

23rd Annual Report 2010-2011





Chairman Statement

Your Company has completed 22 years in the paper industry. During these years, Company has been through many ups and down. However we have always taken adverse circumstances as milestones and fought with our strong and undying spirit to succeed. The Year 2010-11 has been full of both opportunities and threats, The threat in the form of increased prices of raw material, power cost, unavailability of labour etc but in these threat there are opportunities to install new machine, improve productivity, improve realization of debtors etc.

We were to some extent successful in our efforts. The Company was in red in the year 2008-09 with a loss of ` 245.37 Lacs. We put in our best efforts and were able to recover losses but also earned profits of ` 63.91 Lacs in year 2009-10 and ` 94.23 Lacs in the current year.

Growth in paper industry has mirrored the growth in GDP and has grown on an average 6-7% over the last few years. Paper is an essential item of consumption and its increased use reflects the living standard of the Country India is the fastest growing market for paper globally and it presents an exciting scenario. Paper consumption is poised for a big leap forward in sync with the economic growth and is estimated to touch 13.95 million tonnes by 2015-16. The futuristic view is that growth in paper consumption would be in multiples of GDP growth and hence an increase in consumption by one kg per capita would lead to an increase in demand of 1 million tonne.

Outlook

Your Company has installed Tissue paper machine imported from Canada for manufacturing of

light GSM Paper like tissue paper, poster paper, OTC Paper etc . The trial operation has commenced. The Company expects increased production with good quality in coming years.

As you are aware that there have been some changes in the Board since the last Annual General Meeting of the Company. In view of increased operation it has been felt for quite some time that there is need for introduction of new talent. The Board has appointed Mr. Arpit J. Gupta as Additional Director, he has been in business of manufacturing and trading of products made from metal and non metal for many years. Mr. Ramesh Chand as Additional Director, as been dealing in business of trading of paper and its allied products for more than two decades. We strongly believe that Company can greatly benefit from diverse experiences of members of the Board

Conclusion

Dear friends over the years, the Company has maintained sustained rate of growth in spite of increase in prices of raw materials and inputs, cut throat competition and other adverse conditions. With your support and trust, the Company is taking strong steps on the path of growth and prosperity of all.

I take this opportunity to thanks customers of Kalptaru Papers, its suppliers, the management team and dedicated work force, who always put interest of the company before their and their soul in all efforts to make dream of the Company come true.

Thank You.

Jaikishan B. Gupta
Ahmedabad

23RD ANNUAL REPORT 2010-2011

BOARD OF DIRECTORS

Shri Jaikishan B. Gupta	- Chairman
Shri Naveen J. Gupta	- Managing Director
Shri Pareshbabu Pandya	- Director
Shri Pinakin P. Patel	- Director
Shri Ramesh Chand	- Additional Director wef 30.07.2011
Shri Arpit J. Gupta	- Additional Director wef 29.01.2011

COMPANY SECRETARY

Ms. Veenita Gehlot

AUDIT COMMITTEE

Shri Pareshbabu Pandya
Shri Ramesh Chand
Shri Pinakin M. Patel

STATUTORY AUDITOR

V. D. Aggarwal & Co.
Chartered Accountants, Delhi

BANKER

Indian Overseas Bank
Stadium Road Branch, Ahmedabad

SHAREHOLDERS' AND INVESTORS' GRIEVANCE COMMITTEE

Shri Jaikishan B. Gupta
Shri Naveen J. Gupta

REGISTRARS AND 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 :

211 Sudarshan Complex,
Near Mithakhali Under Bridge, Navrangpura,
Ahmedabad-380009 Tel.: 079-26465179
E-mail: ahmedabad@linkintime.co.in

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REGISTERED OFFICE

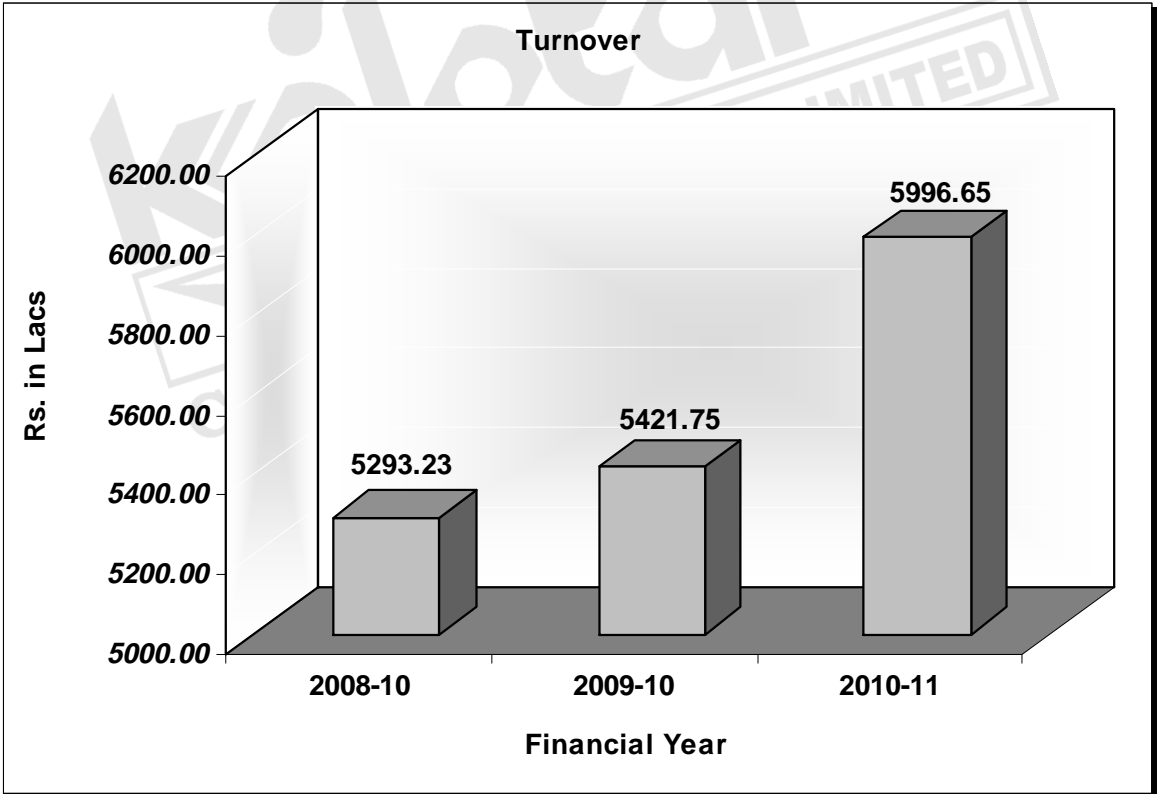
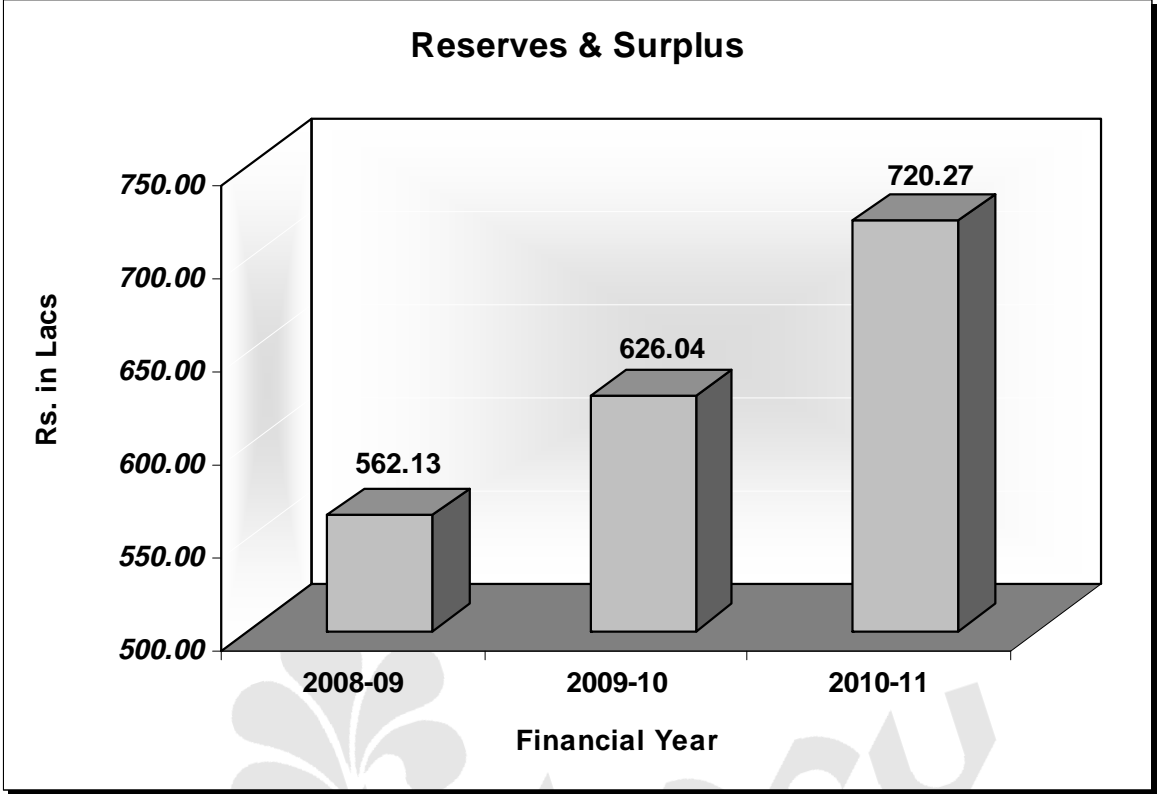
701, Avdhesh House, Opp. Gurudwara,
Near Thaltej Cross Road, Ahmedabad-380054
Tel.: 079 26858510/511
Fax : 079 30171202
E-mail : contact@kalptaru.co.in
Website : www.kalptaru.co.in

HEAD OFFICE

C 8/10, Model Town, Delhi-110009

WORKS

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





Important Communication to Shareholders
“GREEN INITIATIVE IN THE CORPORATE GOVERNANCE”

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

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

Please note that you will be entitled to be furnished, free of cost, with a physical copy of the notice, balance sheet and all other documents required by law to be attached thereto including the profit & loss account and auditors’ report etc., upon receipt of a requisition from you, any time, as a member of the Company. We are sure you would appreciate the “Green Initiative” taken by MCA and your Company’s desire to participate in such initiatives.

EMAIL ADDRESS REGISTRATION FORM

(For members who holds shares in Physical Forms)

KALPTARU PAPERS LIMITED

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 : _____

E-mail 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 _____, 2011.

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. 211, Sudarshan Complex, Near Mithakhali Underbridge, Navrangpra, Ahmedabad -380009 Tele fax : 079-26465179
- 2) Members are also requested to inform about any change in their email ID immediately to RTA.
- 3) This form is also available on the Company’s website www.kalptaru.co.in

NOTICE

NOTICE is hereby given that the 23rd Annual General Meeting of the Members of M/s. Kalptaru Papers Limited will be held on Wednesday, 28th day of September, 2011 at 10:30 a.m. at the Registered Office of the Company situated at 701, Avdhesh House, Opp. Gurudwara, Nr. Thaltej Cross Road, 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 2011, and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Jaikishan B. Gupta, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Pinakin M. Patel, 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 the 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 A SPECIAL RESOLUTION

RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), the Articles of Association of the Company be altered as follows :

The following new Article No. 216-A is being added after the existing Article No. 216

216-A - Service of notices / documents to member

The Company may serve any notices and / or documents, specifically physical copy of Annual Report of the Company

comprising of Balance Sheet, Profit and Loss Account, Director's Report, Auditor's Report, to the members of the Company through e-mail, who register their e-mail addresses with the Company from time to time. In case any member has not registered e-mail with the Company, the same will be sent by other modes of service as provided under Section 53 of the Companies Act, 1956.

The Article No.127-B is being added after the existing Article No.127-A

127-B : Electronic platform of agencies for electronic voting process

The Company may use electronic platform of agencies duly approved by the Ministry of Corporate Affairs (MCA), for capturing accurate electronic voting process as per section 192A of the Companies Act 1956 read with Companies (Passing of resolution by Postal Ballot) Rules 2011.

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

“**RESOLVED THAT** Shri Ramesh Chand who was appointed as an Additional Director of the Company by the Board of Directors and who holds office as per Section 260 of the Companies Act, 1956, up to the date of this Annual General Meeting and in respect of whom the company has, pursuant to Section 257 of the Companies Act, 1956 received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a director of the Company, liable to retire by rotation.”

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

“**RESOLVED THAT** Shri Arpit J. Gupta who was appointed as an Additional Director of the Company by the Board of Directors and who holds office as per Section 260 of the Companies Act, 1956, up to the date of this Annual General Meeting and in respect of whom the company has, pursuant to Section 257 of the Companies Act, 1956 received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a director of the Company, liable to retire by rotation.”

Regd. Office:

701, Avdhesh House,
Opp. Gurudwara,
Nr. Thaltej Cross Road,
Ahmedabad – 380054
Gujarat

Date: 24th August, 2011

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, SUCH 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, 6 and 7 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, 23rd day of September, 2011 To Wednesday, 28th day of September, 2011 (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 2010-11, circulated to the members of the Company, will also be uploaded on the Company's website **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.

Regd. Office:

701, Avdhesh House,
Opp. Gurudwara,
Nr. Thaltej Cross Road,
Ahmedabad – 380054
Gujarat
Date: 24th August, 2011

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 Jaikishan Gupta
Qualification	Graduate from Delhi University
Experience	He has experience of more than three decades in marketing and manufacturing papers and its allied products, products of 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.- Chairman & Managing Director. Kalptaru Fincap Limited Kalptaru Infosoft Pvt. Ltd. Kalptaru Insurance Brokers Limited- Managing Director.
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 Jaikishan B. Gupta, Chairman of the Company is father of Shri Naveen J.Gupta- Managing Director and Shri Arpit J. Gupta - Additional Director of the Company.

Item No 3

Name	Shri Pinakin Mahipatlal Patel
Qualification	Commerce Graduate
Experience	He has vast experience in trading of paper of different varieties, grades etc
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	Nil
Disclosure of the relationships	Shri Pinakin M. Patel is not, in any way, concerned / interested / related with any of the other directors of the company.

Item No 6

Name	Shri Ramesh Chand
Qualification	Graduate in business administration
Experience	He has more than two decades of experience in accounting and administration field.
Other directorship	None
Chairman / Member of the Committees of the Board of the other companies on which he is a director	None
No. of shares held in the company	NIL
Disclosure of the relationships	Shri Ramesh Chand is not, in any way, concerned / interested / related with any of the other directors of the company.

Item No 7

Name	Shri Arpit Jaikishan Gupta
Qualification	Commerce Graduate
Experience	He is young entrepreneur having more than 5 years experience in manufacturing of products of ferrous and non ferrous metals, trading of paper products etc .
Other Directorship	Kalptaru Alloys Pvt. Ltd 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	29,134 Equity Shares of ₹10 each
Disclosure of the relationships	Shri Arpit Jaikishan Gupta is son of Shri Jaikishan Gupta, Chairman and younger brother of Shri Naveen Gupta, Managing Director.

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

The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the companies through electronic mode by way of Circular No.17/2011 dated 21/04/2011, Circular No.18/2011 dated 29/04/2011 and Companies (Passing of the Resolution by Postal Ballot) Rules, 2011.

The Ministry of Corporate Affairs vide its Circular No.17/2011 dated 21/04/2011 has clarified that a company would have complied with Section 53 of the Companies Act, 1956 if the service of document has been made through electronic mode provided the company has obtained e-mail by giving an advance opportunity to every shareholders to register their e-mail address and changes therein from time to time with the Company. In case where any member has not registered his e-mail address with the company, the service of document etc will be effected by other modes of service as provide under Section 53 of the Companies Act, 1956.

The Ministry of Corporate Affairs vide its Circular No.18/2011 dated 29/04/2011 has clarified that the company would be in compliance of Sections 219(1) of the Companies Act, 1956 in case, a copy of Balance Sheet etc., is sent by electronic mail to its member subject to the fact that company has obtained –

- e-mail address of its member for sending the Notice with Balance Sheet, Profit & Loss Account, Auditor's Report, Director's Report and Explanatory Statement etc through e-mail, after giving an advance opportunity to the member to register his e-mail address and changes therein from time to time with the company or with the concerned depository.
- Company's website display full text of these documents well in advance prior to mandatory period and issue advertisement in prominent newspapers in both vernacular and English stating that the copies of aforesaid documents are available in the website and for inspection at the Registered Office of the Company during office hours. Website must be designed in a way so that documents can be opened easily and quickly.
- In cases where any member(s) has not registered his e-mail address for receiving the Balance Sheet etc through e-mail, the Balance Sheet etc, will be sent by other modes of services as provided under Section 53 of the Companies Act, 1956.
- In case any member(s) insist for physical copies of above documents, the same should be sent to him physically, by post free of cost.

Further, the Ministry of Corporate Affairs vide its Circular No.21/2011 dated 02/05/2011 has approved appointment of agency for providing electronic platform for electronic voting under the Companies Act, 1956.

In compliance of and be a part of the “Green Initiative in the Corporate Governance” of the Ministry of Corporate Affairs by allowing paperless compliances by the companies through electronic mode by way of Circular No.17/2011 dated 21/04/2011, Circular No.18/2011 dated 29/04/2011, Circular No.21/2011 dated 02/05/2011 and Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, the Company is required to alter its articles of association incorporating the enabling provisions of these initiatives by way of adding new Article No.216-A after existing Articles No.216 and adding new Article No.127-B after existing Article No.127-A.

Pursuant to Section 31 of the Companies Act, 1956 the alteration in the Articles of Association require special resolution to be passed in the General Meeting.

The Special Resolution at Item No 5 of the Notice seeks the approval of the members. Your directors recommend the resolution to the shareholders for adoption.

None of the Directors of the Company is, in any way, concerned or interested in the resolution.

ITEM NO 6

Shri Ramesh Chand was appointed as an Additional Director by the Board of Directors of the Company at its meeting held on 30th day of July , 2011 in terms of section 260 of the Companies Act, 1956 (“the Act”) and he shall hold office up to the date of the forthcoming Annual General Meeting of the Company. The Company has received valid notice and requisite deposit from members of the Company under Section 257 of the Act, proposing the candidature of Shri Ramesh Chand for the office of Director. In view of the background and valuable experience of Shri Ramesh Chand it will be in the interest of the Company to appoint him as Director of the Company.

Your director recommends the resolution for approval of the members.

Shri Ramesh Chand is interested in the resolution as it relates to his appointment. None of the other directors of the Company is, in any way, concerned or interested in the resolution.

ITEM NO 7

Shri Arpit J. Gupta was appointed as an Additional Director by the Board of Directors of the Company at its meeting held on 29th day of January, 2011 in terms of section 260 of the Companies Act, 1956 (“the Act”) and he shall hold office up to the date of the Annual General Meeting of the Company. The Company has received valid notice and requisite deposit from members of the Company under Section 257 of the Act, proposing the candidature of Shri Arpit J. Gupta for the office of director. In view of the background and valuable experience of Arpit J. Gupta it will be in the interest of the Company to appoint him as director of the Company.

Your director recommends the resolution for approval of the members.

Beside Shri Arpit J. Gupta, Shri Jaikishan B. Gupta being father and Shri Naveen J. Gupta, brother are interested in the resolution relating to his appointment. He holds 29134 Equity Shares of the Company.

No other Director of the Company other than those mentioned above is, in any way, concerned or interested in the resolution.

Regd. Office :

701, Avdhesh House,
Opp. Gurudwara,
Near Thaltej Cross Road,
Ahmedabad-380054, Gujarat
Date : 24th August, 2011

By Order of the Board
For, Kalptaru Papers Limited

Jaikishan B. Gupta
Chairman

DIRECTORS' REPORT

To,
The Members,
Kalptaru Papers Limited,
Ahmedabad.

Your directors have pleasure in presenting herewith their 23rd Annual Report together with the Audited Statements of Accounts for the period ended on 31st March, 2011.

PERFORMANCE HIGHLIGHTS:

Particulars	(₹ in Lac)	
	Current year Ended on 31/03/2011	Previous year Ended on 31/03/2010
Turnover	5981.15	5510.41
Other Income	15.50	39.63
Profit before Taxation	159.63	100.35
Deferred Tax Credit	-50.60	-29.69
Adjustments relating to previous year	-2.25	-6.74
Net Profit during the year	94.23	63.91
Balance Brought Forward	533.89	469.97
Balance carried to Balance Sheet	628.13	533.88

DIVIDEND:

To conserve the resources for the expansion projects under pipeline and inadequate profits, your directors do not recommend any dividend for the financial year ended on 31st March, 2011.

BUSINESS PERFORMANCE & PROSPECTS:

During the year under report, the company has a turnover of ₹ 5981.15 Lac as compared to ₹ 5510.41 Lac during the previous year and the operations for the year under review has resulted into net profit of ₹ 94.23 Lac as compared to previous year's profit of ₹ 63.91 Lac.

Your company could achieve sustained growth in business due to continued 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 even better performance during the current year.

Paper Machine No.3

Your Company has installed Paper Machine No.3 imported from Canada for manufacturing of light GSM Papers like tissue papers, OTC papers, electric grade papers etc. and these products have good export potential. The trial production has commenced during this year. The Directors are confident that this will increase the qualitative and quantitative turnover of the company which in turn results into high profitability in coming years.

A detailed analysis of the financial results is given in the Management Discussion and Analysis Report, which forms

part of this Report.

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

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's 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 close 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:

During the year ended on 31st March 2011, the Company has not accepted any deposit from the public within the meaning 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.

**LAUNCHING OF COMPANY'S OWN WEBSITE
www.kalptaru.co.in :**

Shri Jaikishan B. Gupta, Chairman of the Company launch the Company's own functional website www.kalptaru.co.in on 24th August, 2011. The Board of Directors placed on record the initiative taken by Shri Arpit J. Gupta one of the youngest and dynamic director of the Company to develop the website of the company.

All the stakeholders will be immensely benefited to have access all the related information relating to the company namely details of business, financial information, shareholding pattern, compliance with corporate governance, contact information of the designated officials of the company who are responsible for assisting and handling investor grievances, details of agreements, if any, entered into with the media companies and/or their associates, etc.

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 Jaikishan B. Gupta and Shri Pinakin M. Patel retires by rotation at the forthcoming Annual General Meeting and being eligible offers themselves for re-appointment.

The Board of Directors at its meeting held on 29th January, 2011 have appointed Shri Arpit J. Gupta as Additional Director of the company w.e.f.29/01/2011 and Mr. Ramesh Chand as Additional Director of the company w.e.f. 30/07/2011 at its meeting held on 30th July 2011.

Shri Mitesh S. Shah has resigned as Director of the company w.e.f.15/05/2010.The Board express its appreciation for the services rendered by him during his tenure with the Company.

Shri Satish Kumar Singhal, was appointed as Additional Director on 29th January 2011, he resigned from Directorship wef 30.07.2011.

RECONSTITUTION OF AUDIT COMMITTEE :

The Board of directors of the company at its meeting held on 24th August, 2011 has re-constituted the Audit Committee comprising three Independent Non-Executive Directors viz. Shri Pareshbabu Pandya, Ex-Chairman, Shri Ramesh Chand and Shri Pinakin M. Patel. 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.

Shri Ramesh Chand (having financial and accounting knowledge) was appointed as Chairman of the Audit Committee as Shri Pareshbabu Pandya has expressed his willingness to continue as Member of the Committee.

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

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 (96.34% of shares in demat, 3.66 % 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 on Accounts referred to the Auditor's Report are self explanatory and, therefore do not call for any further explanation.

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, 2011, 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, 2011, 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.

INSURANCE:

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

APPOINTMENT OF COST AUDITOR :

Your Directors are in process of appointing a Cost Auditor of the Company to get its cost record audited under Section 233B(1) of the Companies Act, 1956 for the Financial Year 2011-12 under revised procedure prescribed in general Circular No.15/2011 dated 11/04/2011 issued by Cost Audit Branch – CAB, Ministry of Corporate Affairs.

ACKNOWLEDGEMENT:

Your Directors place on record their sincere appreciation for the continued support from Shareholders, customers, Banks, Suppliers, other business associates and employees .

Regd. Office:

701, Avdhesh House,
Opp : Gurudwara,
Nr. Thaltej Cross Road,
Ahmedabad – 380054
Gujarat
Date: 24th August, 2011

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, 2011.

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 effort 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 has to survive and keep pace with others in the changed environment.

Keeping in view the above, a new boiler has been installed with latest automation instruments to save power and fuel.

III FOREIGN EXCHANGE EARNINGS AND OUTGO:

	2010-11	2009-10
Foreign exchange earned	: ₹ NIL	₹ NIL
Foreign exchange outgo (Traveling)	: ₹ 2,96,344	₹ 2,30,862

FORM A

(DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY)

Particulars	2010-2011	2009-2010
(A) Power and Fuel Consumption :		
1. Electricity		
Purchased Power (units)	6,734,831	7,518,990.00
Total Amount	44,143,742	48,088,990.81
Rate (unit)	6.55	6.40
2. Boiler Fuel		
Quantity (kg)	15,272,690	17,844,813.00
Total Amount	43,816,105	40,068,989.82
Average Rate (kg)	2.87	2.25
3. (a) LNG Gas		
In SCM	1,641,136.09	2,203,456.00
In ₹	31,905,671.89	37,742,054.19
Average Rate	19.44	17.13
Total Units	5,844,240	8,963,740.00
Rate per Unit	5.46	4.21
(b) L.E.O.		
In Liters	NIL	NIL
In ₹	NIL	NIL
Average Rate	NIL	NIL
Total Units	NIL	NIL
Rate per Unit	NIL	NIL
(c) Furnace Oil		
In Liters	NIL	NIL
In ₹	NIL	NIL
Average Rate	NIL	NIL
Total Units	NIL	NIL
Rate per Unit	NIL	NIL
(B) Consumption per unit of production :		
Electricity (Unit)	0.426	0.58
Coal (kg)	0.517	0.62

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A. BUSINESS HIGHLIGHTS :

Turnover :

Kalptaru Papers Limited has achieved a turnover of ₹ 5981.15 Lac in 2010-2011 as against ₹ 5510.41 Lac during the previous year recording an increase of over 8.54% .

Other Income:

Other income mainly consists of sales of scrap, profit on sales of assets, etc. Other income for the year amounted to ₹ 15.50 Lac as against ₹ 39.63 Lac during the previous year.

Material Costs :

Purchase costs include raw material consumption for the year was ₹ 3512.79 Lac as against ₹ 3138.06 Lac during the previous year. Inventory of raw materials has gone up during the year by ₹ 48.49 Lac. Work in progress has increased by ₹ 0.048 Lac.

Manufacturing Expenses :

Purchase Cost also includes manufacturing expenses mainly comprises Power & Fuel ₹ 760.43 Lac, repairs & maintenance ₹ 5.02 Lac, as against ₹ 4.72 Lac during the previous year.

Employee Emoluments:

Employee's emoluments (other than managerial remuneration) have increased to ₹ 56.33 Lac during the year as against ₹ 46.79 Lac during the previous year. This increase is mainly due to higher increase given to employees.

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 ₹ 119.37 Lac as against ₹ 122.80 Lac during the previous year. This expenses accounted for 2% of sales during the year as against 2.23 % during the previous year.

Interest and Finance Charges:

Interest and finance charges during the year come to ₹ 353.26 Lac as against ₹ 272.54 Lac during the previous year.

Depreciation :

Depreciation charge for the current year came to ₹ 1373.70 Lac as against ₹ 1131.09 Lac during the previous year. Addition to fixed assets during the year was ₹ 156.41 Lac.

Provision for Tax :

Provision made during the year towards current tax as ₹ 12.55 Lacs.

Profit after Tax :

Net profit during the year was ₹ 94.23 Lac as against ₹ 63.91 Lac during the previous year.

Financial Condition:

Secured loans:

Secured loans stood at ₹ 2578.42 Lac as at 31st March, 2011 as against ₹ 2563.31 Lac as at 31st March, 2010.

Unsecured Loans :

Unsecured loans as on 31st March, 2011 were at ₹ 989.64 Lac as against ₹ 1019.04 Lac as on 31st March, 2010.

Inventories :

Major items of inventories as of 31st March, 2011 are as under :

Particulars	2010-2011	2009-2010
Raw Materials	128.20	79.72
Work in process	3.24	2.76
Finished goods	84.98	45.08

Debtors :

Debtors as on 31st March, 2010 amounted to ₹ 972.21 Lac as against ₹ 1012.38 Lac during the previous year.

Fixed Assets :

Gross block of the fixed assets at the end of the year increased to ₹ 6,094.79 Lac compared to previous year's figure of ₹ 5,938.38 Lac.

B. SEGMENT WISE PERFORMANCE :

The company is operating in only one segment i.e. paper. The production of craft paper is 83.78% and of news print paper is only 16.06% of total production. There are 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.

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 have 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.

C. 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.

D. 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.

E. 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.

F. 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 151 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 :

Corporate Governance helps to serve corporate purposes by providing a framework within which stake holders can pursue the objectives of the organization most effectively. 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. The company's essential character revolves around values based on transparency, integrity, professionalism and accountability. 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 present Board of Directors consists of 3(three) non-executive / independent directors. As of date, the Board Comprises of 1(one) whole time / executive director and 2(two) executive directors and 3(three) independent / Non-Executive directors.

The number of non-executive/independent directors is 50% 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 Shri Arpit J. Gupta, Additional Director
Independent & Non-Executive Directors	Shri Pareshbabu Pandya, Director Shri Pinakin M. Patel, Director Shri Ramesh Chand, Additional 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 & Shri Arpit Gupta, Additional Director of the Company.
Shri Naveen J. Gupta	Son of Shri Jaikishan Gupta, Chairman & Brother Shri Arpit Gupta, Additional Director of the Company .
Shri Arpit J. Gupta	Son of Shri Jaikishan Gupta, Chairman & Brother of Shri Naveen Gupta, Managing Director of the Company.
Shri Pareshbabu Pandya	Not, in any way, concern / interested / related with any of the other directors of the company.
Shri Pinakin M. Patel	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.



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 2009-2010 :

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	10	Present	3	1	None
Shri Jaikishan Gupta	9	Present	4	2	1
Shri Paresh Pandya	10	Present	None	1	1
Shri Pinakin Patel	10	Present	None	1	None
Shri Arpit J. Gupta *	1	NA	2	None	None
Shri Ramesh Chand **	NIL	NA	None	None	None

* Appointed as additional director w.e.f. 29/01/2011.

** Appointed as additional director w.e.f. 30/07/2011.

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

10 (Ten) Board Meeting were held during the year 2010-2011, as against the minimum requirement of 4 meetings. The dates on which the meetings were held are : 05/04/10, 15/05/10, 12/07/10, 30/07/10, 12/08/10, 31/08/10, 13/11/10, 31/12/10, 10/01/11 and 29/01/11.

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.

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 2010-2011:

Composition and procedure of Audit Committee

Audit Committee of the Company comprises two independent Non-Executive Directors viz. Shri Paresh Pandya, Chairman (having financial and accounting knowledge), Shri Pinakin M. Patel and one Non-Executive Promoter Director Shri Jaikishan Gupta. 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 no. of meeting attended by Committee members as mentioned as under :

Sr.No.	Name of the Member	Designation	No. of meeting attended
1	Shri Pareshbabu Pandya	Chairman	5
2.	Shri Pinakin Patel	Member	5
3.	Shri Jaikishan Gupta	Member	5

The necessary quorum was present at the meetings. There is no change in the composition of the Committee since the date of last Annual General Meeting (AGM).

Five meeting were held since last AGM. Dates of the meetings are 15/05/2010, 30/07/2010, 31/08/2010, 13/11/2010 and 29/01/2011.

Scope of Audit Committee

The Audit Committee oversees the work carried out in the financial reporting process by the management, including the Internal Auditors. The scope of activities of the Audit Committee is as set out in Clause 49 of the Listing Agreements entered with the Stock Exchanges read with Section 292A of the Companies Act, 1956 are mentioned as under:

1. Overseeing of the company's financial reporting process and the disclosure of its financial information;
2. Reviewing with the management, the annual financial statements before submission to the Board for approval.
3. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
4. Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems and internal audit function.
5. Discussion with internal auditors any significant findings and follow up there on.
6. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
7. Holding periodic discussions with the Statutory Auditors and Internal Auditors of the Company concerning the accounts of the Company, internal control systems, scope of audit and observations of the Auditors/ internal Auditors;
8. Recommending the Board on any matter relating to the financial management of the Company, including Statutory & Internal Audit Reports;
9. Such other matters as may be necessary in course of performing their functions.

The Chairman of the Committee attended the previous Annual General Meeting of the Company held on 29th September, 2010.

The Secretary to the Company acts as a Secretary to the Committee. The Internal Auditors, Managing Director, DGM-Finance & Accounts are invited to attend and participate at the meeting from time to time.

Powers of the Audit Committee:

The Audit Committee has powers that include the following:

- a) To investigate any activity of the Company within its terms of reference.
- b) To seek information from any employee
- c) To obtain outside legal and other professional advice
- d) 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 Jaikishan 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.

Fourteen meetings were held in year 2010-11. Dates of the meetings are 30/04/10, 15/05/10, 15/06/10, 15/07/10, 30/07/10, 31/08/10, 13/11/10, 30/11/10, 31/12/10, 29/01/11, 15/02/11, 28/02/11, 15/03/11 and 31/03/11.

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 since the date of last Annual General Meeting (AGM).

None of the request for transfers, dematerialization and re-materialization was pending for approval as on 31st March, 2011.

Quarter-wise Summary of Investors' Complaints received and resolved to the satisfaction of the shareholders during the financial year 2010-2011.

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				
01/04/2010	30/06/2010	NIL	NIL	NIL	NIL
01/07/2010	30/09/2010	NIL	NIL	NIL	NIL
01/10/2010	31/12/2010	NIL	NIL	NIL	NIL
01/01/2011	31/03/2011	NIL	NIL	NIL	NIL
Total					
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
2007-08	701, Avdhesh House, Opp. Gurudwara, Nr. Thaltej Cross Road, Ahmedabad – 380054	29/09/2008	10:00 a.m.
2008-09	701, Avdhesh House, Opp. Gurudwara, Nr. Thaltej Cross Road, Ahmedabad – 380054	29/09/2009	10:00 a.m.
2009-10	701, Avdhesh House, Opp. Gurudwara, Nr. Thaltej Cross Road, Ahmedabad – 380054	29/09/2010	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 : Yes
- (b) Were put through Postal Ballot last year : Yes
- (c) Are proposed to be conducted through postal ballot : No

Details of Resolutions passed by way of Postal Ballot during the year 2010-2011

Date of notice of Postal Ballot : 10Th January, 2011.

Date of declaration of result : 15/03/2011.

Particulars	Special Resolution for alteration of Object Clause of the Memorandum of Association by insertion of Clauses 30, 31 and 32 after Clause 29 of Clause III – C (Other Objects) of the Memorandum of Association of the Company.	Special Resolution for commencement and undertaking of activities as inserted by Clauses 30, 31 and 32 after Clause 29 of Clause III – C (Other Objects) of the Memorandum of Association of the Company.	Special Resolution to authorize the Board of Directors of the Company to make or provide any security(ies) in connection with any loan(s) made to and/or acquire by subscription, purchase or otherwise security-(ies) of any Body Corporate up to a limit not exceeding ₹100 Crores.	Ordinary Resolution to authorize the Board of Directors of the Company for borrowing from time to time any sum or sums of moneys on such terms and conditions and with or without security as provided that the total amount of money/moneys so borrowed by the Board shall not at any time exceed the limit of ₹ 100 Crores (Rupees One Hundred Crores.)	Ordinary Resolution to authorize the Board of Directors of the Company for mortgaging and/or charging in such form and manner and on such terms and at such time(s) as the Board may deem fit, any of all of the immovable and movable properties of the Company up to a sum in aggregate not exceeding ₹ 100 Crores (Rupees One Hundred Crores only.)
No. of valid votes polled	2667414	2667414	2667414	2667414	2667414
Votes cast in favour of the resolution	2667264	2667264	2667264	2663128	2667264
Votes cast against the resolution	150	150	150	4286	150
% votes in favour of the resolution	99.99	99.99	99.99	99.84	99.99
% votes against the resolution	0.01	0.01	0.01	0.16	0.01

The Postal Ballot exercise was conducted by Mr. Ashok P. Pathak, Company Secretary in practice, scrutinizer appointed by the Company.

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 2010-2011 Related party transactions have been disclosed in the Notes to the Annual Accounts of the Company for the year ended 31st March, 2011.
- 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 regularly intimates quarterly un-audited as well as yearly audited financial results to the Stock Exchanges, immediately after the same are taken on record by the Board. These results are normally published in "The Western Times" English daily and also in its Gujarati edition. These are not sent individually to the 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.

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

9. General Shareholder Information :

9.1 23rd Annual General Meeting

Date : 28th day of September, 2011

Time : 10:30 a.m.

Venue : 701, Avdhesh House, Opp. Gurudwara, Nr. Thaltej Cross Road, 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 28th September, 2011.

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, 23rd day of September, 2011 to Wednesday, 28th day of September, 2011 (both days inclusive), for the Annual General Meeting scheduled to be held on 28th September, 2011.

9.4 Listing on Stock Exchanges :

Bombay Stock Exchange Limited,

9.5 Stock Code

Bombay Stock Exchange Limited : **590036**

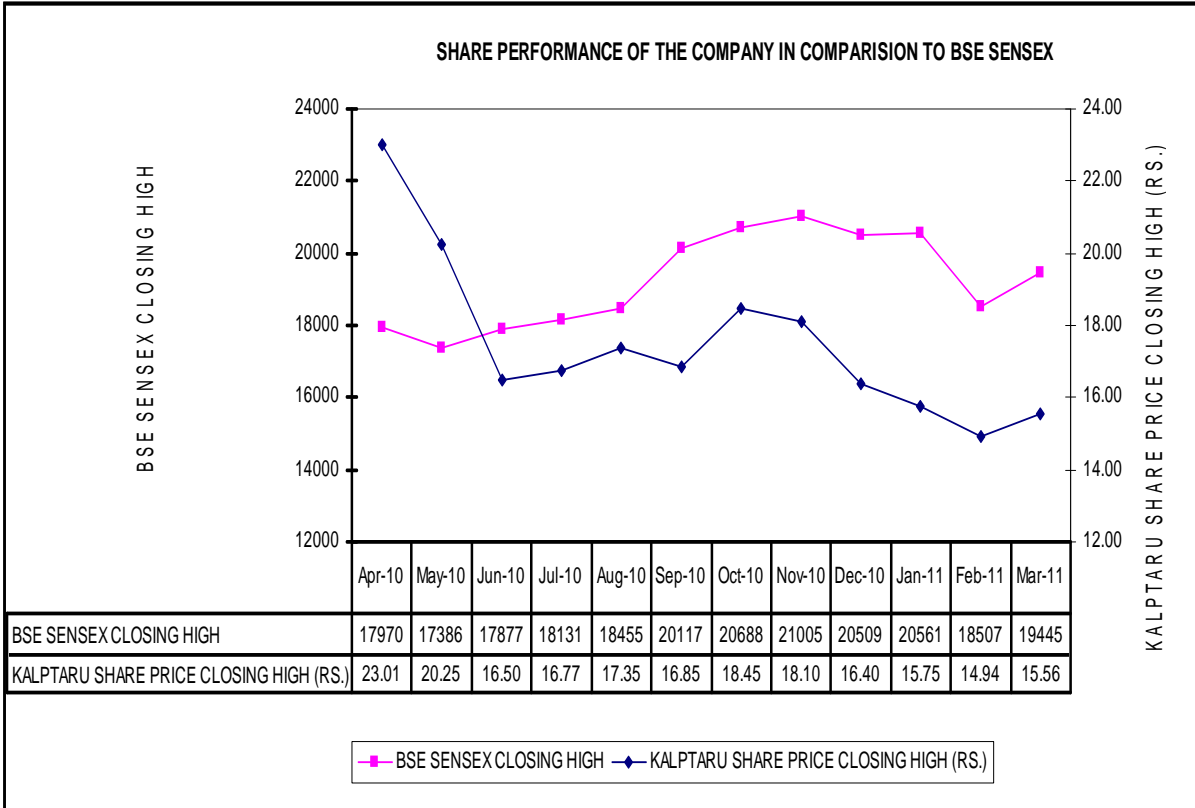
Demat ISIN Number in NSDL & CDSL for Equity Shares : **INE783C01019**

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, 2010	23.01	14.00	255341
May, 2010	20.25	13.85	64160
June, 2010	16.50	14.35	35865
July, 2010	16.77	14.50	52453
August, 2010	17.35	14.75	79243
September, 2010	16.85	14.85	91750
October, 2010	18.45	16.20	137916
November, 2010	18.10	15.75	29805
December, 2010	16.40	13.90	18151
January, 2011	15.75	13.00	25331
February, 2011	14.94	11.50	13126
March, 2011	15.56	11.61	156285
Total			959426

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:

211 Sudarshan Complex, Near Mithakhali Under Bridge, Navrangpura, 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 Distribution Schedule and Shareholding Pattern as on 31st March, 2011

Distribution Schedule

No. of equity shares held	No. of holders	%	No. of Shares	% of Total
1 - 500	1828	80.96	272883	3.11
501 - 1000	186	8.24	154080	3.44
1001 - 2000	99	4.38	161926	3.62
2001 - 3000	44	1.95	110273	2.47
3001 - 4000	13	0.57	45545	1.02
4001 - 5000	21	0.93	98883	2.21
5001 - 10000	25	1.11	182161	4.08
10001 and Above	42	1.86	3442369	77.04
Total	2258	100.00	4468120	100.00

Shareholding Pattern :

No.	Category	As on March 31, 2011		As on March 31, 2010	
		Nos. of Shares held	Voting Strength %	Nos. of Shares held	Voting Strength %
1	Promoters	2655308	59.43	2655308	59.43
2	Mutual Fund & UTI	0	0.00	0	0.00
3	Bank, Financial Institutions (FI's), Insurance Companies	0	0.00	0	0.00
4	Foreign Institutional Investors (FII's)	0	0.00	0	0.00
5	Private Bodies Corporate	215795	4.82	309800	6.93
6	Indian Public	1513748	33.88	1465266	32.79
7	Any other (i) Non Resident Indian (ii) Clearing Member	34305 48964	0.77 1.10	36160 1586	0.81 0.04
	Total	4468120	100.00	4468120	100.00

9.11 Dematerialization of Shares and Liquidity :

The Company's Shares are in compulsory De-mate segment and as on 31st March, 2011, Equity Shares of the Company forming 96.34% of the company's paid - up Equity share capital is in dematerialized form. Company's shares are easily traded on Bombay Stock Exchange Limited.

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

- Not applicable.

9.13 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.

9.14 Plant Location :

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

9.15 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, Nr. Thaltej Cross Road, Ahmedabad – 380054 Tel.: 079 26858510/511, Fax : 079 26857590 e-mail : investors@kalptaru.co.in

9.16 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.

SECRETARIAL COMPLIANCE CERTIFICATE

CIN – L21019GJ1988PLC040325

Nominal Capital : ₹ 100,000,000

To,

The Members

KALPTARU PAPERS LIMITED

701, Avdhesh House, Opp. Gurudwara, Nr. 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, 2011** (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 within the time prescribed 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 10 (Ten) times respectively on 05/04/2010, 15/05/2010, 12/07/2010, 30/07/2010, 12/08/2010, 31/08/2010, 13/11/2010, 31/12/2010, 10/01/2011, 29/01/2011 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed, in the Minutes Book maintained for the purpose.
5. The company has close its Register of Members from Thursday, 23rd day of September, 2010 to Wednesday, 29th day of September, 2010 (both days inclusive).
6. The annual general meeting for the financial year ended on 31st March 2010 was held on Wednesday, 29th day of September, 2010 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. As per the information and explanation provided to us, the company has not advanced any loans to its directors or persons or firms or companies referred to under section 295 of the Act.
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) not required to transferred the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.
 - (v) duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the company is duly constituted. The Company has appointed Shri. Arpit Jaikishan Gupta as Additional Director w.e.f.29/01/2011 by way of Resolution passed in the Board meeting held on 29/01/2011. Shri Mitesh S. Shah has resigned as Director of the company w.e.f.15/05/2010. Shri Satish Kumar Singhal, was appointed as Additional Director on 29th January 2011 and he has resigned from Directorship w.e.f 30/07/2011.
15. The company has not appointed any managing director / 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 not invited/accepted any deposits including any unsecured loans falling within the purview of section 58A during the financial year.
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 altered the provisions of the Memorandum with respect to the objects of the company to insert Clauses 30, 31 and 32 after Clause 29 of Clause III – C (Other Objects) by way of Special Resolution passed by means of Postal Ballots as per Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, as per Postal Ballots result declared on 15/03/2011.
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 review.
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 : 24.08.2011

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 : ₹100,000,000

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
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 : 24.08.2011

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, 2011.

FOR THE YEAR 2010-2011 (01/04/2010 To 31/03/2011)

REGISTRAR OF COMPANIES

Sr. No.	e-Form No.	Relevant Section	Description	Date of Document
1.	32	303(2)	Shri Mitesh S. Shah has resigned to act as Director of the company w.e.f.15/05/2010 vide resolution passed in the Board Meeting held on 15/05/2010.	21/06/2010
2.	23	192	Increase in monthly remuneration of Managing Director, Shri Naveen J. Gupta from ₹75,000 to ₹1,00,000 w.e.f.01/09/2010 vide Board Resolution passed on 31/08/2010.	03/09/2010
3.	66	383A	Compliance Certificate for the Financial Year ended on 31st March, 2010.	13/10/2010
4.	32	303(2)	To confirm Additional Director Mr. Pinakin M. Patel as regular Director w.e.f.29/09/2010 by ordinary resolution passed in the 22nd Annual General Meeting held on Wednesday, 29th day of September, 2010.	14/10/2010
5.	23 AC & 23 ACA	220	Balance Sheet, Profit & Loss Account, Auditors Report, Directors Report etc. for the Financial Year 2009-2010.	23/10/2010
6.	20B	159	Annual Return made up to the date of AGM held on Wednesday, 29th day of September, 2010.	27/11/2010
7.	CLSS	Pursuant to CLSS 2010	Application for issue of immunity certificate under the Company Law Settlement Scheme – CLSS, 2010 vide Board resolution dtd.13/11/2010.	14/12/2010
8.	32	303(2)	Appointment of Ms. Veenita Gehlot as Company Secretary cum Compliance Officer of the Company w.e.f.01/01/2011 by passing Board Resolution dtd.10/01/2011.	12/01/2011
9.	62	192A read with Companies (Passing of Resolution by Postal Ballot) Rules, 2001.	Intimation to ROC of resolutions passed at the meeting of the Board of Directors held on 10/01/2011 to conduct a Postal Ballot to seek the approval of the Members of the Company by Special Resolutions under Section 17, Section 149(2A) and Section 372A, and by Ordinary Resolutions under Section 293(1)(d) and Section 293(1)(a) of the Companies Act, 1956.	19/01/2011
10.	8	135	4th Modification of Charge ID-80041671 by way of Supplemental Letter of Hypothecation dated 18/01/2011 executed by the company in favour of Indian Overseas Bank, Stadium Road Branch to secure aggregate credit facilities of '37.06 Crore.	02/02/2011
11.	8	135	4th Modification of Charge ID-90096891 by way of Fourth Supplemental Memorandum of Deposit of Title Deeds dated 29/01/2011 executed by the company in favour of Indian Overseas Bank, Stadium Road Branch to secure aggregate credit facilities of ₹ 37.06 Crore.	08/02/2011
12.	32	303(2)	Shri Arpit Jaikishan Gupta was appointed as Additional Director w.e.f.29/01/2011 and Shri. Satish Kumar Singhal was appointed as Additional, Independent & Non Executive Director by way of resolutions passed at the Board Meeting held on 29th January 2011.	25/02/2011
13.	23	192	Resolutions, as enumerated here in below, were passed by means of Postal Ballot as per Section 192A of the Companies Act, 1956 read with the Companies (Passing of resolution by Postal Ballot) Rules, 2001 as per Postal Ballot result declared on 15th March, 2011 :	28/03/2011



			<p>a) Alteration in Memorandum of Association by way of insertion of new clauses 30, 31 and 32 after Clause 29 of Clause III -C (Other Objects) pursuant to Section 17 – Special Resolution</p> <p>b) To commence business as mentioned in newly inserted clauses 30, 31 and 32 of Clause III -C (Other Objects) of the Memorandum of Association of the Company pursuant to Section 149(2A) – Special Resolution</p> <p>c) Authority to Board to make loans and/or give any guarantee(s), provide any security(ies) in connection with any loan(s) made to and/or acquire by subscription, purchase or otherwise security(ies) of any Body Corporate up to a limit not exceeding ₹100 Crores not withstanding that the aggregate of loan, guarantee or securities given so far or to be given to and/or securities so far acquired or to be acquired in all body corporate may exceed the limit prescribed under the Section 372A –Special Resolution</p> <p>d) Authority to Board to borrow from time to time any sum or sums of moneys on such terms and conditions and with or without security as the Board of Directors may think fit which, together with the moneys already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), may exceed the aggregate for the time being of the paid-up capital of the Company and its free reserves not to exceed ₹100 Crores pursuant to Section 293(1)(d) – Ordinary Resolution</p> <p>e) Authority to Board to mortgaging and/or charging any of all of the immovable and movable properties of the Company, present or future or the whole or substantially the whole of the undertaking of the company wherever situated, in favour of any lender or lenders to secure working capital facilities, rupee term loans or other financial assistance or credit facilities, obtained or that may be obtained by the Company not exceeding ₹100 Crores pursuant to Section 293(1)(a) – Ordinary Resolution</p>	
14.	20A	149(2A)(ii)	Declaration of Compliance with the provisions of Section 149(2A) for commencement of New Business under Sub Clauses 30, 31 and 32 in Clause III-C (Other Objects) of Memorandum of Association as per Postal Ballot result declared on 15/03/2011.	28/03/2011
<p>REGIONAL DIRECTOR NIL</p> <p>CENTRAL GOVERNMENT & OTHER AUTHORITIES NIL</p>				

Place : Ahmedabad
Date : 24.08.2011

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

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, 2011 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 there of, 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 : 24.08.2011

Partner
Membership No. 517463

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, Nr. Thaltej Cross Road, 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, 2011 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 2010-2011 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 : 24.08.2011

Naveen J. Gupta
Managing Director

AUDITOR'S REPORT

To,
The Shareholders of
KALPTARU PAPERS LIMITED

We have audited the attached Balance Sheet of **KALPTARU PAPERS LIMITED** as at 31st March 2011 and the Profit & Loss Account and also the Cash Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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.

Further to our comments in the Annexure referred to above, 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 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, 2011 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.
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, 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 the Balance Sheet, of the state of affairs of the company as at 31st March, 2011; and
 - (ii) In the case of the Profit & Loss Account, of the profit for the year ended on that date.
 - (iii) In case of Cash Flow Statement, of the cash flow for the year ended on that date.

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

CA RANJEET KESARWANI
(PARTNER)

Membership No. 407741
FRN No. 008332N

Place : Ahmedabad
Date : 24.08.2011

ANNEXURE TO THE AUDITOR'S REPORT

(Annexure referred to in paragraph (1) of our report of even date as on 31st March 2011)

- 1) a) i) The company has maintained proper records showing full particulars including quantitative details & situation of fixed assets.
- b) iii) 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) iii) 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) i) 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) i) 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.
- ii) No discrepancies noticed on verification between physical stock and the book records.
- 2) a) ii) 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 (₹)
5	139,096,500.00	53,977,000.00

- iii) The company has granted secured or unsecured loan to companies, firms 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 (₹)
1	850,000.00	NIL

- b) ii) 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.
- c) i) Stipulations regarding repayment of principal amount have not been made. However loans are repayable on demand, as we have been explained.
- d) iii) 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 ₹ 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) a) ii) In our opinion and according to information and explanations given to us the company has not accepted any 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) a) ii) 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) ii) According to information & explanations given to us an amount of ₹149410 in respect of sales tax is disputed & appeal for the same is still pending with Gujarat 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.	149,410	Gujarat Sales Tax Deptt.

10) a) ii) 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) a) i) According to information & explanations given to us the company has not defaulted in repayment of dues 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) a) i) 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) a) i) 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) a) i) 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) a) i) 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 RANJEET KESARWANI
(PARTNER)

Membership No. 407741
FRN No. 008332N

Place : Ahmedabad
Date : 24.08.2011

BALANCE SHEET AS AT 31ST MARCH, 2011

Particulars	Sch. No.	Figures for the Current Year Amount (₹)		Figures for the Previous Year Amount (₹)	
I SOURCES OF FUNDS					
1 Shareholder's funds:					
(a) Capital	1	44,681,200.00		44,681,200.00	
(b) Reserve and Surplus	2	72,027,284.05	116,708,484.05	62,604,270.56	107,285,470.56
2 Loan Funds:					
(a) Secured Loans	3	257,842,014.44		256,331,165.44	
(b) Unsecured Loans	4	98,963,701.00	356,805,715.44	101,904,051.00	358,235,216.44
3 Deferred Tax Liabilities (Net)	5		36,037,806.00		30,977,774.92
TOTAL			509,552,005.49		496,498,461.92
II APPLICATION OF FUNDS					
1 Fixed Assets					
(a) Gross Block	6	609,479,587.01		593,838,422.45	
(b) Less: Depreciation		137,370,538.33		113,108,533.11	
Net Block			472,109,048.68		480,729,889.34
Capital Work in Progress					
2 Investments	7		46,000.00		1,241,500.00
3 Deferred Tax Assets(Net)			—		—
4 Current Assets, Loans & Advances:					
(a) Inventories	8	53,633,414.31		37,013,150.36	
(b) Sundry Debtors		97,230,724.20		101,238,508.56	
(c) Cash and Bank Balances		6,288,478.84		3,441,518.20	
(d) Other Current Assets		—		—	
(e) Loans & Advances		42,752,355.65	199,904,973.00	42,604,212.07	184,297,389.19
Less: Current Liabilities & Provisions	9				
(a) Liabilities		161,209,775.19		165,476,566.61	
(b) Provisions		1,298,241.00	162,508,016.19	4,293,750.00	169,770,316.61
Net Current Assets			37,396,956.81		14,527,072.58
5 Misc. Expenditure			—		—
(To the extent not written off or adjusted)					
TOTAL			509,552,005.49		496,498,461.92

NOTES ON ACCOUNTS 20

Form 01 to 20 form an Integral Part of the Balance Sheet and Profit and Loss Account

Auditor's Report

As per our report of even date attached
For V. D. Aggarwal and Co.
Chartered Accountants

For and on behalf of the Board

CA Ranjeet Kesarwani
Partner
M.N:407741

Naveen Gupta
Managing Director

Jaikishan Gupta
Director

Place : Ahmedabad
Date : 24.08.2011

Veenita Gehlot
Company Secretary

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

Particulars	Sch. No.	Figures for the Current Year Amount (₹)	Figures for the Previous Year Amount (₹)
INCOME			
Turnover	10	598,114,806.65	551,041,230.84
Other Income	11	1,550,589.74	3,962,730.26
Closing Stock	12	8,497,790.00	4,507,929.00
TOTAL		608,163,186.39	559,511,890.10
EXPENDITURE			
Opening Stock	13	4,507,929.00	26,530,059.00
Manufacturing Expenses	14	491,828,945.50	441,502,062.87
Personnel Expenses	15	22,856,605.50	20,032,171.00
Administrative Expenditure	16	7,587,547.34	7,096,785.50
General Expenses	17	947,636.23	2,501,106.66
Financial Expenses	18	35,325,641.43	27,253,901.28
Selling & Distribution Expenses	19	4,349,946.25	5,183,111.34
Depreciation	6	24,796,221.57	19,377,221.45
TOTAL		592,200,472.82	549,476,419.10
Profit/Loss Before Taxation		15,962,713.57	10,035,471.00
Deferred Tax Credit(Current)		(5,060,031.08)	(2,969,758.59)
Adjustment Relating to Previous year		(224,669.00)	(674,602.74)
Provision for Taxation		(1,255,000.00)	—
Net Profit/Net Loss During the Year		9,423,013.49	6,391,109.67
Balance B/F from Previous Year		53,388,588.31	46,997,478.64
Balance Carried over to Balance Sheet		62,811,601.80	53,388,588.31

NOTES ON ACCOUNTS

20

Schedule 01 to 20 form an integral part of Balance Sheet and Profit & Loss Account.

Auditor's Report

As per our report of even date attached
For V. D. Aggarwal and Co.
Chartered Accountants

For and on behalf of the Board

CA Ranjeet Kesarwani
Partner
M.N:407741

Naveen Gupta
Managing Director

Jaikishan Gupta
Director

Place : Ahmedabad
Date : 24.08.2011

Veenita Gehlot
Company Secretary

Schedules forming part of Balance Sheet and Profit and Loss Account as on 31st March, 2011

Particulars	Figures for the Current Year Amount (₹)	Figures for the Previous Year Amount (₹)
SCHEDULE 01: SHARE CAPITAL		
Authorised Share Capital		
10000000 Equity Shares of ₹ 10/- each (Previous Year 10000000 Equity Shares of ₹ 10/- each)	100,000,000.00	100,000,000.00
Paid up share capital (4468120 Equity Shares of ₹ 10/- each fully paid up)	44,681,200.00	44,681,200.00
Total	44,681,200.00	44,681,200.00
SCHEDULE 02: RESERVE & SURPLUS		
Capital Reserve	2,227,481.25	2,227,481.25
General Reserve	6,988,201.00	6,988,201.00
Profit & Loss A/c	62,811,601.80	53,388,588.31
Total	72,027,284.05	62,604,270.56
SCHEDULE 03 : SECURED LOANS		
Cash credit form Indian Overseas Bank (Refer Point No. 6 of Notes on schedule 20)	44,855,525.94	44,685,846.26
Cash credit form Axis Bank Ltd. (Refer point No. 7 of Notes on schedule 20)	19,935,947.52	7,540,426.04
L.C From Indian Overseas Bank (Refer Point No. 6 of Notes on schedule 20)	21,932,684.00	—
Working capital Term Loan From Indian Overseas bank (Refer Point No. 6 of Notes on schedule 20)	35,743,000.00	46,747,000.00
Bank & Non Banking Finance Companies (Secured against hypothecation of Vehicles)	1,623,620.63	1,064,115.65
Term Loan from Indian Overseas Bank (Refer Point No. 6 of Notes on schedule 20)	113,563,874.20	131,853,456.00
Term Loan from Axis Bank Ltd. (Refer Point No. 6 of Notes on schedule 20)	20,030,303.00	23,722,509.00
L & T Finance Limited (Secured against hypothecation of vehicles)	157,059.15	717,812.49
Total	257,842,014.44	256,331,165.44
SCHEDULE 04: UNSECURED LOANS		
From Corporate Sectors	71,118,701.00	100,659,751.00
From Directors & Shareholders	27,845,000.00	1,244,300.00
Total	98,963,701.00	101,904,051.00
SCHEDULE 05: DEFERRED TAX LIABILITIES		
Deferred Tax Charges as on 31/03/2011 (Refer to Point No.10(b) of Notes on Schedule 20)	36,037,806.00	30,977,774.92
Total	36,037,806.00	30,977,774.92

Schedule forming Part of Balance Sheet and Profit and Loss Account for the year ended on 31st March, 2011

SCHEDULE 06 - FIXED ASSETS

Assets Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Opening Balance	Additions in the Year	Sales / Adjustments	Total	Opening Balance	Adjustments	Depreciation for the year	Total	Current Year	Previous Year
Free Hold Land	1057469.00	—	—	1057469.00	—	—	—	—	1057469.00	1057469.00
Building	40457370.82	41771012.17	—	82228382.99	10303913.04	—	2597718.96	12901632.00	69326750.99	30153457.78
Plant & Machinery	284237287.78	100048899.84	—	384286187.62	82312908.34	—	19040789.41	101353697.75	282932489.87	201924379.44
Furniture & Fittings	2516422.80	82020.00	68468.00	2529974.80	1439277.69	6495.10	159015.06	1591797.65	938177.15	1077145.11
Vehicles	12728711.40	1680529.00	712928.00	13696312.40	4895343.53	516589.00	1148249.99	5527004.52	8169307.88	7833367.87
Electrical Installation	22341717.00	12270686.99	136585.00	34475818.99	9493378.81	9722.79	1546141.98	11029798.00	23446020.99	12848338.19
Office Equipment	6239929.41	432445.59	19800.00	6652575.00	4663711.69	1409.46	304306.17	4966608.40	1685966.60	1576217.72
Advance against Capital Goods	5683698.00	5864896.88	6437600.00	5110994.88	—	—	—	—	5110994.88	5683698.00
Capital Work in Progress	218575816.24	4807870.11	143941815.02	79441871.33	—	—	—	—	79441871.33	218575816.24
Total	593838422.45	166958360.58	151317196.02	609479587.01	113108533.10	534216.35	24796221.57	137370538.32	472109048.69	480729889.35
Previous Year Figures	492242849.04	102124270.41	528697.00	593838422.45	93857980.69	126669.00	19377221.41	113108533.10	480729889.35	398384868.35

Place : Ahmedabad
Date : 24.08.2011

Schedules forming part of Balance Sheet and Profit and Loss Account as on 31st March, 2011

Particulars	Figures for the Current Year Amount (₹)	Figures for the Previous Year Amount (₹)
SCHEDULE 07: INVESTMENT (NON-TRADED)		
Quoted shares		
2300 Equity shares of Rs 20 each fully paid in : G.S.F.C Market Value of Investment is ₹ 790700	46,000.00	46,000.00
Unquoted shares		
119550 Equity Shares of Rs 10 each fully paid up in : Kalptaru Alloys Pvt. Ltd.	—	1,195,500.00
Total	46,000.00	1,241,500.00
SCHEDULE 08: CURRENT ASSETS, LOANS & ADVANCES		
A. Current Assets:		
Inventories (Valued & Taken as certified by the management)		
Work in Progress (At Estimated Cost)	324,000.00	276,000.00
Finished Goods (At Lower of Cost or Net realisable Value)	8,497,790.00	4,507,929.00
Raw Materials (At Cost)	12,820,190.31	7,971,637.31
Stores & Spare Parts (At Cost)	31,569,551.00	22,355,229.44
Goods in Transit (At Cost)	—	1,398,758.61
Packing Material (At Cost)	421,883.00	503,596.00
Total	53,633,414.31	37,013,150.36
Sundry Debtors (Unsecured considered good)		
Debts outstanding for a period exceeding		
Six months	17,487,093.70	16,716,723.70
Other Debts	79,743,630.50	84,521,784.86
Total	97,230,724.20	101,238,508.56
Cash and Bank Balances		
Cash in hand	812,762.00	609,268.00
With Scheduled Banks	219,716.84	63,800.20
FDR With I.O.B(Margin Money)	5,058,450.00	2,768,450.00
Interest Accrued on FDR	197,550.00	—
Total	6,288,478.84	3,441,518.20
Other Current Assets	—	—
Total	—	—
Total (A)	157,152,617.35	141,693,177.12
B. Loan and advances: (Unsecured considered good)		
Advances recoverable in cash or in kind or for value to be received/adjusted		
	18,130,619.05	25,423,767.07
Security Deposits	8,640,290.00	3,964,672.00
Advance to Parties	15,981,446.60	13,215,773.00
Total (B)	42,752,355.65	42,604,212.07
Total (A+B)	199,904,973.00	184,297,389.19

Schedules forming part of Balance Sheet and Profit and Loss Account as on 31st March, 2011

Particulars	Figures for the Current Year Amount (₹)	Figures for the Previous Year Amount (₹)
SCHEDULE 09: CURRENT LIABILITIES & PROVISIONS		
A. Current Liabilities:		
Sundry creditors:		
Against Supply	47,361,607.53	56,548,367.40
Against Expenses	9,017,231.06	7,066,249.92
Advance from Parties	1,326,187.00	1,115,011.00
Other Liabilities	6,211,349.00	5,724,154.96
Sundry Creditors for Capital goods	6,543,400.60	14,799,963.33
Trade Deposit	90,750,000.00	80,222,820.00
Total (A)	161,209,775.19	165,476,566.61
B. Provisions:		
Provision from Income Tax	1,255,000.00	3,495,000.00
Provision for FBT	—	798,390.00
Provision for Expenses	43,241.00	360.00
Total (B)	1,298,241.00	4,293,750.00
Total (A+B)	162,508,016.19	169,770,316.61
SCHEDULE 10: TURNOVER		
Sales (Net of return)	619,431,433.65	568,331,669.97
Less: Excise Duty	21,316,627.00	17,290,439.13
Total	598,114,806.65	551,041,230.84
SCHEDULE 11: OTHER INCOME		
Misc. Income	210,538.50	899,375.73
Interest Received on FDR & Deposits	369,284.00	392,036.00
Interest on GSFC & GIIC & GEB - SD	330,846.38	154,028.97
Sale Others	216,074.93	2,253,892.41
Foreign Exchange Flactuation	117,871.23	216,755.40
Balance W/off & Round Off	39,623.70	46,641.75
Profit on sale of Assets	103,661.00	-
Interest On Income Tax Refund	162,690.00	-
Total	1,550,589.74	3,962,730.26
SCHEDULE 12: CLOSING STOCK		
Stock of Finished goods	8,497,790.00	4,507,929.00
Total	8,497,790.00	4,507,929.00
SCHEDULE 13: OPENING STOCK		
Stock of Finished Goods	4,507,929.00	26,530,059.00
Total	4,507,929.00	26,530,059.00

Schedules forming part of Balance Sheet and Profit and Loss Account as on 31st March, 2011

Particulars	Figures for the Current Year Amount (₹)	Figures for the Previous Year Amount (₹)
SCHEDULE 14: MANUFACTURING EXPENSES		
Raw Material Consumed	351,279,287.88	313,806,374.13
Add: Opening WIP	276,000.00	220,000.00
Less: Closing WIP	(324,000.00)	(276,000.00)
Packing Material Consumed	4,630,454.65	4,573,547.65
Power Electricity & Water Charges	76,043,057.66	67,401,223.38
Stores Consumed	57,534,782.99	54,499,515.29
Building Repair & Maintenance	910,344.32	509,460.08
Manufacturing Expenses (Others)	1,479,018.00	767,942.34
Total	491,828,945.50	441,502,062.87
SCHEDULE 15: PERSONNEL EXPENSES		
Salaries	5,633,211.50	4,679,334.00
Contribution to PF	667,116.00	713,698.00
Staff Welfare	645,524.00	331,760.00
Watch and Ward	924,199.00	1,132,578.00
Gratuity	1,141,355.00	243,374.00
Wages/Labour	12,632,047.00	11,878,734.00
Bonus	552,123.00	605,581.00
Earn Leave Salary	661,030.00	447,112.00
Total	22,856,605.50	20,032,171.00
SCHEDULE 16: ADMINISTRATIVE EXPENSES		
Directors remuneration	1,008,000.00	1,008,000.00
Rent	559,500.00	540,000.00
Postage Telegram & Telephone	745,028.54	855,852.47
Printing & Stationery	297,529.00	167,160.08
Legal & Professional	767,256.00	708,403.00
Insurance	689,547.80	752,658.82
Vehicle running and Maintenance	1,612,087.00	1,079,457.98
Repair & Maint.- Others	502,422.00	471,554.15
Travelling & Conveyance : Directors	429,006.00	473,710.00
: Others	244,785.00	221,347.00
Auditor's Remuneration:		
Audit Fees	70,662.00	84,931.00
In other Capacity	20,000.00	—
Out of Pocket Expenses	26,021.00	—
Internal Audit Fee	240,000.00	240,000.00
Electricity Expenses	375,703.00	493,711.00
Total	7,587,547.34	7,096,785.50

Schedules forming part of Balance Sheet and Profit and Loss Account as on 31st March, 2011

Particulars	Figures for the Current Year Amount (₹)	Figures for the Previous Year Amount (₹)
SCHEDULE 17: GENERAL EXPENSES		
Misc. Expenses	346,374.16	345,388.23
Charity & Donation	—	23,211.00
Subscription/Membership Fee	74,565.00	69,471.00
Rates & Taxes	338,270.40	1,301,117.00
Balance W/off	—	712,448.43
Loss on Sale of Assets	87,030.67	49,471.00
Loss against Insurance claim	101,396.00	—
Total	947,636.23	2,501,106.66
SCHEDULE 18: FINANCIAL EXPENSES		
Bank Interest & Charges	35,124,383.38	26,857,905.97
Other Interest	41,322.00	220,698.49
Interest on Car Loan	159,936.05	175,296.82
Total	35,325,641.43	27,253,901.28
SCHEDULE 19: SELLING & DISTRIBUTION EXPENSES		
Advertisement	147,327.00	107,851.00
Freight & Cartage outwards	127,169.00	868,361.34
Commission Rebat and Discount	4,075,450.25	4,168,428.00
Loss of goods during transit	—	11,300.00
Selling & Distribution Exp. (Others)	—	27,171.00
Total	4,349,946.25	5,183,111.34

SCHEDULE 20: NOTES

A) SIGNIFICANT ACCOUNTING POLICIES

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

- 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
- Capital work – in – progress are valued at cost.
- Land is valued at cost.
- Advances paid towards acquisition of Fixed assets are shown as advance Against Capital Goods.

3) Depreciation

- Depreciation on fixed assets has been provided on straight-line basis at the rates prescribed in schedule XIV of the Companies act, 1956
- Fixed Assets acquired below ₹ 5,000/- has been fully written off in the year.

FINANCIAL NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDING 31st MARCH 2011

4) Inventories

Raw Material, stores spares are valued at cost on FIFO basis

Work in progress at estimated cost.

Stock in transit are valued at cost.

Finished goods are valued at cost or net realizable value whichever is lower on FIFO basis

Packing material is valued at cost

5) Recognition of Income & Expenditure

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

6) 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.

7) Investments

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

8) 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 31.03.2011 is paid within 12 months.

9) 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.

10) 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.

11) 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.

12) Taxation

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

13) Cash Flow Statement

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

14) 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.

15) 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.

16) Contingent Liabilities

Contingent liability is generally not provided for in the books of accounts and is shown separately in the notes on account, if any. The contingent liability as on 31st March, 2011 is as under:

- a) Inland Letter of Credit (ILC) ₹ 25,266,000.00
b) Bank Guarantee by IOB ₹ 7,149,660.00
c) There is a dispute Pending with Gujrat Sales Tax Department on account of excess Amount Claimed under Scheme of Deferment tax in Financial Year 2004-2005.As per Sales Tax Department Amount is to be recovered along with Interest. The Amount Involved is ₹149,410.

B) NOTES

- 1) Previous year figures have been regrouped / rearranged wherever necessary to make them comparable with current year's figures.
2) Estimated amount of contracts remaining to be executed on capital account and not provided for:
CURRENT YEAR : NIL
PREVIOUS YEAR : ₹ 400.00 Lacs
3) Claims against the company not acknowledged as debts:
CURRENT YEAR : NIL
PREVIOUS YEAR : NIL
4) Confirmations of some of the accounts at year end under the head sundry debtors/creditors are yet to be Received as on date of Audit Report.

5) Earning per share

Particulars	Year Ended 2011 (₹)	Year Ended 2010 (₹)
Basic		
Net profit for the Year	9,423,014	6,391,110
Attributable to Equity Shareholders		
No. of equity Shares	4,468,120	4,468,120
Potential Equity shares	Nil	Nil
EPS	2.11	1.43
Diluted Earning per share	2.11	1.43

6) Detail of security against which various facilities sanctioned by IOB is As Follows:

Primary Security

Cash Credit facility - Secured against hypothecation of paid Stock upto 90 days and Entire current assets of the company

Term Loans - 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.

Working capital Term - Secured against entire block of assets of the company.

Loan

Letter of Credits - Secured against documents of title to goods/underlying stocks/accepted hundies.

Letter of Guarantee - Counter guarantee of the company

Collateral security

- a) Secured against personal guarantee of directors & and corporate guarantee of M/s. Kalptaru Alloys Pvt. Ltd., Kalptaru Fincap Ltd. and N.N papers Pvt. Ltd. (Formerly Known as Kalptaru Softech Pvt Ltd.)
- 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 Land & Building situated at Kalol dist, Gandhinagar
- 7) Loan of the company 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.
- 8) 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.
- 9) Information pursuant to the provisions of paragraph 3 and 4(D) of Part II of Schedule VI of the Companies Act, 1956:

PARTICULARS OF CAPACITY AND PRODUCTION	CURRENT YEAR (Qty in TONS)		PREVIOUS YEAR (Qty in TONS)	
Licensed Capacity	N.A.		N.A	
Installed Capacity	41600.00 TPA (Excluding Satpuda plant)		48000.00 TPA	
Actual Production				
a) Kraft Paper	24,747.465		23,298.458	
b) News paper Print	4,743.743		6,645.829	
c) Sundry Board	47.157		6.595	
<u>Manufactured Goods</u>	<u>Quantity (in Tons)</u>	<u>Amount (in ₹)</u>	<u>Quantity (in Tons)</u>	<u>Amount (in ₹)</u>
(A) OPENING STOCK				
a) Kraft Paper	167.867	3,147,506.00	379.526	7,243,179.00
b) News Paper Print	61.435	1,320,853.00	1011.711	19,286,880.00
c) Sundry Board	6.595	39,570.00	—	—
		<u>4,507,929.00</u>		<u>26,530,059.00</u>
(B) CLOSING STOCK				
a) Kraft Paper	342.113	7,440,958.00	167.867	3,147,506.00
b) News Paper Print	43.169	1,036,056.00	61.435	1,320,853.00
c) Sundry Board	5.194	20776.00	6.595	39,570.00
		<u>8,497,790.00</u>		<u>4,507,929.00</u>
(C) TURNOVER				
a) Kraft Paper	24573.219		23510.147	
b) News Print Paper	4762.009		7596.105	
c) Sundry Board	48.558		—	
		<u>619,431,433.65</u>		<u>568,331,669.97</u>
Less Excise		<u>21,316,627.00</u>		<u>17,290,439.13</u>
		<u>598,114,806.65</u>		<u>551,041,230.84</u>
(D) Raw Material Consumption				
a) Waste Paper	32375.561		33405.100	
b) Colour & Chemicals				
		<u>351,279,287.88</u>		<u>313,806,374.13</u>

Note : The Quantitative Details of colour & chemicals cannot be furnished due to multiplicity of items. Also bifurcation of consumption of Raw Material and Colour & Chemical is not feasible.

(E) **C.I.F. Value of Goods Imported**

a) Raw Material	1120.129	9,889,287.20	4068.850	26,824,113.84
b) Goods in Transit		NIL	172.320	1,033,142.00
c) Components Spare Parts		1,663,108.15		NIL
d) Capital Goods		NIL		NIL

(F) **Expenditure in Foreign Currency**

a) Travelling (Directors)	₹ 296,344.00	₹230,862.00
---------------------------	--------------	-------------

(G) **Earnings in Foreign Currency**

₹ Nil

(H) a) Value of consumption of imported and indigenous raw materials and stores and spare parts and components.

	Value (in ₹)	Percentage	Value (in ₹)	Percentage
i) Raw Materials				
Imported	11,354,516.05	3.23%	46,275,445.90	14.75%
Indigenous	339,924,771.83	96.77%	267,530,928.23	85.25%
Total	351,279,287.88	100.00%	313,806,374.13	100.00%
ii) Store & Spare Parts				
Imported	1,663,108.15	2.89%	—	—
Indigenous	55,871,674.84	97.11%	54,499,515.29	100.00%
Total	57,534,782.99	100.00%	54,499,515.29	100.00%

b) Amount remitted during the year in foreign currencies on account of dividend.

NIL

10) a. Pursuant to Accounting Standard for Taxes on Income (AS-22) the Deferred Tax liabilities of ₹ 5,060,030.08 relating to the period upto 31.03.2011 has been recognized in the Profit & Loss Account.

b. **The Composition of Deferred Tax Liabilities as at 31.03.2011**

On account of set off unabsorbed depreciation Business Loss and timing difference relating to depreciation etc.

	Timing Difference	DTL	DTA	Amount (In ₹) Total
Depreciation	159761335.93	49366251		49366251
Gratuity	1610019.00		497496	(497496)
Leave Encashment	610042.00		188503	(188503)
Bonus	537823.00		166187	(166187)
Business Loss	11600091.00		3584428	(3584428)
Unabsorbed Dep	28776158.00		8892123	(8891831)
Total				36037806

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.

11) **Payment made to auditor includes following:**

	Year ended 2011 (in ₹)	Year ended 2010 (in ₹)
Audit Fees	70,662.00	66,000.00
Income Tax matter	20,000.00	11,000.00

- 12) Guarantee issued by Indian Overseas Bank on behalf of company in favour of Commissioner of customs stands for ₹ 25.496 Lakhs. BPCL for ₹46 Lakhs
- 13) It is not possible for the company to identify, which are small scale industrial and ancillary industrial undertakings to whom amount is unpaid alongwith interest due, if any. Moreover, no claim has been received for interest from suppliers.
- 14) During the year under review company has commenced operation in Tissue paper Plant situated at its principal place of business at Kalol, Gandhinagar.
- 15) During the year under review company has sold the investments in Kalptaru Alloys Pvt Ltd., at its face value.
- 16) **Details of Related party transactions made during the year are as follows:**

Sr. No.	Nature of Transaction	Current year			Previous year		
		Key Management personnel	Associate Concern	Year end Balance	Key Management personnel	Associate Concern	Outstanding Balance
1	a) Director's Remuneration	900,000	—	65,800	900,000	—	—
	b) Comp Cont to E.P.F	108,000	—	—	108,000	—	—
2	Rent Paid	60,000	480,000	36,000	60,000	480,000	—
3	Rent Security Paid	—	—	500,000	—	—	500,000
4	Loans accepted	34,619,000	42,450,000	53,977,000	13,341,446	54,147,558	100,459,300
5	Loans repaid	8,036,300	115,515,000	53,977,000	22,430,910	32,521,358	100,459,300
6.	Sales					2,066,854	

Note:

A) **Key Management Personnel**

Sh. J. K. Gupta (Director Cum Chairman)
 Sh. Naveen Gupta (Managing Director)
 Sh. Pinakin Mahipatlal Patel (Independent Director)
 Sh. Paresh Babu Laxminandan Pandya (Independent Director)
 Sh. Ramesh Chand Independent Additional Director
 Sh. Arpit Jaikishan Gupta Additional Director

B) **Associate Concerns**

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

For V. D. Aggarwal and Co.
Chartered Accountants

CA Ranjeet Kesarwani
Partner

M.N:407741

Place : Ahmedabad
Date : 24.08.2011

For and on behalf of the board

Naveen Gupta
Managing Director

Jaikishan Gupta
Director

Veenita Gehlot
Company Secretary

Additional Information Pursuant to part IV of Schedule VI of the companies Act,1956

I. REGISTRATION DETAILS

Registration No.

L	2	1	0	1	9	G	J	1	9	8	8	P	L	C	0	4	0	3	2	5
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

State Code

0	4
---	---

Balance Sheet Date

3	1
---	---

0	3
---	---

2	0	1	1
---	---	---	---

Date Month Year

II CAPITAL RAISED DURING THE YEAR (AMOUNT ₹ IN THOUSAND)

Public Issue

										N	I	L
--	--	--	--	--	--	--	--	--	--	---	---	---

Right Issue

										N	I	L
--	--	--	--	--	--	--	--	--	--	---	---	---

Bonus Issue

										N	I	L
--	--	--	--	--	--	--	--	--	--	---	---	---

Private Placement

										N	I	L
--	--	--	--	--	--	--	--	--	--	---	---	---

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT ₹ IN THOUSAND)

Total Liabilities

6	7	2	0	6	0	.	0	2
---	---	---	---	---	---	---	---	---

Total Assets

6	7	2	0	6	0	.	0	2
---	---	---	---	---	---	---	---	---

SOURCES OF FUNDS

Paid-up Capital

	4	4	6	8	1	.	2	0
--	---	---	---	---	---	---	---	---

Reserves and Surplus

	7	2	0	2	7	.	2	8
--	---	---	---	---	---	---	---	---

Secured Loans

2	5	7	8	4	2	.	0	1
---	---	---	---	---	---	---	---	---

Unsecured Loans

	9	8	9	6	3	.	7	0
--	---	---	---	---	---	---	---	---

APPLICATION OF FUNDS

Net Fixed Assets

4	7	2	1	0	9	.	0	5
---	---	---	---	---	---	---	---	---

Investments

				4	6	.	0	0
--	--	--	--	---	---	---	---	---

Net Current Assets

	3	7	3	9	6	.	9	6
--	---	---	---	---	---	---	---	---

Miscellaneous Expenditure

							N	I	L
--	--	--	--	--	--	--	---	---	---

Accumulated Losses

							N	I	L
--	--	--	--	--	--	--	---	---	---

IV. PERFORMANCE OF COMPANY (AMOUNT ₹ IN THOUSANDS)

Total Income

6	0	8	1	6	3	.	1	9
---	---	---	---	---	---	---	---	---

Total Expenditure

5	9	2	2	0	0	.	4	7
---	---	---	---	---	---	---	---	---

Profit/(Loss) Before Tax

	1	5	9	6	2	.	7	1
--	---	---	---	---	---	---	---	---

Profit/(Loss) After Tax

		9	4	2	3	.	0	1
--	--	---	---	---	---	---	---	---

Earning Per Share (₹)

				2	.	1	1
--	--	--	--	---	---	---	---

Dividend Rate (%)

							N	I	L
--	--	--	--	--	--	--	---	---	---

V. GENERIC NAMES OF PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY (AS PER MONETARY TERMS)

Item Code No.

				4	8	0	1
				4	8	0	4
				4	8	0	2

Product Description

NEWSPRINT PAPER
CRAFT PAPER
SUNDRY BOARD

For V. D. Aggarwal and Co.
Chartered Accountants

For and on behalf of the board

CA Ranjeet Kesarwani
Partner

Naveen Gupta
Managing Director

Jaikishan Gupta
Director

M.N:407741
FRN:008332N

Veenita Gehlot
Company Secretary

Place : Ahmedabad
Date : 24.08.2011

Cash Flow Statement for the year ended on 31.03.2011

Particulars	Current Year Amount (₹)	Previous Year Amount (₹)
[A] Cash Flow from Operating Activities		
Net Profit after tax as per Profit and Loss Account	9,423,013.49	6,391,109.67
Add: Adjustments for Non Cash Items		
Deferred Tax	5,060,031.08	2,969,758.59
Depreciation	24,796,221.57	19,377,221.45
Loss on Sale of Assets	87,030.65	49,471.00
Profit on Sale of Assets	103,661.00	0.00
Assets W/o		578.00
Provision for Taxes	1,255,000.00	
Financial Charges Paid	35,325,641.43	27,253,901.28
Operating Profit before Working Capital changes	75,843,277.22	56,042,039.99
Adjustment for changes in working capital		
Change in Inventories	-16,620,263.95	39,867,478.83
Change in Sundry Debtors	4,007,784.36	-7,501,298.42
Change in Loans and Advances	1,028,321.42	89,831,942.29
Change in Advances for Capital Goods	572,703.12	-2,608,406.00
Change in Current Liabilities	-4,266,791.42	4,698,427.87
Change in Provisions	-4,250,509.00	-4,101,339.00
Less: Taxes Paid	-1,176,465.00	0.00
	-20,705,220.47	120,186,805.57
Net Cash Inflow from Operating Activities [A]	55,138,056.75	176,228,845.56
[B] Cash Flow from Investing Activities		
Net Addition to Fixed Assets including Capital WIP	-17,151,648.68	-99,227,785.44
Sale of Fixed Assets	420,195.00	63,900.00
Sale of Investments	1,195,500.00	
Net Cash Inflow from Investing Activities [B]	-15,535,953.68	-99,163,885.44
[C] Cash Flow from Financing Activities		
Proceeds from New Borrowings	1,510,849.00	-51,859,923.56
Repayment of Unsecured Loans	-2,940,350.00	4,258,172.00
Financial Charges Paid	-35,325,641.43	-27,253,901.28
Net Cash Inflow from Financing Activities [C]	-36,755,142.43	-74,855,652.84
Net Cash And Cash Equivalents [A + B + C]	2,846,960.64	2,209,307.28
Opening Balance of Cash and Cash Equivalents	3,441,518.20	1,232,210.92
Closing Balance of Cash and Cash Equivalents	6,288,478.84	3,441,518.20

Notes

1. The above Statement has been prepared as per indirect method specified under AS-3 issued by ICAI.
2. Cash and Cash equivalents represent cash, bank balance and FDR held as margin money including interest thereon.
3. 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.
4. 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

For and on behalf of the board

CA Ranjeet Kesarwani
Partner

Naveen Gupta
Managing Director

Jaikishan Gupta
Director

M.N:407741

Veenita Gehlot
Company Secretary

Place : Ahmedabad
Date : 24.08.2011



Registered Office :

Regd. Office : 701, Avdhesh House, Opp. Gurudwara, Nr. Thaltej Cross Road, Ahmedabad – 380054

ATTENDANCE SLIP

23rd ANNUAL GENERAL MEETING ON SEPTEMBER 28, 2011, At 10.30 AM

Reg. Folio No. _____

DP Id. No.* _____

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

I hereby record my presence at the 23rd ANNUAL GENERAL MEETING of the Company at Regd. Office : 701, Avdhesh House, Opp. Gurudwara, Nr. Thaltej Cross Road, Ahmedabad – 380054

Member's/Proxy's name in BLOCK letters

Member's/Proxy's Signature

Note : Please fill this attendance slip and hand it over at the ENTRANCE.

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



Registered Office :

Regd. Office : 701, Avdhesh House, Opp. Gurudwara, Nr. Thaltej Cross Road, Ahmedabad – 380054

FORM OF PROXY

I/We _____ of _____

in the district of _____ being a member/members of the above-named company hereby appoint

_____ of _____

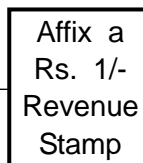
in the district of _____ or failing him _____

of _____ in the district of _____

as my/our proxy to vote for me/our behalf at the 23rd ANNUAL GENERAL MEETING of the Company to be held on 28th September, 2011 or at any adjournment thereof.

Signed this _____ day _____ 2011

Signature _____



Reg. Folio No. _____

DP Id. No.* _____

Note : This form in order to be effective should be dully stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.

* Applicable for investors holding shares in electronic form

Social Activities & Initiative





If undelivered, please return to :

REGISTERED OFFICE

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

Tel.: 079 26858510/511

Fax : 079 30171202

E-mail : contact@kalptaru.co.in

Website : www.kalptaru.co.in