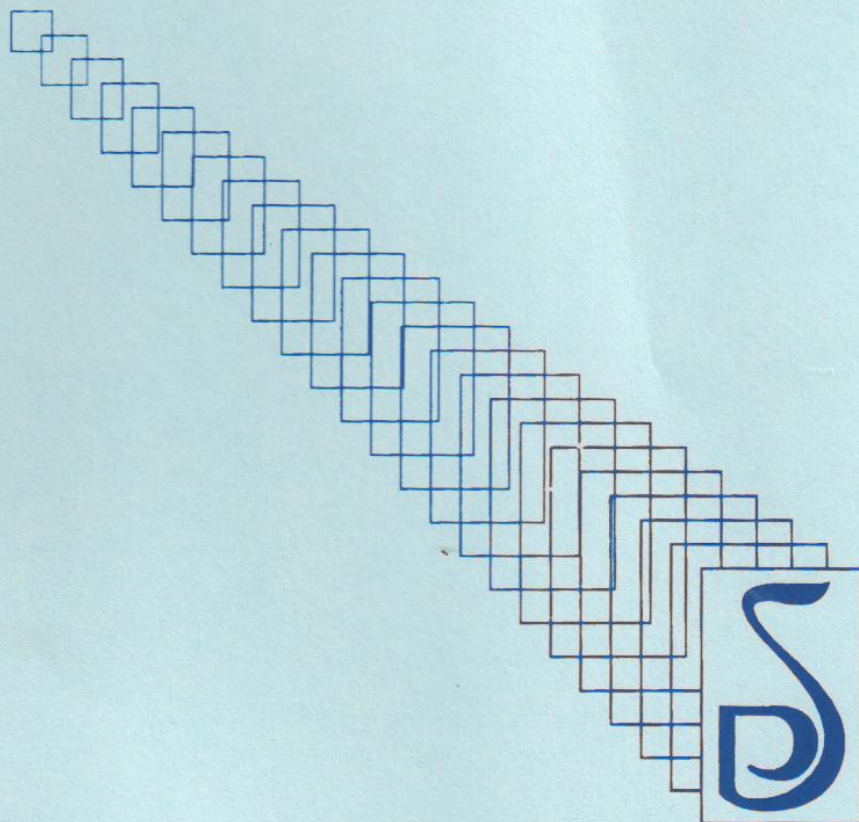


Sargal PAPERS LTD.



**31<sup>st</sup> Annual Report**

2010 - 2011

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**BOARD OF DIRECTORS**

**Managing Director :**  
Shri Himanshu Sangal

**Executive Director :**  
Shri Amit Sangal

**Director :**  
Shri Tanmay Sangal

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

**Bankers :**  
Axis Bank Ltd.  
Boundry Road, Meerut

**Registered Office & Works :**  
22 - Km., Meerut-Mawana Road,  
MAWANA - 250 401, Distt. Meerut (U.P.)  
E-mail : sangalpapers@hotmail.com

**Branch :**  
22, East End Enclave, Laxmi Nagar  
Opp. Radhu Palace, Delhi-110092

**Registrar & Share Transfer Agent :**  
**MAS SERVICES LTD.**  
T - 34, IInd Follor, Okhla Indl. Area, Phase II,  
New Delhi.  
PHONES : 011 - 26387281 - 82 - 83  
FAX : 91 - 11- 26387384  
E-mail : mas\_serv@yahoo.com



**NOTICE**

NOTICE is hereby given that **31st ANNUAL GENERAL MEETING** of the Share holders of **SANGAL PAPERS LIMITED** will be held on 31st August, 2010 at 11.00 A.M. at Village Bhainsa, 22 K.M., Meerut-Mawana Road, Mawana, Meerut to transact the following business.

**ORDINARY RESOLUTION :**

1. To receive, consider and adopt the audited Balance Sheet as on 31st March, 2011 and Profit & Loss A/c for the year ended on that date and the reports of Directors and Auditors thereon.
2. To appoint Auditors who shall hold office from conclusion at this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

**SPECIAL BUSINESS :**

3. To consider and if thought fit to pass with or without modification (s) the following resolution as an ORDINARY RESOLUTION :-

"RESOLVED THAT pursuant to section 198, 269, 309, 310 & 311 read with schedule-XIII and other applicable provision, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and subject to such sanctions and approval as may be necessary, approval of the company be and is hereby accorded for re-appointment of Shri Himanshu Sangal as Managing Director of the Company for a period of five years with effect from 1st October 2011 and further resolved that the approval of the company is hereby accorded for increase in remuneration to Rs. 45,000/- (Rupees Forty Five Thousands only) per month to Mr. Himanshu Sangal, Managing Director of the company w.e.f. 1st April 2011, the details of which are given in the explanatory statement annexed hereto.

4. To consider and if thought fit to pass with or without modification(s) the following resolution as a 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 (including any statutory modification or re-enactment thereof for the time being in force) and subject to such sanctions and approval as may be necessary, approval of the company be and is hereby accorded for re-appointment of Shri amit Sangal as Executive Director of the Company for a period of five years with effect from 1st October 2011 and further resolved that the approval of the company is hereby accorded for increase in remuneration to Rs. 45,000/- (Repees Forty Five Thousands only) per month to Mr. Amit Sangal, Executive Director of the company w.e.f. 1st April 2011, the details of which are given in the explanatory statement annexed hereto.

5. To consider and if thought fit to pass with or without modification(s) the following resolution as a 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 (including any statutory modification or re-enactment thereof for the time being in force) and subject to such sanctions and approval as may be necessary, approval of the company be and is hereby accorded for appointment of Shri tanmay Sangal as Whole Time Director of the Company for a period off five years with effect from 1st April 2011 and further resolved that the approval of the company is hereby accorded for payment of remuneration of Rs. 25,000/- (Rupees Forty Five Thousands only) per month to Mr. Tanmay Sangal, Whole Time Director of the company w.e.f. 1st April 2011, the details of which are given in the explanatory statement annexed hereto.

For and on behalf of the Board  
**SANGAL PAPERS LTD.**

Date : 08.07.2011  
Place : MEERUT

**(HIMANSHU SANGAL)**  
Managing Director

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, 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 Wednesday, 31st August 2011.
3. Members are requested to bring their copies of the annual report at the meeting. Members seeking any information regarding accounts should write to the company at its Registered Office at least seven days before the date of the meeting so as to enable the management to keep the information ready, if the Chairman so permits.
4. 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.
5. Member are requested to notify the change in their address (if any) to the company immediately.
6. The Company has joined as a member of depository services with national security Depository Ltd. (NSDL) and Central Depository Services (INDIA) Ltd. (CDSL), as issuer company for dematerialization of shares. Shareholders can their shares dematerialized with either NSDL or CDSL.
7. The Explanatory statement pursuant to the provisions of section-173(2) of the companies Act, 1956 in respect of the ordinary business is annexed hereto.

The Depository services have allotted the following code to the company INE 384D01022.



**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956****ITEM NO. 3**

Mr. Himanshu Sangal is the promoter and the Managing Director of the Company, His term of appointment as a Whole Time Director of the Company will expires on 30th September 2011. The Board of Director considers that for smooth and efficient running of the administrative affairs of the Company the services of Mr. Himanshu Sangal should be available to the Company for further Five years with effect from 1st October, 2011.

In terms of the provisions of the Article of Association of the Company, the Board of Directors has, at its meeting held on 30th March, 2011 re-appointed him as a whole time director of the Company for a further period of Five years w.e.f. 1st October 2011.

The Board of Directors in its meeting held on 30th March, 2011, subject to the approval of the Company, increased the remuneration of Mr. Himanshu Sangal, whole time Mg. Directors to Rs. 45,000 (Forty Five Thousands) per month w.e.f. 1st April 2011.

Following are the details of the annual salary proposed to be paid to Mr. Himanshu Sangal, whole time Mg. Director w.e.f. 1st April, 2011.

Consolidated Salary, Perquisites and Performance Bonus, etc. Rs. 45,000/- per month.

In addition to the above he shall be entitled to receive the following :-

- (a) Gratuity as per the rules of the Company, but not exceeding half a month's salary for each completed year of service.
- (b) Encashment of leave at the end of tenure.
- (c) Perquisite of Car for use on company's business.
- (d) Fixed landline telephone facility at residence along with free mobile telephone facility. Long distance personal calls to be recovered by the Company.
- (e) He shall also be entitled to reimbursement of entertainment expenses actually and properly incurred in the course of business of the Company.

The Board recommends this resolution for approval by the members of the Company, None of the Directors except Mr. Himanshu Sangal is concerned or interested in this resolution. This may be treated as an abstract pursuant to section. 302 of the Companies Act, 1956.



**ITEM NO. 4**

Mr. Amit Sangal is a whole time director of the Company. His current term of appointment as a Director of the Company will expires on 30th September 2011. In view of his excellent skills And long business experience, the Board of Directors is of the considered opinion that for smooth and efficient running of the administrative affairs of the Company, the services of Mr. Amit Sangal should be available to the Company for a further Five years with effect from 1st October, 2011.

In terms of the provisions of the Article of Association of the Company, the Board of Directors has, at its meeting held on 30th March, 2011 re-appointed him as a whole time director of the Company for a further period of Five years w.e.f. 1st October 2011.

The Board of Directors in its meeting held on 30th March, 2011, subject to the approval of the Company, increased the remuneration of Mr. Amit Sangal, whole time Director to Rs. 45,000 (Forty Five Thousands) per month w.e.f. 1st April 2011.

Following are the details of the annual salary proposed to be paid to Mr. Amit Sangal, Director w.e.f. 1st April, 2011.

Consolidated Salary, Perquisites and Performance Bonus, etc. Rs. 45,000/- per month.

In addition to the above he shall be entitled to receive the following :-

- (a) Gratuity as per the rules of the Company, but not exceeding half a month's salary for each completed year of service.
- (b) Encashment of leave at the end of tenure.
- (c) Perquisite of Car for use on company's business.
- (d) Fixed landline telephone facility at residence along with free mobile telephone facility. Long distance personal calls to be recovered by the Company.
- (e) He shall also be entitled to reimbursement of entertainment expenses actually and properly incurred in the course of business of the Company.

The Board recommends this resolution for approval by the members of the Company, None of the Directors except Mr. Amit Sangal is concerned or interested in this resolution. This may be treated as an abstract pursuant to section.302 of the Companies Act, 1956.



**ITEM NO. 5**

The Ordinary Resolution at item No.5 of the Notice is to seek the members approval to the appointment of Mr. Tanmay Sangal as Whole-time Director of the Company made by the Board of Directors of the Company at its meeting held on 30th March, 2011. Mr. Tanmay Sangal has been associated with your Company as a Director on its Board of Directors w.e.f. 30th November, 2003 and, as such director he has been taking keen interest in the affairs of the Company. Mr. Tanmay Sangal having thus acquired a good knowledge and experience in Paper industry business, the Directors of your Company thought proper to appoint him as the Whole-time Director of the Company for a period of 5 years w.e.f. 1st April, 2011 Subject to the approval of the members of the Company.

The Board of Directors in its meeting held on 30th March, 2011, subject to the approval of the Company, Fixed the remuneration of Mr. Tanmay Sangal, whole time Director to Rs. 25,000 (Twenty Five Thousands) per month w.e.f. 1st April 2011.

Following are the details of the annual salary proposed to be paid to Mr. Tanmay Sangal, Director w.e.f. 1st April 2011.

Consolidated Salary, Perquisites and Performance Bonus, etc. Rs. 25,000/- per month.

In addition to the above he shall be entitled to receive the following :-

- (a) Gratuity as per the rules of the Company, but not exceeding half a month's salary for each completed year of service.
- (b) Encashment of leave at the end of tenure.
- (c) Perquisite of Car for use on company's business.
- (d) Fixed landline telephone facility at residence along with free mobile telephone facility. Long distance personal calls to be recovered by the Company.
- (e) He shall also be entitled to reimbursement of entertainment expenses actually and properly incurred in the course of business of the Company.

The Board recommends this resolution for approval by the members of the Company, None of the Directors except Mr. Tanmay Sangal is concerned or interested in this resolution. This may be treated as an abstract pursuant to section.302 of the Companies Act, 1956.

For and on behalf of the Board  
**SANGAL PAPERS LTD.**

**(HIMANSHU SANGAL)**  
Managing Director

Date : 08.07.2011  
Place : MEERUT



**DIRECTOR'S REPORT**

The Members,

Your Directors have pleasure in submitting herewith Audited Statement of accounts of the Company for the year ended on 31st March, 2011 along-with their 31st Annual Report :-

**WORKING RESULTS :**

PARTICULARS	CURRENT YEAR FIGURES (Rs.)	PREVIOUS YEAR FIGURES (Rs.)
Profit before Finance Charges	56606739.00	53497982.00
Less- depreciation		
Finance Charges	23883748.00	21462811.00
Depreciation	14709890.00	14560314.00
Net Profit for the year	18013101.00	14560314.00
Paid/Provision for Tax		
Current Tax	3590011.00	2969852.00
Deferred Tax Liability	7875000.00	5243000.00
Mat Credit Entitlement	(3590011.00)	(2969852.00)
Profit After Tax	10138101	12231857.00
Add: Profit b/f \from last year	104980254.00	92748397.00
Profit c/o to Balance Sheet	117044917.00	104980254.00

**OPERATIONS :**

During the year the company has achieved sales of Rs. 7045.67 Lacs as against Rs. 6074.32 Lacs during the last year and earned profit before tax of Rs.-180.13 Lacs as against a profit of Rs. 174.74 Lacs during last year.

**INDUSTRIAL RELATIONS :**

Industrial relation during the year remained cordial at all levels of the Company. The Management appreciates the whole-hearted Co-operation 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 of 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 :**

- Measures have been taken for conservation of energy
- There is no additional investment or any proposal for reduction of conservation of energy.
- Information regarding energy conservation in annexed herewith in form-A.

**(B) Technology Absorption :**

No efforts have been made in Technology Absorption

**(C) Foreign Exchange earning and out-go :**

Particulars regarding Foreign Exchange earning and outgo is as per in Schedule-18 of Balance Sheet.