



Sangal PAPERS LTD.

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*25th
Annual Report
2004 - 2005*

CONTENTS

Notics	2
Director's Report	5
Auditor's Report	8
Balance Sheet	12
Profit & Loss Account	13
Schedules	14
Notes	19
Cash Flow Statement	24
Proxy From	

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, Laxmi Nagar,
Opp. Radhu Palace, Delhi - 110 092



NOTICE

NOTICE is hereby given that the **TWENTY FIFTH ANNUAL GENERAL MEETING** of Share holders of **SANGAL PAPERS LTD.**, will be held on **FRIDAY, 30 TH SEPTEMBER, 2005** 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, 2005 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 pursuant to the provisions of section 198, 269, 309, 310 & 311 read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 approval of the Company be and is hereby accorded to increase in the remuneration of Shri Himanshu Sangal Managing Director of the Company w.e.f. 01 - 04 - 2005 up on such terms and conditions as set out in the explanatory statement attached to the notice convening this Annual General Meeting with power to the board of directors to alter & vary the terms of appointment in such manner as agreed to between the board of directors and Shri Himanshu Sangal, Managing Director of the Company.
4. To consider and if thought fit to pass with or without modification the following resolution as an ordinary Resolution.
 "RESOLVED THAT pursuant to the provisions of section 198, 269, 309, 310 & 311 read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 approval of the Company be and is hereby accorded to increase in the remuneration of Shri Amit Sangal Director of the Company w.e.f. 01 - 04 - 2005 up on such terms and conditions as set out in the explanatory statement attached to the notice convening this Annual General Meeting with power to the board of directors to alter & vary the terms of appointment in such manner as agreed to between the board of directors and Shri Amit Sangal, Director of the Company.

For and on behalf of the board

SANGAL PAPERS LTD.

Sd/-

(HIMANSHU SANGAL)

Managing Director

Date : 30 th May 2005

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 Friday 30th September 2005.
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.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT 1956.**ITEM 3**

Mr. Himanshu Sangal was appointed as Managing Director of the Company for a period of five years from 1st Oct.2001 and his appointment and the remuneration payable to him were approved by the members at an Annual General Meeting held on 30th. September 2002.

The approval of the Share holders is now sought for the payment of the increased remuneration to the Managing Director

The remuneration payable to Shri Himanshu Sangal is as under :

I. SALARY :

Rs. 22,000/- per month inclusive of D.A. if any.

II. PERQUISITES :

Perquisites may be allowed in addition to salary unless the context otherwise requires. Perquisites are classified into three Categories 'A' 'B' and 'C' as follows.

CATEGORY - A :

1. Housing - The appointee shall be entitled to house rent allowance @ 60% of the salary.
2. Medical Reimbursement - Expenses incurred for the appointee and his family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.
3. Leave Travel Concession - For the appointee and his family, once in a year incurred in accordance with any rules specified by the company.
4. Personal Accident Insurance - Premium not exceed Rs. 4,000/- per annum.

CATEGORY - B :

1. Contribution to provident fund, superannuation fund or annuity fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, Gratuity payable should not exceed half a month's salary for each completed year of service subject to a ceiling of Rs. 1,00,000/-
2. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites

CATEGORY - C :

Provision of car for use on company's business and telephone at residence will not be considered as perquisites, personal long distance calls on telephone and use of car for private purpose shall be billed by the company to the individual appointee concerned.

MINIMUM REMUNERATION :

(Payable in case of inadequacy of profits in any financial year)

Remuneration and perquisites as mentioned above.

Other Terms and Conditions :

1. The company shall reimburse actual travelling expenses incurred by Sh. Himanshu Sangal in the course of the company's business
2. Entitlement to privilege leave for a period of one month for every year of service during the period of the respective agreements with full pay and perquisites. Entitlement to sick leave and casual leave benefits as per the rules of the Company.
3. Sh. Himanshu Sangal shall not receive sitting fees for attending meetings of the Board of Directors of the company.
4. If at any time the appointee cease to be a Director of the Company for any cause whatsoever he shall cease to be the Mg. Director, or Director as the case may be.
5. The appointment may be terminated by six months notice or the Company paying six month's salary in lieu thereof
6. No Director of the Company except Sh. Himanshu Sangal is concerned or interested in the resolutions set out in Item 3 of the convening Notice.

Sangal PAPERS LTD.

ITEM 4

Mr. Amit Sangal was appointed as Director of the Company for a period of five years from 1st Oct.2001 and his appointment and the remuneration payable to him were approved by the members at an Annual General Meeting held on 30th. September 2002.

The approval of the Share holders is now sought for the payment of the increased remuneration to the Director .

The remuneration payable to Shri Amit Sangal is as under :

1. SALARY :

Rs. 20,000/- per month inclusive of D.A. if any.

II. PERQUISITES :

Perquisites may be allowed in addition to salary unless the context otherwise requires. Perquisites are classified into three Categories 'A' 'B' and 'C' as follows.

CATEGORY - A :

1. Housing - The appointee shall be entitled to house rent allowance @ 60% of the salary.
2. Medical Reimbursement - Expenses incurred for the appointee and his family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.
3. Leave Travel Concession - For the appointee and his family, once in a year incurred in accordance with any rules specified by the company.
4. Personal Accident Insurance - Premium not exceed Rs. 4,000/- per annum.

CATEGORY - B :

1. Contribution to provident fund, superannuation fund or annuity fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, Gratuity payable should not exceed half a month's salary for each completed year of service subject to a ceiling of Rs. 1,00,000/- .
2. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

CATEGORY - C :

Provision of car for use on company's business and telephone at residence will not be considered as perquisites, personal long distance calls on telephone and use of car for private purpose shall be billed by the company to the individual appointee concerned.

MINIMUM REMUNERATION :

(Payable in case of inadequacy of profits in any financial year)

Remuneration and perquisites as mentioned above.

Other Terms and Conditions :

1. The company shall reimburse actual travelling expenses incurred by Sh. Amit Sangal in the course of the company's business
2. Entitlement to privilege leave for a period of one month for every year of service during the period of the respective agreements with full pay and perquisites. Entitlement to sick leave and casual leave benefits as per the rules of the Company.
3. Sh. Amit Sangal shall not receive sitting fees for attending meetings of the Board of Directors of the company.
4. If at any time the appointee cease to be a Director of the Company for any cause whatsoever he shall cease to be the Mg. Director or Director as the case may be.
5. The appointment may be terminated by six months notice or the Company paying six month's salary in lieu thereof
6. No Director of the Company except Sh. Amit Sangal is concerned or interesting in the resolutions set out in item 4 respectively of the convening Notice.

For and on behalf of the board

SANGAL PAPERS LTD.

Sd/-

(HIMANSHU SANGAL)

Managing Director

Date : 30th May 2005

Place MEERUT

TWENTY FIFTH ANNUAL REPORT 2004 - 2005



DIRECTOR'S REPORT

To,
The Members,
Sangal Papers Limited,
Meerut

Your Directors have pleasure in submitting the Twenty Fifth Annual Report and audited statement of accounts of the Company for the year ended 31st March 2005.

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, & Depreciation	37,279,211	27,438,383
Less : Finance Charges,	8,588,210	9,937,276
Depreciation	6,005,483	6,129,790
	<u>14,593,693</u>	<u>16,067,066</u>
Profit for the year	22,685,518	11,371,317
Add\ (Less) : Prior Period / Exceptional Items	44,176,884	(569,910)
Profit after tax	66,862,402	10,801,407
Add Reduction in Equity Share Capital	52,290,400	-----
	<u>119,152,802</u>	<u>10,801,407</u>
Add : Balance being Profit(Loss) brought forward		
from last year	(66,052,054)	(76,853,461)
Balance being Profit(Loss) carried over to	53,100,748	(66,052,054)
Balance Sheet		

OPERATIONS :

During the year the company has achieved a turnover of Rs. 2889.79 Lacs as against Rs. 2367.18 Lacs during last year and earned profit of Rs. 226.15 lacs as against a profit of Rs. 113.71 lacs during last year.

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 18 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, if any ;
- (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 Himanshu Sangal and Mr. Amit Sangal was appointed as Managing Director and Director, respectively of the Company for a period of five years w.e.f. 1st oct.2001, now it has been decided to increase the remuneration of the both the director w. e. f. 1st April 2005 .

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 2005

Place: MEERUT

Sangal papers Ltd.

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)	10,884,137	8,639,683
Unit per Ltr. of Diesel oil	3.66	3.44
Total Amount	69,962,356	49,060,388
Cost / Unit	6.43	5.67
(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
Total Cost	1,328,602
Average Rate	2,245
3. Furnace Oil		
Qty. (Tonnes)	NIL	NIL
Total Cost	NIL	NIL
Average Rate	NIL	NIL
4. Others/Internal Generation		
Qty. (Paddy Husk. Baggasse etc...)	11,179,280	11,036,502
Total Cost	15,360,271	15,282,167
Average Rate	1,374	1,385

(B) CONSUMPTION PER UNIT PRODUCTION (IN ONE TON)

	CURRENT YEAR	PREVIOUS YEAR
Production with details Unit Standard (if any)		
Electricity	-- 730 UNIT	694 UNIT
Furnace Oil	--	--
Coal & Others	0.750 Ton	0.928 Ton

For and on behalf of the Board

Dated : 30 th May 2005
Place : Meerut

Sd/-
(HIMANSHU SANGAL)
Chairman