ₹ 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.

**Item No 5**

Name	Shri Naveen Gupta
Qualification	Graduate in Commerce
Experience	He has experience of more than two 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.
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	311820 Equity Shares of ₹ 10/- each.
Disclosure of the relationships	Shri Naveen Gupta, Managing Director of the Company is the son of Shri Jai Kishan Gupta, Chairman of the Company.

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

The Explanatory statement pursuant to section 173 (2) of the Companies Act, 1956 set out all material facts relating to the Special Business mentioned in the accompanying Notice are as follows:

**ITEM NO 5**

As the existing tenure of Shri Naveen Gupta was expired on 28th February, 2013, Board of Directors of the Company in its meeting held on 13/02/2013 has re-appointed him as a Managing Director of the company for a further period of five years with effect from 01/03/2013, subject to the approval of Members.

On re-appointment, his office shall not be held to be liable to retire by rotation.

A brief profile of Shri Naveen Gupta is set out hereabove as required under Clause 49 of the Listing Agreement.

Broad particulars of the terms and conditions of re-appointment of and remuneration payable to Shri Naveen Gupta are set out hereabove and in the Articles of Agreement for re- appointment of Managing Director.

The resolution at Item No. 5 of the Notice seeks Members' approval for the re-appointment of Shri Naveen Gupta, as Managing Director, in terms of the applicable provisions of the Act. Your director recommends the resolution for approval of the members.

This shall be treated as circulation of abstract to the members as required under section 302 of the Companies Act, 1956.

Shri Jai Kishan Gupta, Chairman of the Company may be considered as concerned and interested as being the relative of Shri Naveen Gupta and Shri Naveen Gupta is interested in the resolution as it relates to his re-appointment. None of the other directors of the Company is, in any way, concerned or interested in the resolution.

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**Date: 29th May, 2013**

**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 25th Annual Report together with the Audited Statements of Accounts for the period ended on 31st March, 2013.

### PERFORMANCE HIGHLIGHTS:

(₹ in Lac)

Particulars	Current year Ended on 31/03/2013	Previous year Ended on 31/03/2012
Revenue from Operations	7588.19	9955.97
Other Income	8.43	43.11
Profit/Loss before exceptional & extraordinary items & tax	(146.10)	(30.98)
Exceptional Items	0.00	0.00
Extraordinary Items	0.00	0.00
Profit /Loss before Tax	(146.10)	(30.98)
Current Tax	0.00	0.00
Deferred Tax	(36.85)	7.68
P/L from the period from continuing Operations	(109.25)	(23.30)
P/L from the period from discontinuing Operations	0.00	0.00
P/L for the period	(109.25)	(23.30)

### DIVIDEND:

To conserve the resources for the expansion projects under pipeline and loss incurred during the year under review, your directors do not recommend any dividend for the financial year ended on 31st March, 2013.

### BUSINESS PERFORMANCE & PROSPECTS:

During the year under report, the company has a turnover of ₹ 7588.19 Lac as compared to ₹ 9955.97 Lac during the previous year and the operation for the year under review has resulted into net loss of ₹ 109.25 Lac in compared to previous year's loss of ₹ 23.30 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. During the year under review, the company has regularly paid the principal and interest to the Banks.

#### **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 ₹ 60,00,000 p.a. or ₹ 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 256 of the Companies Act, 1956, Shri Jai Kishan Gupta and Shri Paresh Pandya retire by rotation at the forthcoming Annual General Meeting and being eligible offers themselves for re-appointment.

#### **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 (96.70% of shares in demat and 3.30 % 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, retires at the ensuing Annual General Meeting and have expressed their willingness to continue, if so appointed. As required under the provisions of Section 224 (1) (B) of the Companies Act, 1956 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, would be in conformity with the limits specified in the said Section.

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.

**APPOINTMENT OF COST AUDITOR:**

The Cost Audit Report of the Company for the Financial Year 2011 - 2012 had been filed by the Cost Auditor on 21/02/2013. The Due Date of filling of Cost Audit Report by the Cost Auditor for the Financial Year ending on 31st March, 2013 (i.e. Financial Year 2012 - 2013) is within 180 days from the end of Financial Year i.e. before 30th September, 2013. Shri J. B. Mistri, Cost Auditor of the Company is in process to prepare Cost Audit Report for the Financial Year ending on 31st March, 2013.

**SECRETARIAL COMPLIANCE CERTIFICATE:**

The Compliance Certificate obtained from the Company Secretary in whole time practice regarding compliances of the provision of the Companies Act, 1956 is attached herewith and it is forming part of the Directors' Report.

**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, 2013, 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 1956, 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, 2013, 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: 29th May, 2013**

**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, 2013.

### 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:

	2012-13	2011-12
Foreign exchanges earned :	Nil	Nil
Foreign exchange outgo : (Including Imports & Traveling)	US\$ 5,17,268	US\$ 2,43,589

### FORM A (DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY)

Particulars	2012-2013	2011-2012
<b>(A) Power and Fuel Consumption :</b>		
<b>1. Electricity</b>		
Purchased Power (units)	10821628.00	9944240.00
Total Amount	74411114.00	67116027.00
Rate (unit)	6.88	6.75
<b>2. Boiler Fuel</b>		
Quantity (kg)	16729745.00	16880155.00
Total Amount	43367470.00	49230242.00
Average Rate (kg)	2.59	2.92
<b>3. (a) LNG Gas</b>		
In SCM	NIL	222677.80
In ₹	NIL	5454067.00
Average Rate	NIL	24.49
Total Units	NIL	758960.00
Rate per Unit	NIL	7.19
<b>(b) L.E.O.</b>		
In Liters	NIL	NIL
In ₹	NIL	NIL
Average Rate	NIL	NIL
Total Units	NIL	NIL
Rate per Unit	NIL	NIL
<b>(c) Furnace Oil</b>		
In Liters	NIL	NIL
In ₹	NIL	NIL
Average Rate	NIL	NIL
Total Units	NIL	NIL
Rate per Unit	NIL	NIL
<b>(B) Consumption per unit of production :</b>		
Electricity (Unit)	0.500	0.463
Coal (kg)	0.773	0.730

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### A. BUSINESS HIGHLIGHTS :

#### Turnover :

Kalptaru Papers Limited has achieved a turnover of ₹ 7588.19 Lacs in 2012-2013 as against ₹ 9955.97 Lacs during the previous year recording an decrease of over 23.77%.

#### Other Income:

Other income mainly consists of sales of scrap, profit on sales of assets, etc. Other income for the year amounted to ₹ 8.43 Lacs as against ₹ 43.11 Lacs during the previous year.

#### Material Costs :

Purchase costs include Raw Material consumption for the year was ₹ 2808.48 Lacs as against ₹ 2924.34 Lacs during the previous year. Inventory of Raw Materials has increased during the year by ₹ 59.02 Lacs. Work in progress has increased by ₹ 0.16 Lacs.

#### Manufacturing Expenses :

Purchase Cost also includes Manufacturing Expenses mainly comprises Power & Fuel ₹ 744.11 Lacs, Repairs & Maintenance ₹ 12.37 Lacs, as against ₹ 733.86 Lacs and ₹ 14.99 Lacs respectively during the previous year.

#### Employee Emoluments:

Employee's emoluments (other than managerial remuneration) have decreased to ₹ 224.86 Lacs during the year as against ₹ 226.35 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 ₹ 132.01 Lacs as against ₹ 154.25 Lacs during the previous year. These expenses accounted for 1.73% of sales during the year as against 1.55% during the previous year.

#### Interest and Finance Charges:

Interest and finance charges during the year come to ₹ 399.62 Lacs as against ₹ 389.87 Lacs during the previous year.

#### Depreciation:

Depreciation charge for the current year came to ₹ 257.24 Lacs as against ₹ 257.97 Lacs during the previous year. Addition to fixed assets during the year was ₹ 317.24 Lac.

#### 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 ₹ 36.85 Lac.

#### Profit after Tax :

Net profit during the year was ₹ -109.24 Lacs as against ₹ -23.30 Lacs during the previous year.

#### Financial Condition:

##### Secured loans:

Secured loans stood at ₹ 3447.36 Lacs as at 31st March, 2013 as against ₹ 2999.07 Lacs as at 31st March, 2012 due to disbursement of loans sanctioned (enhanced credit facilities) during the year. An amount of ₹ 530.40 Lacs (term loan) was repaid during the year.

##### Unsecured Loans :

Unsecured loans as on 31st March, 2013 were at ₹ 761.46 Lacs as against ₹ 680.93 Lacs as on 31st March, 2012.

#### Inventories :

Major items of inventories as of 31st March, 2013 are as under :

Particulars	₹ in Lac	
	2012-2013	2011-2012
Raw Materials	144.61	88.60
Work in process	2.88	2.72
Finished goods	99.88	140.16

**Debtors :**

Debtors as on 31st March, 2013 amounted to ₹ 1220.40 Lacs as against ₹ 982.94 Lacs during the previous year.

**Fixed Assets :**

Net block of the fixed assets at the end of the year increased to ₹ 4606.62 Lacs compared to previous year's figure of ₹ 4554.19 Lacs.

**B. SEGMENT WISE PERFORMANCE :**

The company is operating in only one segment i.e. paper. The production of Kraft Paper is 71% and of news print paper is only 29% 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 115 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. Shivratn 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 2012-2013 :**

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	1	1	None
Shri Jaikishan Gupta	9	Present	2	1	1
Shri Paresh Pandya	8	Present	None	1	None
Shri Ramesh Chand	8	Absent	None	1	1
Shri Shivratn Sharma*	9	Present	None	1	None

\* The number of Directorships excludes Directorships of Private Limited Companies, Foreign Companies, Companies licensed under section 25 of the Companies Act, 1956 and Alternate Directorships.

\*\* Committee includes only Audit Committee and Shareholders' and Investors' Grievance Committee of Public Limited Companies (excluding Foreign Companies and Section 25 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 2012-2013, as against the minimum requirement of 4 meetings. The dates on which the meetings were held are: 30/04/2012, 30/05/2012, 14/08/2012, 10/10/2012, 07/11/2012, 22/11/2012, 21/01/2013, 13/02/2013 and 30/03/2013.

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 2013 to Executive Directors are:

(Amount in ₹)

Name of Director	Salary	Perquisites & Allowances	Total
Shri Jai Kishan Gupta	NIL	NIL	NIL
Shri Naveen Gupta (Managing Director)*	12,00,000	NIL	12,00,000

**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 2012-2013:**

**Composition and procedure of Audit Committee**

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

The constitution of Audit Committee meets with the requirements under Section 292A of the Companies Act, 1956 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 Ramesh Chand	Chairman	5
2.	Shri Paresh Pandya	Member	5
3.	Shri Shivratan Sharma	Member	5

The necessary quorum was present at the meetings. There are changes in the composition of the Committee during the year.

Five (5) meetings were held during the year. Dates of the meetings are: 30/04/2012, 30/05/2012, 14/08/2012, 07/11/2012 and 13/02/2013.

**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. Remuneration Committee (non-mandatory):**

The Company has not constituted the Remuneration Committee. But the Audit Committee is entrusted with the responsibility of finalizing the remuneration of Executive / Whole Time Directors.

#### 5. Shareholders' and Investors' Grievance Committee :

The Board of Directors of the Company has constituted a Shareholders' and Investors' Grievance Committee. Presently, the Shareholders and Investors Grievance Committee comprises of two directors namely, Shri. Jai Kishan Gupta, Chairman of the Committee 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 Jai Kishan Gupta	Chairman	5
2.	Shri Naveen Gupta	Member	5

Five (5) meetings were held in year 2012-13. Dates of the meetings are: 30/05/2012, 14/08/2012, 07/11/2012, 21/01/2013 and 13/02/2013.

The Company secretary acts as secretary to the Committee.

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, 2013.

Quarter-wise Summary of Investors' Complaints received and resolved to the satisfaction of the shareholders during the financial year 2012-2013.

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				
01/04/2012	30/06/2012	NIL	NIL	NIL	NIL
01/07/2012	30/09/2012	NIL	NIL	NIL	NIL
01/10/2012	31/12/2012	NIL	NIL	NIL	NIL
01/01/2013	31/03/2013	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
2009-10	701, Avdhesh House, Opp : Gurudwara, Nr. Thaltej Chokdi, Ahmedabad - 380054	29/09/2010	10.00 am
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

Pursuant to the provisions of Section 192A of the Companies Act, 1956 there was no 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	:	No
(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 2012 - 2013. Related party transactions have been disclosed in the Notes to the Annual Accounts of the Company for the year ended 31st March, 2013.

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](http://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 25th Annual General Meeting

Date : 25th day of September, 2013

Time : 10:00 a.m.

Venue : 701, Avdhesh 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 25th September, 2013.

##### 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 Friday, 20th day of September, 2013 To Wednesday, 25th day of September, 2013 (both days inclusive), for the Annual General Meeting scheduled to be held on 25th September, 2013.

##### 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

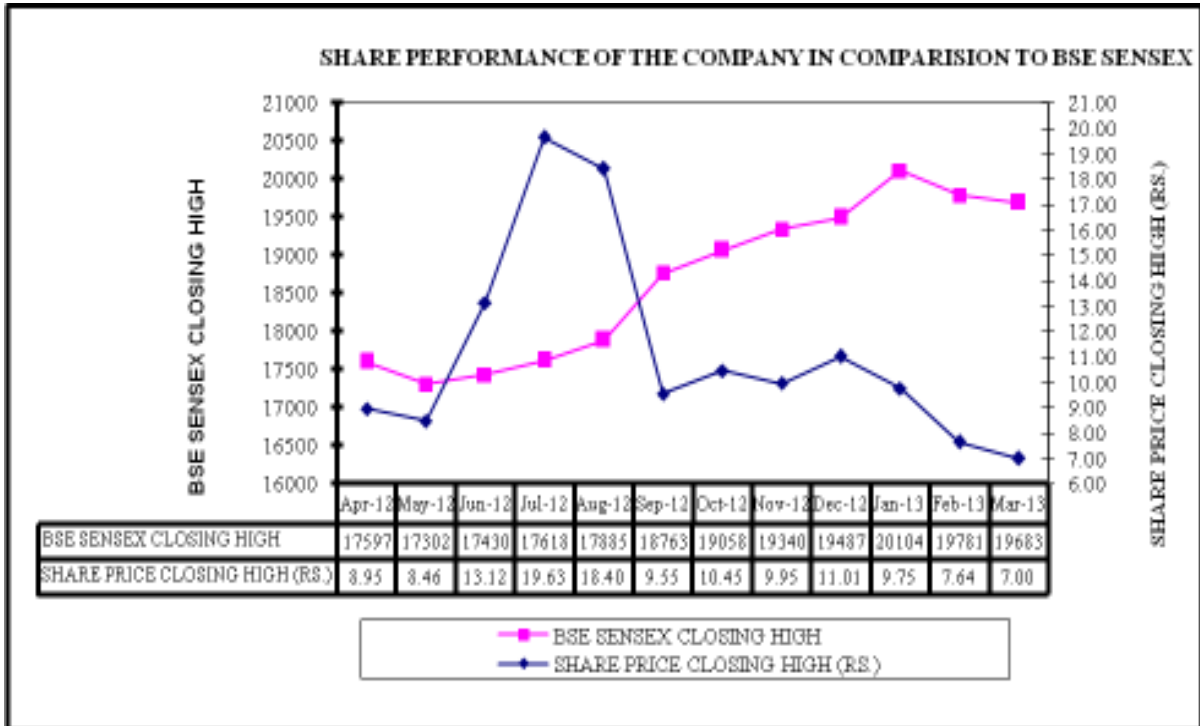
: INE783C01019

##### 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, 2012	8.95	7.63	15689
May, 2012	8.46	7.20	9187
June, 2012	13.12	7.38	68061
July, 2012	19.63	13.57	76221
August, 2012	18.40	9.55	9141
September, 2012	9.55	7.87	13336
October, 2012	10.45	8.81	6356
November, 2012	9.95	8.20	6695
December, 2012	11.01	8.40	7037
January, 2013	9.75	7.82	6959
February, 2013	7.64	7.00	1462
March, 2013	7.00	5.90	996
<b>Total</b>			<b>221140</b>

### 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, 2013:

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, 2013

##### Distribution Schedule

No. of equity shares held	No. of holders	%	No. of Shares	% of Total
1 - 500	1730	79.87	251004	5.62
501 - 1000	180	8.31	149958	3.35
1001 - 2000	95	4.39	153143	3.43
2001 - 3000	52	2.40	128138	2.87
3001 - 4000	15	0.69	52737	1.18
4001 - 5000	19	0.88	88000	1.97
5001 - 10000	31	1.43	233267	5.22
10001 and Above	44	2.03	3411873	76.36
<b>Total</b>	<b>2166</b>	<b>100.00</b>	<b>4468120</b>	<b>100.00</b>

##### Shareholding Pattern :

No.	Category	As on March 31, 2013		As on March 31, 2012	
		Nos. of Shares held	Voting Strength %	Nos. of Shares held	Voting Strength %
1	Promoters	2655686	59.44	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 (FI's)	0	0.00	0	0.00
5	Private Bodies Corporate	166296	3.72	182253	4.08
6	Indian Public	1599547	35.80	1554839	34.80
7	Any other (i) Non Resident Indian (ii) Clearing Member	40305 6286	0.90 0.14	43780 31562	0.97 0.71
	<b>Total</b>	<b>4468120</b>	<b>100.00</b>	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, 2013, Equity Shares of the Company forming 96.70% 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, 2013:

No. of Shares in Physical Segment	147300	3.30%
No. of Shares in Demat Segment	4320820	96.70%
<b>Total</b>	<b>4468120</b>	<b>100.00%</b>

#### 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 205A and 205C of the Companies Act, 1956, dividends, matured fixed deposits, redeemed debentures and interest thereon, which remained unclaimed up to 23rd October, 2013 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 23rd October, 2013 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.

**SECRETARIAL COMPLIANCE CERTIFICATE**

**CIN** : L21019GJ1988PLC040325  
**Nominal Capital** : ₹ 10,00,00,000

To,

**The Members**

**KALPTARU PAPERS LIMITED**

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

We have examined the registers, records, books and papers of **M/s. KALPTARU PAPERS LIMITED** (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the Rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31st MARCH, 2013** (Financial Year). In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year :

1. The company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the Rules made there under and generally all entries therein have been duly recorded.
2. The company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities under the Act, and the Rules made there under.
3. The company, being a public limited company, comments are not required.
4. The Board of Directors duly met 9 (Nine) times respectively on 30/04/2012, 30/05/2012, 14/08/2012, 10/10/2012, 07/11/2012, 22/11/2012, 21/01/2013, 13/02/2013 and 30/03/2013 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed (There were no circular resolutions passed), in the Minutes Book maintained for the purpose.
5. The company has close its Register of Members From Friday, 21st day of September, 2012 To Wednesday, 26th day of September, 2012 (both days inclusive).
6. The annual general meeting for the financial year ended on 31st March 2012 was held on Wednesday, 26th day of September, 2012 after giving duly notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No extra ordinary general meeting was held during the year under review.

8. The company has not advanced any loans to its directors or persons or firms referred to under section 295 of the Act. During the year under review the company has advanced loan of `5 Lac to N.N. Papers Pvt. Ltd. (previously known as Badluram & Sons Pvt. Ltd.), the company in which Mr. Jaikishan Gupta and Mr. Naveen Gupta, directors are interested as members.
9. As per the information and explanation provided to us, the company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the company has not obtained any approvals from the Board of Directors, members or Central Government.
12. The company has not issued any duplicate share certificates during the financial year.
13. The Company has :
  - (i) not made any allotment of securities during the financial year. The company has delivered all the certificate on lodgment thereof for transfer / transmission of securities during the year.
  - (ii) not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
  - (iii) not required to post warrants to any members of the company as no dividend was declared during the financial year.
  - (iv) transferred the amounts of `1,05,990 on 19/10/2012 of unpaid dividend account which has remained unclaimed or unpaid for a period of seven years for the financial year 2004-2005 to Investor Education Protection Fund - IEPF pursuant to Section 205A(5) read with Investor Education Protection Fund (Awareness and Protection of Investors) Rules, 2001.
  - (v) generally complied with the requirements of section 217 of the Act.
14. The Board of Directors of the company is duly constituted. Additional Director Shri. Shivratn Jivaram Sharma has been confirmed as regular director of the Company on 26/09/2012.
15. The company has reappointed Mr. Naveen Gupta as Managing Director of the company for the period of five years w.e.f. 01/03/2013 at a remuneration of `1Lac per month. The company has not appointed any whole time director / manager during the financial year.
16. The company has not appointed any sole selling agents during the financial year.
17. The company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the various provisions of the Act during the financial year.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The company has not issued any shares/debentures or other securities during the financial year.
20. The company has not bought back any shares during the financial year.
21. The company has no redemption of preference shares/debentures during the financial year under review.
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The company has complied with the provisions of Section 58A read with Companies (Acceptance of Deposit) Rules, 1975 in respect of deposit accepted including unsecured loan taken during the year under review and the company has filed the copy of Statement in lieu of Advertisement with the Registrar of Companies, Gujarat on 30.03.2013. As informed to us, the unsecured loan received from Directors are exempted deposit pursuant to Section 58A read with Rule 2(b)(xi) of Companies (Acceptance of deposits) Rules, 1975 being the amount brought in by the Directors/Promoters in pursuance of stipulation of Bank, and the loan are provided by Promoters themselves and/or by their relatives and not from their friends and business associates.
24. The amount borrowed by the company during the financial year are within the borrowing limits of the Company.
25. The company has made loans and investments, or given guarantees or provided securities to other bodies corporate in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose.
26. The company has not altered the provisions of the Memorandum with respect to situation of the company's registered office from one State to another during the year under scrutiny.
27. The company has not altered the provisions of the Memorandum with respect to the objects of the company during the year under scrutiny.
28. The company has not altered the provisions of the Memorandum with respect to name of the company during the year under scrutiny.
29. The company has not altered the provisions of the Memorandum with respect to share capital of the company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the year under scrutiny.
31. There was no prosecution initiated against or show cause notices received by the company and no fines or penalties or any other punishment was imposed on the company during the financial year, for offences under the Act.



32. The company has not received any money as security from its employees during the financial year.  
33. The Company has deposited both employee's and employer's contribution to provident fund with prescribed authority.

Place: Ahmedabad  
Date : 29/05/2013

For, Ashok P. Pathak & Co.,  
Company Secretaries,  
Ashok P. Pathak  
Proprietor  
C.P.No. 2662

#### ANNEXURE A - SECRETARIAL COMPLIANCE CERTIFICATE

Name of the Company : KALPTARU PAPERS LIMITED  
CIN : L21019GJ1988PLC040325  
Authorized Capital : ₹10,00,00,000  
Registers as maintained by the Company.

Sr. No.	Section Number	Name of the Register
1.	108	Register of Transfer
2.	143	Register of Charges
3.	150	Register of the Members
4.	193	Minutes of all meetings of Board of Directors
5.	193(1)	Minutes of General Meetings
6.	301	Register of Contracts / Transactions / Disclosures
7.	303	Register of Directors
8.	307	Register of Directors' Shareholding
9.	372A (5)	Register of Investments or Loans made, Guarantee given or Security provided.

Place: Ahmedabad  
Date : 29/05/2013

For, Ashok P. Pathak & Co.,  
Company Secretaries,  
Ashok P. Pathak  
Proprietor  
C.P.No. 2662

#### ANNEXURE B - SECRETARIAL COMPLIANCE CERTIFICATE

Name of the Company : KALPTARU PAPERS LIMITED  
CIN : L21019GJ1988PLC040325  
Authorized Capital : ₹ 10,00,00,000

Forms / Documents / Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending 31st March, 2013.

FOR THE YEAR 2012-2013 (01/04/2012 To 31/03/2013)  
REGISTRAR OF COMPANIES

Sr. No.	e-Form No.	Relevant Section	Description	Date of Document
1.	e-Form 5INV	Rule 3 of the Investor Education and (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rule, 2012	Statement of Unclaimed and Unpaid Amount for the financial year ended on 31/03/2011 amounting to Rs.3,79,852/- for AGM held on 28/09/2011. 30/07/2011 and Shri. Satish Kumar Singhal was resigned to act as Director *Information is required to be filed every year within a period of 90 days after the holding of AGM and every year thereafter till completion of seven years period. For Financial Year ended on 31st March, 2011 this e-Form and excel template should be filed latest by 31/08/2012. *According to Notification dated 10/05/2012, Circular No.17/12 dated 23/07/2012, Circular No.20/12 dated 01/08/2012	31/07/2012

Sr. No.	e-Form No.	Relevant Section	Description	Date of Document
2.	e-Form 32	302(3)	Confirmation and Change in Designation of Shri. Shivratn Sharma as Director of the by way of resolutions passed in the Annual General Meeting held on 26/09/2012.	05/10/2012
3.	e-Form 66	383A	Compliance Certificate for the Financial Year ended on 31st March, 2012.	11/10/2012
4.	e-Form 1INV	Rule 3 of the Investor Education and Protection Fund (Awareness and Protection of Investors) Rule, 2001	Statement of amount credited to Investor Education and Protection Fund for the financial year 2004 - 2005 amounting to ₹ 1,05,990/-	26/10/2012
5.	e-Form 20B	159	Annual Return made up to the date of AGM held on Wednesday, 26th day of September, 2012.	24/11/2012
6.	e-Form 23B	224(1A)	Intimation by Statutory Auditor to the Registrar of Companies, Gujarat for their Re-appointment for the Financial Year 2012-2013.	03/12/2012
7.	e-Form 5INV	Rule 3 of the Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rule, 2012	Statement of Unclaimed and Unpaid Amount for the financial year ended on 31/03/2012 amounting to ₹ 2,73,862/- for AGM held on 26/09/2012. Information is required to be filed every year within a period of 90 days after the holding of AGM and every year thereafter till completion of seven years period	24/12/2012
8.	e-Form 8	135	5th Modification of Charge ID-90096891 by way of Fifth Supplemental Memorandum of Deposit of Title Deeds dated 26/11/2012 executed by the company in favour of Indian Overseas Bank, Stadium Road Branch to secure aggregate credit facilities of ₹ 37.58 Crore. (Additional Fees of ₹ 1000/- has been paid)	17/01/2013
9.	e-Form 8	135	5th Modification of Charge ID-80041671 by way of Supplemental Letter of Hypothecation dated 27/11/2012 executed by the company in favour of Indian Overseas Bank, Stadium Road Branch to secure aggregate credit facilities of ₹ 37.58 Crore. (Additional Fees of ₹1000/- has been paid)	17/01/2013
10.	e-Form 23AC XBRL & e-Form 23ACA XBRL	220	Submission of Balance Sheet and Statement of Profit and Loss Account in eXtensible Business Reporting Language - XBRL Mode for the financial year 2011-2012 vide General Circular No. 16/2012 dated 06/07/2012. According to Circular No.01/2013 dtd.15/01/2013, the time limit to file Financial Statements in XBRL mode without any additional fees / penalty has been extended upto 15/02/2013 or within 30 days from the due date of the Company, which ever is later.	14/02/2013
11.	e-Form 23	192	Registration of Resolution passed at the board meeting held on 13/02/2013 and registration of agreement executed on 11/03/2013 for reappointment of Mr. Naveen Gupta as Managing Director for a period of five years w.e.f. 01/03/2013	12/03/2013
12.	e-Form 25C	269(2) and Schedule XIII	Return of Appointment of Managing Director Mr. Naveen Gupta for a period of five years w.e.f. 01/03/2013 at a remuneration of ₹ 1 Lac per month.	15/03/2013

**CENTRAL GOVERNMENT**

Sr. No.	e-Form No.	Relevant Section	Description	Date of Document
1.	e-Form 23C	233B(2) Read with the Companies (Cost Accounting Records) Rule, 2011 and Circular No. 15/2011 dated 11-April-2011.	Application to Central Government for Appointment of Cost Auditor Shri Jagdishchandra Babulal Mistri to conduct Cost Audit for the Financial Year 2012-2013 by way of resolutions passed in Board Meeting held on 30/05/2012.	19/06/2012
2.	e-Form 23D	233B	Information by Cost Auditor to Central Government to conduct Cost Audit of records maintained by the Company for the Financial Year 2012-2013.	07/08/2012
3.	e-Form I	233B(4)	Filing Cost Audit Report and other documents with Central Government for the Financial Year 2011-2012.	21/02/2013

**REGIONAL DIRECTOR**

NIL

Place: Ahmedabad  
Date : 29/05/2013

For, Ashok P. Pathak & Co.,  
Company Secretaries,  
Ashok P. Pathak  
Proprietor  
C.P.No. 2662

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

To,  
The Members 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, 2013.

Place: Ahmedabad  
Date : 29/05/2013

For, Kalptaru Papers Limited

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, 2013 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

Place : Ahmedabad  
Date : 29/05/2013

**(CA ABHIJAI AGGARWAL)**  
Partner  
Membership No. 517463  
FRN No. 008332N

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

To,

The Board of Directors

**Kalptaru Papers Limited,**

701, Avdhesh 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, 2013 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 2012-2013 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 : 29/05/2013

**Naveen J. Gupta**  
Managing Director

## AUDITOR'S REPORT

To,  
The Shareholders  
**KALPTARU PAPERS LIMITED**

### Report on the Financial Statements

We have audited the attached Balance Sheet of **KALPTARU PAPERS LIMITED** as at 31st March 2013 and the Profit & Loss Account and also the Cash Flow statement for the year ended on that date annexed thereto 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 financial positions, 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. This Responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give 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 standards on Auditing issued by the Institute of Chartered Accountant 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 of material misstatement.

An audit includes performing procedures to obtain audit evidences about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including assessment of the risk of the material misstatement of the financial statement, 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 explanation 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

- i. In the case of Balance sheet, of the state of affairs of the company as at 31 March 2013;
- ii. In the case of statement of Profit and Loss, of the profit of the year ended on that date; and
- iii. In the case of Cash Flow Statement, of the cash Flow 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 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. As Required by Section 227(3) of the Act, we report that:
  - (a) We have obtained all the information & 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 accounts, as required by law, have been kept by the Company as far as appears from our examination of those books.
  - (c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with books of account.
  - (d) In our opinion, the Balance Sheet and Profit & Loss Account and Cash Flow statement dealt with by this report comply with the accounting standards referred to in sub-section 3 (C) of Section 211 of the Companies Act, 1956;
  - (e) Based on the representations made by all the Directors of the company as on 31st March, 2013 and taken on record by the Board of Directors of the company and in accordance with the information and explanations as made available, the directors of the company do not, Prima Facie have any disqualification as referred to in clause (g) of Sub Section (1) to section 274 of the Act.

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

**CA ABHIJAI AGGARWAL**  
**(PARTNER)**

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

**Place : Ahmedabad**  
**Date : 29/05/2013**

## ANNEXURE TO THE AUDITOR'S REPORT

Annexure referred to in paragraph (1) of our report of even date as on 31st March 2013

- 1) (a) The company has maintained proper records showing full particulars including quantitative details & situation of fixed assets.  
(b) All the assets were physically verified by the management during the year & no material discrepancies were noticed on such verification. In our opinion frequency of verification is reasonable with regard to size of the company & the nature of its assets.  
(c) During the year, company has disposed off a small part of fixed assets. According to information & explanation given to us, we are of the opinion that the sale of the said fixed assets has not affected the going concern status of the company.
- 2) (a) The stocks of finished goods, spare parts and raw materials have been physically verified during the year by the management. In our opinion the frequency of verification is reasonable.  
(b) The procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business. No discrepancies noticed on verification between physical stock and the book records.
- 3) (a) The company has taken, secured or unsecured loan from companies, firm or other parties covered in the register maintained under section 301 of the Act. Details of which are as follows:

No. of Parties	Maximum Amount (₹)	Year End Balance (₹)
8	8,17,43,421.00.00	4,67,46,000.00

- (b) The company has not granted secured or unsecured loan to companies, firms or other parties covered in the register maintained under section 301 of the Act.
- (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 or other parties listed in the register maintained u/s 301 of the Companies Act, 1956 are prima 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 demand, as we have been explained.
- (e) There is 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 information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of the business with regard to purchase of inventory & fixed assets and with regard to sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control.
- 5) (a) According to the information & explanations given to us, we are of the opinion that the transaction that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.  
(b) In our opinion & according to information & explanation given to us, the transactions entered in the register maintained u/s 301 & aggregating during the year to Rs. 5,00,000 or more in respect of each party have been made at prices which are reasonable having regard to prevailing market prices for such goods, materials or services or prices at which transactions for similar goods, materials or services have been made with other parties.
- 6) In our opinion and according to information and explanations given to us the company has accepted deposit from the public under the provisions of Section 58-A & Section 58AA of the Companies Act, 1956 and Companies (Acceptance of deposits) Rules, 1975.
- 7) In our opinion, the company has an adequate internal audit system commensurate with size and nature of the business.
- 8) In our opinion and according to information and explanations given to us the company has made and maintained cost records u/s 209(1)(d) of the Companies Act, 1956. We have, however not made a detailed examination of the records with a view to determining whether they are accurate or complete.

- 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 (₹)	Forum where Dispute is pending
Gujarat Sales Tax Act	Excess benefit Claimed Under Deferment Tax Scheme In F.Y 04-05.	1,49,410.00	Gujarat Sales Tax Deptt.

- 10) There are no accumulated losses at the end of the financial year and The Company has not incurred cash losses during the year under report.
- 11) According to information & explanations given to us the, there are some delays by company in repayment of Term Loans to financial institution and Banks.
- 12) We are of the opinion that the company has maintained adequate documents & records in cases where the company has granted loans & advances on the basis of security by way of pledge of shares, debentures & other securities.
- 13) In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/society. There for the provisions of clause 4(xiii) of the companies (Auditor Report) order 2003 are not applicable to the company.
- 14) In our opinion, the company is not dealing in or trading in shares, securities, debentures and others investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditors Report) order, 2003 are not applicable to the company.
- 15) As per the information & explanation given to us, the company has not given any guarantee for loans taken by others from banks/ financial institutions.
- 16) In our opinion, the term loans have been applied for the purpose for which they were raised.
- 17) According to the information and explanations given to us and on overall examination of the balance Sheet of the Company, we report that the no funds raised on short-term basis have been used for long term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
- 18) The company has not made any preferential allotment of shares during the year under consideration to parties and companies covered in the register maintained under section 301 of the Act, hence the question of whether the price at which shares have been issued is prejudicial to the interest of the company does not arise.
- 19) According to the information & explanations given to us & records examined by us during the period covered by our audit report, the company has not issued any Debentures.
- 20) The company has not raised moneys during the year under consideration from public issue & hence the question of disclosure & verification of end-use of such monies does not arise.
- 21) According to the information & explanations given to us no fraud on or by company has been noticed/reported during the course of our audit.
- 22) The nature of the company's business/activities during the year have been such that other provisions of Companies (Auditors Report) order 2003, are not applicable to the company.

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

**CA ABHIJAI AGGARWAL  
(PARTNER)**

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

**Place : Ahmedabad  
Date : 29/05/2013**

**BALANCE SHEET AS AT 31ST MARCH, 2013**

Particulars	Note No.	Figures as at the end of the current reporting period (₹)	Figures as at the end of the Previous reporting period (₹)
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	4,46,81,200.00	4,46,81,200.00
(b) Reserves and Surplus	2	5,87,72,288.26	6,96,97,060.39
(c) Money received against share warrants		-	-
<b>(2) Share Application money pending allotment</b>			
		-	-
<b>(3) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	3	29,85,39,898.06	19,53,46,892.57
(b) Deferred Tax Liabilities (Net)	4	3,15,84,605.39	3,52,70,143.00
(c) Other Long Term Liabilities	5	5,78,45,403.00	5,87,09,474.00
(d) Long Term Provisions	6	10,58,475.00	11,75,000.00
<b>(4) Current Liabilities</b>			
(a) Short-Term Borrowings	7	9,74,06,798.93	10,17,39,205.11
(b) Trade Payables	8	4,25,31,032.61	4,81,87,261.66
(c) Other Current Liabilities	9	4,72,72,570.29	9,07,14,922.21
(d) Short-Term Provisions	10	29,46,945.00	35,70,539.00
<b>Total Equity &amp; Liabilities</b>		<b>68,26,39,216.54</b>	<b>64,90,91,697.94</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
<b>(a) Fixed Assets</b>			
1) Tangible Assets	11	34,48,37,195.31	36,78,21,869.05
2) Intangible Assets		1,74,148.21	2,19,374.11
3) Capital Work-in-progress		11,56,51,039.50	8,73,77,537.38
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	35,52,886.88	42,66,159.88
(e) Other non-current assets	14	2,37,19,989.50	2,37,20,483.57
<b>(2) Current Assets</b>			
(a) Current investments		-	-
(b) Inventories	15	5,39,56,978.31	4,85,35,613.31
(c) Trade receivables	16	12,20,39,824.38	9,82,93,524.63
(d) Cash and cash equivalents	17	79,30,580.34	80,89,288.52
(e) Short-term loans and advances		-	-
(f) Other current assets	18	1,07,30,574.11	1,07,21,847.49
<b>Total Assets</b>		<b>68,26,39,216.54</b>	<b>64,90,91,697.94</b>

**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 : 29/05/2013

**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



**PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2013**

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	75,88,19,499.73	99,55,96,680.52
II Other Income	20	8,43,068.22	43,11,423.00
<b>III III. Total Revenue (I +II)</b>		<b>75,96,62,567.95</b>	<b>99,99,08,103.52</b>
<b>IV Expenses:</b>			
Cost of materials consumed	21	28,08,48,329.61	29,24,33,858.51
Purchase of Stock-in-Trade	22	23,89,70,262.00	45,63,14,720.00
Manufacturing & Operating Cost	23	14,90,67,576.25	15,68,79,542.29
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	24	40,11,599.00	- 54,65,961.00
Employee Benefit Expense	25	2,24,86,966.00	2,26,35,461.00
Financial Costs	26	3,99,62,042.05	3,89,86,593.76
Depreciation and Amortization Expense	27	2,57,24,928.69	2,57,96,832.32
Other Administrative Expenses	28	1,32,01,174.15	1,54,24,943.30
<b>Total Expenses (IV)</b>		<b>77,42,72,877.75</b>	<b>1,00,30,05,990.18</b>
V Profit before exceptional and extraordinary items and tax (III - IV)		<b>- 1,46,10,309.80</b>	<b>- 30,97,886.66</b>
VI Exceptional Items		-	-
VII Profit before extraordinary items and tax (V - VI)		<b>- 1,46,10,309.80</b>	<b>- 30,97,886.66</b>
VIII Extraordinary Items		-	-
IX Profit before tax (VII - VIII)		<b>- 1,46,10,309.80</b>	<b>- 30,97,886.66</b>
<b>X Tax expense:</b>			
(1) Current tax		-	-
(2) Deferred tax		- 36,85,537.66	- 7,67,663.00
XI Profit(Loss) from the period from continuing operations (IX-X)		<b>- 1,09,24,772.14</b>	<b>- 23,30,223.66</b>
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)		<b>- 1,09,24,772.14</b>	<b>- 23,30,223.66</b>
<b>XVI Earning per equity share:</b>			
(1) Basic		(2.44)	(0.52)
(2) Diluted		(2.44)	(0.52)

**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 : 29/05/2013

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	Current Year Amount (₹)	Previous Year Amount (₹)
<b>Note : 1 Share Capital</b>		
<b>Authorized Shares:-</b>		
10000000 Equity Shares of ₹ 10/- each.	10,00,00,000.00	10,00,00,000.00
<b>Issued, Subscribed &amp; Paid up:-</b>		
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
<b>Total</b>	<b>4,46,81,200.00</b>	<b>4,46,81,200.00</b>

**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,2013		As at 31st March,2012	
	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	Current Year Amount (₹)	Previous Year Amount (₹)
1 <b>Capital Reserve*</b>	22,27,481.25	22,27,481.25
2 <b>Capital Redemption Reserve</b>	-	-
3 <b>Securities Premium Reserve</b>	-	-
4 <b>Debenture Redemption Reserve</b>	-	-
5 <b>Revaluation Reserve</b>	-	-
6 <b>Share option outstanding Account</b>	-	-
7 <b>Other Reserves</b>		
General Reserve	69,88,201.00	69,88,201.00
8 <b>Surplus (Profit &amp; Loss Account)</b>		
Opening Balance	6,04,81,378.15	6,28,11,601.80
Less: Tax on Regular Assessment Paid	-	-
Add/(Less): Profit/(Loss) for the period	- 1,09,24,772.14	- 23,30,223.66
Transfer from/(to) General Reserve	-	-
Proposed Dividend	-	-
Tax on Proposed Dividend	-	-
Closing Balance	4,95,56,606.01	6,04,81,378.14
<b>Total</b>	<b>5,87,72,288.26</b>	<b>6,96,97,060.39</b>

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

## NOTES TO THE FINANCIAL STATEMENTS

### Note : 3 Long Term Borrowings

Particulars	Current Year Amount (₹)	Previous Year Amount (₹)
1 Bonds / Debentures	-	-
2 Term Loan (Secured)		
- From Bank (after 12 months)	16,86,25,444.00	6,79,83,971.40
- From Other Parties (after 12 mts)	5,37,68,454.06	5,92,70,107.17
3 Deferred Payment Liabilities	-	-
4 Deposit	-	-
5 Loans & Advances From Related Parties	37,30,000.00	2,78,32,000.00
6 Long Term Maturities of Finance lease obligation	-	-
7 Loans From Directors & Shareholders	4,30,16,000.00	3,56,25,000.00
8 Other Loans & Advances	2,94,00,000.00	46,35,814.00
<b>Total</b>	<b>29,85,39,898.06</b>	<b>19,53,46,892.57</b>

### 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 ₹1,14,61,884.00 (31/03/12: ₹ 1,62,24,317.00) is collaterally secured by Residential property in the name of Directors of the company and personal guarantee of the directors of the company.	Repayable in monthly installment of ₹ 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 ₹ 89,00,000.00 (31/03/12: ₹ 1,34,93,350.00) b) Amounting to ₹ 51,00,000.00 (31/03/12: ₹ 77,35,963.00) c) Amounting to ₹ 80,00,000 (31/03/12: ₹ 1,20,64,309.00) d) Amounting to ₹ 3,77,65,169.00 (31/03/12: ₹ 5,74,53,683.62) e) Amounting to ₹ 1,56,23,547.00 (31/03/12: ₹ NIL)	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 ₹ 2,10,99,984.00 (31/03/12: ₹ 2,79,80,879.00) 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 ₹ 8,01,08,860.00 (31/03/12: ₹ NIL) 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 ₹ 3,87,36,970.00 (31/03/12: ₹ 4,14,98,399.00) 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 ₹ 1,87,07,153.00 (31/03/12: ₹ 1,95,34,827.00) 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 ₹ 7,90,984.17(31/03/12: ₹ 10,63,713.61) is secured by hypothecation of vehicle.	Repayable in 60 monthly installments commencing from September 2010. Last installment due in August 2015.
viii) Vehicle loan from Tata Motors Finance Limited amounting to ₹ NIL (31/03/12: ₹ 83,898.66) is secured by hypothecation of vehicle.	Repayable in 59 monthly installments commencing from March 2008. Last installment due in January 2013.
ix) Others Loans:- Amounting ₹ 7,61,46,000.00 (31/03/11: ₹ 6,80,92,814.00)	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 & machineries/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 31.03.2013 have been grouped under "Current maturities of Long Term debt".(Refer to Note No-9)

### Note : 4 Deferred Tax Liabilities (Net)

Particulars	Current Year Amount (₹)	Previous Year Amount (₹)
<b>1 Deferred Tax Liability on account of:-</b>		
Depreciation	5,22,29,168.66	5,14,97,981.10
	<u>5,22,29,168.66</u>	<u>5,14,97,981.10</u>
<b>2 Deferred Tax Assets on account of:-</b>		
(i) Gratuity	3,27,068.78	3,63,075.00
(ii) Earn Leave	2,71,958.63	2,53,587.03
(iii) Bonus Payable	1,85,564.70	1,86,855.08
(iv) Loss c/f	1,98,59,971.22	1,54,24,321.10
	<u>2,06,44,563.32</u>	<u>1,62,27,838.21</u>
<b>Total</b>	<b><u>3,15,84,605.34</u></b>	<b><u>3,52,70,142.89</u></b>

- 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	Current Year Amount (₹)	Previous Year Amount (₹)
1 Advance from Spl.Land Acquisition Authority*	44,688.00	44,688.00
2 Trade Deposits	5,76,75,000.00	5,83,50,000.00
3 Other Payables	1,25,715.00	3,14,786.00
<b>Total</b>	<b><u>5,78,45,403.00</u></b>	<b><u>5,87,09,474.00</u></b>

\* Advance from Spl.Land Acquisition Authority of ₹ 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	Current Year Amount (₹)	Previous Year Amount (₹)
1 <b>Provision For Employees Benefit</b>		
Gratuity Payable	10,58,475.00	11,75,000.00
<b>Total</b>	<b>10,58,475.00</b>	<b>11,75,000.00</b>

### 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	9,74,06,798.93	10,17,39,205.11
<b>Total</b>	<b>9,74,06,798.93</b>	<b>10,17,39,205.11</b>

- 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	Current Year Amount (₹)	Previous Year Amount (₹)
1 Payable against Materiel/Supplies	4,25,31,032.61	4,81,87,261.66
<b>Total</b>	<b>4,25,31,032.61</b>	<b>4,81,87,261.66</b>

### Note : 9 Other Current Liabilities

Particulars	Current Year Amount (₹)	Previous Year Amount (₹)
1 Current Maturities of Long Term Debt (Secured)		
- From Bank (within 12 months)	1,94,34,000.00	6,69,68,530.22
- From Other Parties (within 12 mts)	55,01,653.11	39,45,731.10
2 Interest accrued but not due on borrowings	-	-
3 Interest accrued and due on borrowings	-	-
4 Statutory Dues	19,18,555.50	15,57,847.00
5 Unclaimed Dividend	2,73,861.11	3,75,096.29
6 Other Payables		
Creditors against Expenses	1,49,95,389.00	94,77,359.00
Creditors against Capital goods	46,15,786.57	70,27,786.60
Advance from Customers	5,33,325.00	13,62,572.00
<b>Total</b>	<b>4,72,72,570.29</b>	<b>9,07,14,922.21</b>

## NOTES TO THE FINANCIAL STATEMENTS

### Note : 10 Short Term Provisions

Particulars	Current Year Amount (₹)	Previous Year Amount (₹)
<b>1 Provision For Employees Benefit</b>		
Providend Fund Payable	1,10,378.00	1,16,968.00
Bonus Payable (10-11)	56,707.00	57,707.00
Bonus Payable (11-12)	46,951.00	5,47,002.00
Bonus Payable (12-13)	4,96,875.00	-
Earn Leave Payable	8,80,125.00	8,20,670.00
<b>2 Others</b>		
Provision for Expenses	96,255.00	-
Provision of Internal Audit Fee	-	60,000.00
Provision for Expenses (others)	20,865.00	69,192.00
Labour Charges (Contractor) Payable	3,263.00	-
Legal & Professional Fee Payable	25,000.00	-
Provision of Telephone Expense	44,072.00	45,000.00
Provision of Electricity Expense	11,66,454.00	18,54,000.00
<b>Total</b>	<b>29,46,945.00</b>	<b>35,70,539.00</b>



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 31.03.2013	WDV as on 31.03.2012
I	Tangible Assets										
1	Land	10,57,469.00	-	-	10,57,469.00	-	-	-	-	10,57,469.00	10,57,469.00
2	Building	8,25,49,427.99	1,10,000.00	-	8,26,59,427.99	1,55,59,252.31	-	26,62,945.52	1,82,22,197.84	6,44,37,230.15	6,69,90,175.68
3	Plant and Machinery	38,78,04,499.62	20,74,410.00	-	38,98,78,909.62	12,11,28,091.20	-	1,98,65,134.01	14,09,93,225.21	24,88,85,684.41	26,66,76,408.42
4	Electrical Installation	3,68,20,696.99	12,12,326.00	-	3,80,33,022.99	1,27,30,458.34	-	17,75,204.00	1,45,05,662.34	2,35,27,360.65	2,40,90,238.65
5	Furnitures & Fixtures	25,29,974.80	-	-	25,29,974.80	17,51,945.05	-	1,45,052.52	18,96,997.57	6,32,977.23	7,78,029.75
6	Office Equipment	66,02,881.00	54,000.00	-	66,56,881.00	51,40,620.47	-	1,27,275.96	52,67,896.43	13,88,984.57	14,62,260.53
7	Vehicles	1,32,30,401.40	-	16,52,330.00	1,15,78,071.40	64,63,114.38	8,96,623.00	11,04,090.72	66,70,582.11	49,07,489.29	67,67,287.03
	<b>SUB TOTAL (A)</b>	<b>53,05,95,350.80</b>	<b>34,50,736.00</b>	<b>16,52,330.00</b>	<b>53,23,93,756.80</b>	<b>16,27,73,481.76</b>	<b>8,96,623.00</b>	<b>2,56,79,702.73</b>	<b>18,75,56,561.49</b>	<b>34,48,37,195.31</b>	<b>36,78,21,869.06</b>
II	Intangible Assets										
1	Software	2,79,000.00	-	-	2,79,000.00	59,625.89	-	45,225.90	1,04,851.79	1,74,148.21	2,19,374.11
	<b>SUB TOTAL (B)</b>	<b>2,79,000.00</b>	<b>-</b>	<b>-</b>	<b>2,79,000.00</b>	<b>59,625.89</b>	<b>-</b>	<b>45,225.90</b>	<b>1,04,851.79</b>	<b>1,74,148.21</b>	<b>2,19,374.11</b>
III	Capital Work-in-progress										
2	Capital Work-in-progress	8,73,77,537.33	2,82,73,502.17	-	11,56,51,039.50	-	-	-	-	11,56,51,039.50	8,73,77,537.38
	<b>SUB TOTAL (C)</b>	<b>8,73,77,537.33</b>	<b>2,82,73,502.17</b>	<b>-</b>	<b>11,56,51,039.50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,56,51,039.50</b>	<b>8,73,77,537.38</b>
IV	Intangible Assets Under Development										
	<b>SUB TOTAL (D)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total [A + B + C + D] Current Year</b>	<b>61,82,51,888.13</b>	<b>3,17,24,238.17</b>	<b>16,52,330.00</b>	<b>64,83,23,796.30</b>	<b>16,28,33,107.65</b>	<b>89,66,23.00</b>	<b>2,57,24,928.63</b>	<b>18,76,61,413.28</b>	<b>46,06,62,383.02</b>	<b>45,54,18,780.55</b>
	<b>(Previous Year)</b>	<b>60,43,68,592.13</b>	<b>1,43,49,207.00</b>	<b>4,65,911.00</b>	<b>61,82,51,888.13</b>	<b>13,73,70,538.33</b>	<b>3,34,263.06</b>	<b>2,57,96,832.32</b>	<b>16,28,33,107.59</b>	<b>45,54,18,780.54</b>	<b>46,69,98,053.80</b>

## NOTES TO THE FINANCIAL STATEMENTS

Particulars	Current Year Amount (₹)	Previous Year Amount (₹)
<b>Note : 12 Non Current Investment</b>		
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	-	-
<b>Total</b>	<b>46,000.00</b>	<b>46,000.00</b>
<b>Investment in Equity Shares:-</b>		
(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.		
<b>Note : 13 Long Term Loans and Advances</b>		
I) <b>Capital Advances</b>		
a) Secured, Considered Good :	-	-
b) Unsecured, Considered Good :	28,79,685.88	35,92,958.88
c) Doubtful	-	-
II) <b>Security Deposit</b>		
a) Secured, Considered Good :	6,73,201.00	6,73,201.00
b) Unsecured, Considered Good :	-	-
c) Doubtful	-	-
<b>Total</b>	<b>35,52,886.88</b>	<b>42,66,159.88</b>
<b>Note : 14 Other Non Current Assets</b>		
a) <b>Long Term Trade Recievables</b>		
i) Secured, Considered Good :	-	-
ii) Unsecured, Considered Good :	-	-
iii) Doubtful	-	-
b) <b>Others</b>		
1 Advance Recoverable in Cash or in Kind	74,12,212.50	74,12,706.57
2 Advance to Suppliers	1,28,08,414.00	1,28,08,414.00
3 Indirect Taxes/claims recoverables	34,99,363.00	34,99,363.00
<b>Total</b>	<b>2,37,19,989.50</b>	<b>2,37,20,483.57</b>
<b>Note : 15 Inventories</b>		
1 Finished Goods	99,88,152.00	1,40,15,751.00
2 Goods in Transit	1,84,400.00	4,85,217.00
3 Raw Material	1,42,77,563.31	83,75,210.31
4 Stores & Spare Parts	2,92,18,863.00	2,51,86,797.00
5 Work in Progress	2,88,000.00	2,72,000.00
6 Packing Material	-	2,00,638.00
<b>Total</b>	<b>5,39,56,978.31</b>	<b>4,85,35,613.31</b>



## NOTES TO THE FINANCIAL STATEMENTS

Particulars	Current Year Amount (₹)	Previous Year Amount (₹)
<b>i) Mode of Valuation of Inventories:-</b>		
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.		
<b>ii) Detail of Raw Material:-</b>		
Ahmedabad		
a) Kraft Waste	91,27,838.00	
b) News Waste	32,36,025.00	
c) Colour & Material	5,66,219.00	
d) Mix Tissue Paper	9,94,261.00	
Satpuda		
a) Bagasse	3,53,219.31	
<b>Total</b>	<b>1,42,77,532.31</b>	
<b>iii) Detail of Finished Goods:-</b>		
Ahmedabad		
a) Kraft Waste	97,54,884.00	
b) News Print	1,92,840.00	
c) Sundry Board	40,428.00	
<b>Total</b>	<b>99,88,152.00</b>	
<b>Note : 16 Trade Recievables</b>		
<b>1 Outstanding for more than six months</b>		
a) Secured, Considered Good :	-	-
b) Unsecured, Considered Good :	1,29,10,251.38	1,61,76,849.06
c) Doubtful	-	-
<b>2 Others</b>		
a) Secured, Considered Good :	-	-
b) Unsecured, Considered Good :	10,91,29,573.00	8,21,16,675.57
c) Doubtful	-	-
<b>Total</b>	<b>12,20,39,824.38</b>	<b>9,82,93,524.63</b>
<b>Note : 17 Cash &amp; Cash Equivalents</b>		
<b>1 Cash &amp; Bank Balances</b>		
a) Cash in Hand	4,41,721.00	6,04,383.00
b) Balance with Banks	98,548.23	1,73,859.23
<b>2 Other Bank Balances</b>		
a) Unclaimed Dividend Account	2,73,861.11	3,75,096.29
<b>3 Cheques on Hand (C)</b>	-	-
<b>4 Others</b>		
Margin Money with Bank	71,16,450.00	69,35,950.00
<b>Total [ 1 + 2 + 3 ]</b>	<b>79,30,580.34</b>	<b>80,89,288.52</b>

## NOTES TO THE FINANCIAL STATEMENTS

Particulars	Current Year Amount (₹)	Previous Year Amount (₹)
<b>Note :18 Other Current Assets</b>		
1 Advance Recoverable in cash or in kind	49,07,505.51	46,88,436.51
2 Advance to Staff	3,85,669.00	3,40,277.00
3 Advance to Suppliers	30,37,540.12	40,57,519.17
4 Advance Income Tax/Refund Due	64,495.00	4,85,770.18
5 Indirect Tax/claims Recoverables	21,12,393.18	9,01,731.33
6 Advance against Expenses	2,22,971.30	2,48,113.30
<b>Total</b>	<b>1,07,30,574.11</b>	<b>1,07,21,847.49</b>

### Note : 19 Revenue from Operations

1 Sales (Net of Return)	78,05,35,967.73	1,01,52,64,976.52
Less:-Excise Duty	- 2,17,16,468.00	- 1,96,68,296.00
<b>Total</b>	<b>75,88,19,499.73</b>	<b>99,55,96,680.52</b>

### Note : 20 Other Income

1 Interest Income		
(i) Interest Received	6,75,428.00	12,35,671.00
(ii) Interest on I.Tax Refund	-	4,610.00
2 Dividend Income	-	-
3 Net Gain on Sale of Investments	-	-
4 Other non-operating income		
(i) Insurance Claim Received	6,170.22	3,94,578.00
(ii) Miscellaneous Income	-	500.00
(iii) Provision of Gratuity no longer required	-	4,17,654.00
(iv) Prior period adjustments (Net)	98,110.00	2,03,041.00
(v) Sale Others	41,875.00	20,55,369.00
(vi) Profit on Sale of Assets	21485.00	-
<b>Total</b>	<b>8,43,068.22</b>	<b>43,11,423.00</b>

### Note : 21 Cost of Material Consumed

#### Raw Materials

Opening Stock	83,75,210.31	1,28,20,190.23
Purchases (including Direct cost)	28,67,50,682.61	28,79,88,878.51
Less:-Closing Stock	- 1,42,77,563.31	- 83,75,210.23
<b>Total</b>	<b>28,08,48,329.61</b>	<b>29,24,33,858.51</b>

#### Import & Indigenous Raw Material Consumend:-

	Current Year		Previous Year	
	Value	Percentage	Value	Percentage
Imported	3,15,90,505.50	11.25	1,56,31,897.00	5.35
Indigenous	24,92,57,824.12	88.75	27,68,01,962.00	94.65
<b>Total</b>	<b>28,08,48,329.61</b>	<b>100.00</b>	<b>29,24,33,859.00</b>	<b>100.00</b>

### NOTES TO THE FINANCIAL STATEMENTS

Particulars	Current Year Amount (₹)	Previous Year Amount (₹)
<b>Note : 22 Purchase of Stock-in-Trade</b>		
1 Purchase Account Trading	23,89,70,262.00	45,63,14,720.00
<b>Total</b>	<b>23,89,70,262.00</b>	<b>45,63,14,720.00</b>
<b>Note : 23 Manufacturing &amp; Operating Cost</b>		
Building Repair & Maintenance	1,56,754.00	3,79,238.94
Commission on Purchase	5,02,853.00	-
Machinery Repairs & Maintenance	10,81,065.56	11,19,772.00
Electric Repairs & Maintenance	10,78,658.00	-
Power, Electricity & Water Charges	7,44,11,114.00	7,33,86,076.20
Manufacturing Expenses (Others)	5,33,283.00	6,75,709.00
Stores Consumed	7,07,75,196.49	8,07,56,795.15
Packing Material Consumed	5,28,052.20	5,61,951.00
<b>Total</b>	<b>14,90,67,576.25</b>	<b>15,68,79,542.29</b>
<b>Import &amp; Indigenous Raw Material Consumend:-</b>		
	<b>Current Year</b>	<b>Previous Year</b>
	<b>Value Percentage</b>	<b>Value Percentage</b>
Imported	19,55,600.15 2.76	18,95,098.10 2.35
Indigenous	6,88,20,196.34 97.24	7,88,61,697.05 97.65
	<b>7,07,75,796.49 100.00</b>	<b>8,07,56,795.15 100.00</b>
<b>Note : 24 Change in Inventories</b>		
1 <b>Opening Stock</b>		
(i) Finished Goods	1,40,15,751.00	84,97,790.00
(ii) Work in Progress	2,72,000.00	3,24,000.00
	1,42,87,751.00	88,21,790.00
2 <b>Closing Stock</b>		
(i) Finished Goods	99,88,152.00	1,40,15,751.00
(ii) Work in Progress	2,88,000.00	2,72,000.00
	1,02,76,152.00	1,42,87,751.00
<b>Total</b>	<b>40,11,599.00</b>	<b>- 54,65,961.00</b>
<b>Note : 25 Employment Benefit Expenses</b>		
1 Bonus Expense	5,01,075.00	5,42,171.00
2 Earn Leave Expense	5,08,825.00	7,09,788.00
3 Gratuity Expense	3,47,692.00	-
4 Provident Fund Contribution	7,04,820.00	7,92,255.00
5 Recruitment Expense	-	10,996.00
6 Salary ( Staff )	51,45,714.00	60,67,776.00
7 Salary ( Worker )	1,48,08,579.00	1,40,21,394.00
8 Staff Welfare & Medical Exp.	4,70,261.00	4,91,081.00
<b>Total</b>	<b>2,24,86,966.00</b>	<b>2,26,35,461.00</b>
<b>Note :26 Financial Cost</b>		
1 Bank Charges & Commission	3,98,30,837.08	3,88,34,015.34
2 Interest on Car Loan	1,31,204.97	1,52,578.42
3 Other Interest	-	-
<b>Total</b>	<b>3,99,62,042.05</b>	<b>3,89,86,593.76</b>

## NOTES TO THE FINANCIAL STATEMENTS

Particulars	Current Year Amount (₹)	Previous Year Amount (₹)
<b>Note : 27 Depreciation &amp; Amortised Cost</b>		
1 Depreciation	2,57,24,928.69	2,57,96,832.31
<b>Total</b>	<b>2,57,24,928.69</b>	<b>2,57,96,832.31</b>
<b>Note : 28 Other Expenses</b>		
1 Advertisement Expenses	1,80,009.00	1,19,090.00
2 Audit Fees	97,900.00	1,00,000.00
3 Balance W/off	-	14,21,201.64
4 Commission, Rebate & Discount	32,78,751.00	38,79,299.00
5 Director Remuneration	12,00,000.00	12,00,000.00
6 Donation & Charity	26,732.00	2,10,750.00
7 Electric Power ( Office )	3,28,010.00	3,10,669.00
8 Foreign Exchange Fluctuation	1,88,874.62	3,32,048.45
9 Freight & Cartage Outward	1,38,440.00	1,63,836.00
10 Insurance Expenses	9,88,753.00	9,57,702.62
11 Internal Audit Fee	2,40,000.00	2,40,000.00
12 Legal & Professional Fee	11,32,567.00	5,81,252.00
13 Loss on Insurance Claim	-	-
14 Loss on Sales of Assets	16,192.00	57,648.00
15 Miscellaneous Expenses	4,73,562.53	4,29,936.51
16 Prior Period Adjustment (Net)	-	-
17 Postage & Telegram Expenses	6,15,865.00	6,87,971.08
18 Printing & Stationary	2,51,182.00	2,58,876.00
19 Rates & Taxes	1,16,255.00	1,51,055.00
20 Rent	7,46,625.00	6,78,000.00
21 Repair & Maintenance (Others)	2,46,710.00	3,10,470.00
22 Sales Tax Expense (06-07)	-	68,764.00
23 Subscription & Membership Fee	57,719.00	90,602.00
24 Travelling Expense ( Other Than Director)	3,45,917.00	2,76,582.00
25 Travelling Expense (Director)	88,363.00	2,33,137.00
26 Vehicle Repair & Maintenance Exp.	10,98,478.00	15,16,583.00
27 Watch & Ward	12,73,788.00	11,49,470.00
28 Water Cess Charges	70,481.00	-
<b>Total</b>	<b>1,32,01,174.15</b>	<b>1,54,24,943.30</b>
i) <b>Payment made to auditor includes following:</b>		
	<b>Year ended 2013</b>	<b>Year ended 2012</b>
Audit Fees	42,900.00	78,000.00
Income Tax matter	55,000.00	22,000.00
<b>Total</b>	<b>97,900.00</b>	<b>1,00,000.00</b>
<b>Note : 29 Expenditure in Foreign Currency:</b>		
<b>Particulars</b>	<b>Current Year</b>	<b>Previous Year</b>
(a) Travelling (Director)	Nil	Nil
<b>Note : 30 Earnings in Foreign Currency:</b>		
<b>Particulars</b>	<b>Current Year</b>	<b>Previous Year</b>
	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:-

Current year					Previous year		
S. No.	Nature of Transaction	Key Management Personnel	Associate Concerns	Year end Balance	Key Management Personnel	Associate Concerns	Outstanding Balance
1.	a) Director's Remuneration	12,00,000.00	Nil	76,420.00	12,00,000.00	Nil	13,318.00
	b) Comp Cont to E.P.F	1,44,000.00	Nil		1,38,000.00	Nil	
2	Rent Paid		4,80,000.00	Nil		4,80,000.00	Nil
3	Rent Security Paid			Nil			Nil
4	Loans accepted	1,24,86,421.00	4,13,87,200.00	4,67,46,000.00	1,41,45,500.00	5,10,78,000.00	6,34,57,000.00
5	Loans repaid	50,95,421.00	6,54,89,200.00	4,67,46,000.00	63,47,500.00	4,93,96,000.00	6,34,57,000.00
6	Sales		-	-		60,060.00	60,060.00

**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 ₹ 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 31.03.2013 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. Foreign Exchange Transactions**

**Initial recognition**

Import purchases and foreign creditors are initially recognised in the books at the exchange rates prevailing on the date of bill of entry.

**Year End Disclosure**

Foreign exchange creditors are translated at the exchange rates prevailing on the last day of accounting year and amount of fluctuation from initial recognition is charged to profit & loss account.

**10. 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.

**11. Taxation**

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

**12. Cash Flow Statement**

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

**13. 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.

**14. 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.

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

CURRENT YEAR	₹ Nil
PREVIOUS YEAR	₹ Nil

**16. Claims against the company not acknowledged as debts:-**

CURRENT YEAR	₹ Nil
PREVIOUS YEAR	₹ Nil

- 17. 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  
Date:29/05/2013

**NAVEEN GUPTA**  
Managing Director

**JAI KISHAN GUPTA**  
Director

**CA ABHIJAI AGGARWAL**  
Chartered Accountant

**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31.03.2013**

Particulars	Current Year Amount (₹)	Previous Year Amount (₹)
<b>[A] Cash Flow from Operating Activities</b>		
Net Profit after tax as per Profit and Loss Account	(1,09,24,772.14)	(23,30,223.66)
<b>Add: Adjustments for Non Cash Items</b>		
Deferred Tax	(36,85,537.66)	(7,67,663.00)
Depreciation	2,57,24,928.69	2,57,96,832.32
Loss on Sale of Assets	16,192.00	57,648.00
Profit on Sale of Assets	(21,485.00)	-
Provision for Taxes	-	-
Financial Charges Paid	3,99,62,042.05	3,89,86,593.76
<b>Operating Profit before Working Capital changes</b>	<b>5,10,71,367.94</b>	<b>6,17,43,187.42</b>
<b>Adjustment for changes in working capital</b>		
Change in Inventories	(54,21,365.00)	50,97,801.00
Change in Trade Receivables	(2,37,46,299.75)	(10,62,800.43)
Change in Loans and Advances	7,13,273.00	94,05,125.00
Change in Other current Assets	55,768.38	2,37,953.84
Change in Other non-current Assets	494.07	(2,449.07)
Change in Trade Payables	(56,56,229.05)	8,25,654.13
Change in Other Current Liabilities	25,36,256.29	45,83,445.23
Change in Long Term Liabilities	(8,64,071.00)	(3,23,44,665.00)
Change in Long Term Provisions	(1,16,525.00)	(4,35,019.00)
Change in Short Term Provisions	(6,23,594.00)	(36,95,008.00)
Less: Taxes Paid	(64,495.00)	(4,85,770.18)
	<b>(3,31,86,787.00)</b>	<b>(1,78,75,732.48)</b>
<b>Net Cash Inflow from Operating Activities [A]</b>	<b>1,78,84,580.94</b>	<b>4,38,67,454.94</b>
<b>[B] Cash Flow from Investing Activities</b>		
Net Addition to Fixed Assets including Capital WIP	(3,17,24,238.17)	(1,43,49,207.06)
Sale of Fixed Assets	7,61,000.00	74,000.00
<b>Net Cash Inflow from Investing Activities [B]</b>	<b>(3,09,63,238.17)</b>	<b>(1,42,75,207.06)</b>
<b>[C] Cash Flow from Financing Activities</b>		
Proceeds from New Borrowings	(43,32,406.18)	1,50,15,047.65
Repayment of Long Term Borrowings	5,72,14,397.28	(38,20,404.09)
Financial Charges Paid	(3,99,62,042.05)	(3,89,86,593.76)
<b>Net Cash Inflow from Financing Activities [C]</b>	<b>1,29,19,949.05</b>	<b>(2,77,91,950.20)</b>
<b>Net Cash And Cash Equivalents [A + B + C]</b>	<b>(1,58,708.18)</b>	<b>18,00,809.68</b>
<b>Opening Balance of Cash and Cash Equivalents</b>	<b>80,89,288.52</b>	<b>62,88,478.84</b>
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>79,30,580.34</b>	<b>80,89,288.52</b>

**Notes**

- The above Statement has been prepared as per indirect method specified under AS-3 issued by ICAI.
- Cash and Cash equivalents represent cash, bank balance and FDR held as margin money including interest thereon.
- Addition to fixed assets are stated at inclusive of movement of capital work in progress between beginning and end of the year however exclusive of movement between advance against capital goods and treated as part of investing activities.
- Previous Year figures have been regrouped, wherever necessary.

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 : 29/05/2013

For and on behalf of the Board

Naveen Gupta  
Managing Director

Jaikishan Gupta  
Director

Shrima Dave  
Company Secretary





Regd. Office : 701, Avdhesh House, Opp. Gurudwara, Near Thaltej Chokdi, Ahmedabad – 380054

## ATTENDANCE SLIP

Registered Folio No. \_\_\_\_\_

DP Id. No.\* \_\_\_\_\_

No. of Share Held \_\_\_\_\_

Client Id.\* \_\_\_\_\_

I certify that I am a registered shareholder / proxy for the registered shareholder of the company.

I hereby record my presence at the 25th 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 Wednesday, 25th day of September, 2013.

\_\_\_\_\_  
Member's/Proxy's name in BLOCK letters

\_\_\_\_\_  
Member's/Proxy's Signature

**Note :** Please fill in this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copy of the Annual Report.

\*Applicable for investors holding shares in electronic form.

----- (TEAR HERE) -----



Regd. Office : 701, Avdhesh House, Opp. Gurudwara, Near Thaltej Chokdi, Ahmedabad – 380054

## FORM OF PROXY

I/We \_\_\_\_\_  
of \_\_\_\_\_ being a member / members of the above named company  
hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or failing  
him/her \_\_\_\_\_ of \_\_\_\_\_  
\_\_\_\_\_ as my / our proxy to vote for / me / us on my / our behalf at the  
25th Annual General Meeting of the members of the company to be held on Wednesday, 25th day of September,  
2013 at 10:00 a.m. and at any adjournment thereof.

Registered Folio No. : \_\_\_\_\_

DP ID\* & Client ID\* No. : \_\_\_\_\_

No. of Shares Held : \_\_\_\_\_

Signed this \_\_\_\_\_ days of \_\_\_\_\_ 2013

Signed \_\_\_\_\_

Affix  
1 Rupee  
Revenue  
Stamp

- Notes :**
- This Form in order to be effective should be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
  - A Member entitled to attend and vote at this Meeting is entitled to appoint a proxy and the Proxy need not be a Member

\*Applicable for investors holding shares in electronic form





## Social Activities & Initiatives

If undelivered, please return to :



**Registered Office :**

701, Avdhesh House, Opp. Gurudwara, Near Thaltej Chokdi, Ahmedabad-380054  
Tel.: 079 26858510/511. Fax : 079 26857590. E-mail : [contact@kalptaru.co.in](mailto:contact@kalptaru.co.in)  
Website : [www.kalptaru.co.in](http://www.kalptaru.co.in)