



Sangal PAPERS LTD.

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24th
Annual Report
2003 - 2004



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BOARD OF DIRECTORS

Managing Director :
Shri Himanshu Sangal

Directors :
Shri Amit Sangal
Shri Tanmay Sangal

Auditors :
M/s Shiam & Co.
Chartered Accountants.
Aggarwal Market, Mahaveer Chowk.
MUZAFFARNAGAR.

Bankers :
Syndicate Bank
Shiv Puri, Meerut

Registered Office & Works :
22 Km., Meerut - Mawana Road,
Mawana, 250 401 Distt. Meerut.

Branch :
22 - East End Enclave, Shakarpur
New Delhi - 110 092



NOTICE

NOTICE is hereby given that the **TWENTY FOURTH ANNUAL GENERAL MEETING** of Share holders of **SANGAL PAPERS LTD.**, will be held on **THURSDAY, 30 TH SEPTEMBER, 2004** at 11.00 a.m. at its Regd. Office to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2004 and Profit & Loss A/C for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint Auditors who shall hold office from conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and fix their remuneration.

SPECIAL BUSINESS

3. To consider and if thought fit to pass with or without modification the following resolution as an ordinary Resolution:
RESOLVED that Shri TANMAY SANGAL be and is hereby appointed a director of the Company, whose period of office shall be liable to determination by retirement of directors by rotation.

For and on behalf of the board

SANGAL PAPERS LTD.

Sd/-

(HIMANSHU SANGAL)

Managing Director

Date : 30 th May 2004

Place : MEERUT

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE (ON A POLL ONLY) INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY IN ORDER TO BE EFFECTED SHOULD BE DULY STAMPED COMPLETED AND SIGNED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and share Transfer Books of the Company will remain closed on Thursday 30 th September 2004.
3. The Explanatory Statement pursuant to Section 173 (2) of the Companies Act 1956, relating to Special Business is annexed hereto.
4. Members are requested to bring their copies of the Annual Report at the Meeting.
5. Members are requested to produce the enclosed Attendance slip duly signed in accordance with specimen signatures registered with the company for admission to the meeting hall.
6. Members are requested to notify the change in their address to the Company immediately.
7. The Company has joined as a Member of Depository Services with National Security Depository Ltd. (NSDL) & Central Depository Service (INDIA) Ltd. (CDSL) as an issuer company for dematerialisation of shares. Share holders can their shares dematerialised with either NSDL or CDSL. The depository services have allotted the following code to the company. INE384D01014

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

ITEM 3

The board of Directors of your Company appointed Shri Tanmay Sangal as additional director w.e.f. 30th November 2003 u/s 260 of the Companies Act 1956, who hold office upto the date of this Annual General Meeting. Sh. Tanmay Sangal is willing to act as a Director of your Company, if so appointed and has filled his consent pursuant to Sec. 264 (1) of the Act. The board accordingly recommends the acceptance of resolution set out in Item 3 of the convening notice to your Company is interested in this resolution.

For and on behalf of the board

SANGAL PAPERS LTD.

Sd/-

(HIMANSHU SANGAL)

Managing Director

Date : 30 th May 2004

Place : MEERUT



DIRECTOR'S REPORT

To,
The Members,
Sangal Papers Limited,
Meerut

Your Directors have pleasure in submitting the Twenty Fourth Annual Report and audited statement of accounts of the Company for the year ended 31st March 2004.

FINANCIAL RESULTS :

The financial results of the operation during the year under review are as under.

PARTICULARS	CURRENT YEAR		PREVIOUS YEAR	
Profit before Finance Charges,	27,438,383		28,862,255	
Depreciation				
Less : Finance Charges,	9,937,276			
Depreciation	6,129,790	16,067,066	12,135,003	18,101,784
Profit for the year		11,371,317	5,966,782	10,760,471
Add\ (Less) : Prior Period / Exceptional Items		(569,910)		28,525,041
Profit after tax		10,801,407		39,285,512
Add : Balance being Profit(Loss) brought forward				
from last year		(76,852,461)		(116,138,973)
Balance being Profit(Loss) carried over to				
Balance Sheet		(66,052,054)		(76,853,461)

OPERATIONS :

During the year the company has achieved a turnover of Rs. 2367.18 Lacs as against Rs.2329.60 Lacs during last year and earned profit of Rs. 113.71 lacs as against a profit of Rs. 107.60 lacs during last year.

The net worth of your company had been completely eroded in the year ended 31-3-1999 and become a sick company within a meaning of Section 3(1)(o) of the sick Industrial companies (special provisions) Act, 1985. It was therefore obligatory on the part of your company that a reference be made to the Board for Industrial and Financial Reconstruction.

INDUSTRIAL RELATIONS :

Industrial relations during the year remained cordial all levels of the Company . The management appreciates the whole hearted cooperation given by the employees of the Company.

PARTICULARS OF EMPLOYEES :

Regarding particulars in terms of Section 217(2A) of the Companies Act, 1956 read with relevant rules, none of the employees was in receipts of or entitled to receive emoluments amounting to and in aggregate to Rs. 1,200,000.00 or more per annum if employed for the year or Rs. 1,00,000.00 or more per month if employed for any part of the year.



PARTICULARS IN RESPECT OF CONSERVATION OF ENERGY ETC :

(A) Conservation of Energy :

- (i) The Company is making regular efforts for energy conservation.
- (ii) Information regarding energy consumption in Form-A annexed herewith.

(B) Technology Absorption :

No Efforts have been made in Technology Absorption

(C) Foreign Exchange earning and outgo:

Particulars regarding foreign exchange earning and out-go as per Schedule 19 of Balance Sheet.

DIRECTOR'S RESPONSIBILITY STATEMENT :

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956, with respect to Director's Responsibility statement, it is hereby conformed :

- (i) That in the preparation of the accounts for the financial year under review, the applicable accounting standards have been followed along with proper explanation relating to material departure;
- (ii) That the Directors have selected such accounting policies and applied them consistently and need 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 end of the financial year and of the profit or loss of the company for the year under review.
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for the safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) That the Directors have prepared the annual accounts on a "going concern basis".

DIRECTORS:

Shri Tanmay Sangal Director of the Company, was appointed as additional Directors of the company on 30.11.2003, and accordingly hold office upto the date of the ensuing A. G. M. and a notice pursuant to Sec. 257 of the Companies Act, 1956 proposing his appointment as Director has been received.

DEPOSITS:

The Company has not accepted any deposits attracting the provision of Section 58-A of the Companies Act, 1956.

AUDITORS REPORT:

The Auditors in their report have referred to the notes forming part of the accounts. The said notes are self explanatory and do not require further elucidation.

AUDITORS:

M/S Shiam & Co., Chartered Accountants, Muzaffarnagar, Auditors of the Company retire at the conclusion of this meeting and are eligible for re-appointment.

ACKNOWLEDGEMENT:

Your Directors acknowledge with gratitude the co-operation and assistance given by the financial institution and banks during the year under review.

Your Directors wish to place on records their appreciation of the sincere and efficient services rendered by the staff and workers of the Company for its success.

Your Directors recommend that the annual accounts may be passed by you.

For and on behalf of the Board

Sd/-

(HIMANSHU SANGAL)

Chairman

Date : 30 th May 2004

Place: MEERUT



ANNEXURE

FORM-A

(See Rule 2)

Form for disclosure particulars with respect to conservation of energy

	CURRENT YEAR	PREVIOUS YEAR
(A) POWER & FUEL CONSUMPTION		
1. Electricity		
(a) Purchased	NIL	NIL
Total Amount	NIL	NIL
Rate / Unit	NIL	NIL
(b) Own Generation		
(i) Through Diesel Generator (Unit)	8,639,683	9,954,053
Unit per Ltr. of Diesel oil	3.44	3.43
Total Amount	49,060,388	51,428,850
Cost / Unit	5.67	5.16
(ii) Through Steam Turbine/ Generator (Unit)	NIL	NIL
Unit per Ltr. of Fuel oil / Gas	NIL	NIL
Cost / Unit	NIL	NIL
2. Coal :		
Qty. (Tonnes)	591.790	641.610
Total Cost	1,328,602	1,338,696
Average Rate	2,245	2,085
3. Furnace Oil		
Qty. (Tonnes)	NIL	NIL
Total Cost	NIL	NIL
Average Rate	NIL	NIL
4. Others/Internal Generation		
Qty. (Paddy Husk. Baggasse etc...)	11036.502	12383.999
Total Cost	15,282,167	16,196,004
Average Rate	1,385	1,308
(B) CONSUMPTION PER UNIT PRODUCTION (IN ONE TON)		
	CURRENT YEAR	PREVIOUS YEAR
Production with details Unit Standard (if any)		
Electricity	-- 694 UNIT	735 UNIT
Furnace Oil	--	--
Coal & Others	0.928 Ton	1.040 Ton

For and on behalf of the Board

Sd/-
(HIMANSHU SANGAL)
Chairman

Dated : 30 th May 2004
Place : Meerut



AUDITORS' REPORT

To,
THE MEMBERS,
SANGAL PAPERS LIMITED
MEERUT.

LADIES & GENTLEMEN,

We have audited the attached Balance Sheet of SANGAL PAPERS LIMITED, MEERUT as on 31st March 2004 and also the Profit & Loss Account for the year ended on that date annexed thereto, and Cash Flow Statement for the period ended on that date. 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. Those 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.

1. As required by the Companies (Auditors report) order, 2003 issued by the Central Government of India in terms of Section 227(4-A) of the Companies Act, 1956, we give in the annexure a statement on the matters specified in paragraph 4 & 5 of the said order.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we report that :
 - i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit :
 - ii) In our opinion, proper books of account as required by Law, have been kept by the Company, so far as appears from our examination of those books :
 - iii) *The Balance Sheet and the Profit & Loss Account dealt with by this report are in agreement with the books of accounts of the Company .*
 - iv) 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 the Companies Act , 1956 **except AS- 15 Accounting for retirement benefits of employees.**
 - v) On the basis of written representations received from the directors, as on 31st March, 2004, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2004 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - vi) 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 :
 - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2004; and
 - (b) In the case of the Profit & Loss Account, of the Profit for the year ended on that date.
 - (c) In so far as it relates to the Cash Flow Statement, of the cash flow of the Company for the year ended on that date.

For SHIAM & CO.,
Chartered Accountants,

Sd/-
(R. K. JAIN)
Partner

Date : 30. 05. 2004
Place : Muzaffarnagar