

**33<sup>RD</sup> ANNUAL REPORT 2012 - 2013**

*Sangal* PAPERS LTD.



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**BOARD OF DIRECTORS**

**Managing Director :**  
Shri Himanshu Sangal

**Executive Director :**  
Shri Amit Sangal

**Director :**  
Shri Tanmay Sangal

**Auditors :**  
**M/s Shyam & 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**

Is hereby given that 33rd ANNUAL GENERAL MEETING of the share holders of SANGAL PAPERS LIMITED will be held on Monday the 30th Day of September, 2013 at 12:00 Noon at the registered office of the Company at village Bhainsa, 22K.M., Meerut Mawana Road, Mawana, Meerut (U.P.) to transact the following business :

**ORDINARY BUSINESS :**

1. To receive, consider and adopt for audited Balance Sheet as on 31st March, 2013 and Profit & Loss A/c for the year ended on that date and the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Tanmay Sangal who retire by rotation and being eligible, offers himself for re-appointment.
3. 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 :**

4. To consider and, if thought fit, to pass, with or without modification (s), the following resolution as Special Resolution :-

**"RESOLVED THAT** in supersession of the earlier resolution passed in this regard and pursuant to the provisions of Sections 198, 309, 310 & 311 read with Schedule XIII and other applicable provisions, if any, of the companies Act, 1956 or any statutory amendment or re-enactment thereof, and subject to approval of Central Government, if necessary, and such other approvals, as may be necessary, consent of the Company be and is hereby accorded to the payment as revised remuneration of Rs. 75000/- (Rupees Seventy Five Thousands) per month to Mr. Himanshu Sangal, Managing Director, effective from 01.10.2013 for the remaining period of his term as Managing Director i.e. upto 30.09.2016."

**"RESOLVED FURTHER THAT** the said appointment be made in accordance with the terms and conditions as set out in Explanatory statement annexed hereto."

**"RESOLVED FURTHER THAT** the Board of Directors or a committee thereof be and is hereby authorized to alter or vary the remuneration within the provisions of schedule XIII of the Companies Act, 1956, to the extent the Board of Directors or Committee thereof may consider appropriate, as may be permitted or authorized in accordance with any provision (s) under the Companies Act, 1956 or schedule (s) appended thereto, for the time being in force or any statutory modification or re-enactment thereof and/or any rules or regulations there under and to do all such acts deeds and things in order to give effect to this resolution or as otherwise considered by the Board to be in the best interest of the Company, as it may deem fit."

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as Special Resolution :-

**"RESOLVED THAT** in supersession of the earlier resolution passed in this regard and pursuant to the provisions of Section 198, 309, 310 & 311 read with Schedule XIII and other applicable provisions, if any, of the companies Act, 1956 or any statutory amendment or re-enactment thereof, and subject to



consent of the Company be and is hereby accorded to the payment as revised remuneration of Rs. 75000/- (Rupees seventy Five Thousands) per month to Mr. Amit Sangal, Executive Director, effective from 01.10.2013 for the remaining period of his term as Executive Director i.e. upto 30.09.2016."

**"RESOLVED FURTHER THAT** the said appointment be made in accordance with the terms and conditions as set out in explanatory Statement annexed hereto."

**"RESOLVED FURTHER THAT** the board of Directors or a Committee thereof and is hereby authorized to alter or vary the remuneration within the provisions of schedule XIII of the Companies Act, 1956 to the extent the Board of Directors or Committee thereof may consider appropriate, as may be permitted or authorized in accordance with any provision (s) under the Companies Act, 1956 or schedule (s) appended thereto, for the time being in force or any statutory modification or re-enactment thereof and/or any rules or regulations there under and to do all such acts, deeds and things in order to give effect to this resolution or as otherwise considered by the Board to be in the best interest of the Company, as it may deem fit."

For and on behalf of the board

**SANGAL PAPERS LTD.**

(HIMANSHU SANGAL)

Managing Director

Date : 14 August 2013

Place : MEERUT

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 Monday 30th Sept. 2013.
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. Members 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.  
The depository services have allotted the following code to the Company **INE384D01022**.

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

**ITEM NO. 4:**

At the Extra-Ordinary General Meeting of the Company, held on 31.08.2011, Mr. Himanshu Sangal was re-appointed as Managing Director of the Company, w.e.f. 01.10.2011 for a period of five years. In view of the contributions made by Mr. Himanshu Sangal and his extensive knowledge of Company's operations and rich experience and expertise in managing the affairs of the Company, and in view of remuneration paid to persons of similar experience, work profile and responsibility, in the industry, the Board has, subject to the approval of Members revised the remuneration to be paid to Mr. Himanshu Sangal, Managing Director, w.e.f. 01.10.2013, for the remaining period of his term as Managing Director i.e. upto 30.09.2016 on the terms and conditions as set out hereunder. The revision is subject to the approval of members of the company by way of a special resolution and approval from the Central Government, if necessary.

Consolidated Salary, Perquisites and performance Bonus etc. Rs. 75000/- per month.

- (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.

In the event of loss in the Company in any financial year(s), during the currency of tenure of Mr. Himanshu Sangal as Managing Director, the remuneration as mentioned in the resolution be paid to Mr. Himanshu Sangal, as minimum remuneration, subject to the approval of Central Government, if necessary.

The Board recommends the special resolution set forth at item no. 4 of the Notice for approval of the members.

None of the Directors of the Company, except Mr. Himanshu Sangal, is in any way concerned or interested in this resolution.

**ITEM NO. 5:**

At the Extra-ordinary General Meeting of the Company, held on 31.08.2011, Mr. Amit Sangal was re-appointed as Executive Director of the Company, w.e.f. 01.10.2011 for a period of five years. In view of the contributions made by Mr. Amit Sangal and his extensive knowledge of Company's operations and rich experience and expertise in managing the affairs of the company; and in view of remuneration paid to persons of similar experience, work profile and responsibility, in the industry, the Board has, subject to the approval of Members revised the remuneration to be paid to Mr. Amit Sangal, Executive Director, w.e.f. 01.10.2013, for the remaining period of his term as Executive Director i.e. upto 30.09.2016 on the terms and conditions as set out hereunder. The revision is subject to the approval



of members of the Company by way of a special resolution and approval from the Central Government, if necessary.

Consolidated Salary, Perquisites and performance Bonus etc. Rs. 75000/-per month.

- (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.

In the event of loss in the Company in any financial year(s), during the currency of tenure of Mr. Amit Sangal as Executive Director, the remuneration as mentioned in the resolution be paid to Mr. Amit Sangal, as minimum remuneration, Subject to the approval of Central Government, if necessary. The Board recommends the special resolution set forth at item no.5 of the Notice for approval of the members.

None of the Directors of the Company, except Mr. Amit Sangal, is in any way concerned or interested in this resolution.

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

Date : 14 August 2013  
Place : MEERUT

**(HIMANSHU SANGAL)**  
Managing Director

**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, 2013 along-with their 33rd Annual Report :-

**WORKING RESULTS :**

(Amount in ₹)

PARTICULARS	CURRENT YEAR FIGURES (in )	PREVIOUS YEAR FIGURES (in )
Profit before Finance Charges depreciation	63206492.00	60334322.00
Less-		
Finance Charges	28284199.00	27219143.00
Depreciation	15880381.00	15036372.00
Net Profit for the year	19041912.00	18078807.00
Paid/Provision for Tax		
Current Tax	7650887.00	3999013.00
Deferred Tax Liability	(1517000.00)	(490000.00)
Mat Credit Entitlement	6133887.00	3509013.00
Profit After Tax	12908025.00	14569794.00
Add: Profit b/f from last year	131614711.00	117044917.00
Profit c/o to Balance Sheet	144522736.00	131614711.00

**OPERATIONS :**

During the year the company has achieved sales of Rs. 9255.56 Lacs as against Rs. 8357.30 Lacs during the last year and earned profit before tax of Rs. 190.41 Lacs as against a profit of Rs. 180.79 Lacs during last year.

**DIVIDEND**

Your Directors feel that it is prudent to plough back the profits for future growth of the Company and do not recommend any dividend for the year ended March, 2013.

**Directors**

Shri Tanmay Sangal will retire by rotation and being eligible, offers himself for re-appointment. It has been decided to increase the remuneration of Mr. Himanshu Sangal and Mr. Amit Sangal Managing Director and Executive Director respectively w.e.f. 01.10.2013.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information 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, with respect to these matters forms part of this report and is annexed hereto as Annexure-A.

**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 :**

There is no employee covered under the provisions of Section-217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees), Rules, 1975.

**DIRECTOR'S RESPONSIBILITY STATEMENT :**

Pursuant to section 217 (2AA) of the Companies Act, 1956, it is hereby confirmed :

- (i) That in the preparation of the annual accounts, the applicable accounting standards have been followed.
- (ii) That the Directors have selected such accounting policies and applied them consistently, and made judgments and estimates that are reasonable and prudent as to give a true and fair view of the state of affairs of the company at the end of the financial year ended 31st March, 2013 and of the profit for the year.
- (iii) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance 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 have prepared the annual accounts on a going concern basis.

**DEPOSITS:**

The Company has not accepted any should be deposited from the public during the year attracting the provisions of section 58-A of the Companies Act, 1956.

**INSURANCE**

All properties and insurable assets of the Company, including Building, Plant & Machinery and Stocks have been adequately insured, wherever necessary.

**STATUTORY AUDITORS AND AUDITOR'S REPORT**

M/S SHIAM & CO., Chartered Accountants, Muzaffarnagar retire at this meeting and are eligible for re-appointment. They have confirmed their eligibility for The Board recommends their appointment. The report of the Auditors is self-explanatory, therefore does not require any specific comments.

**ACKNOWLEDGEMENT:**

Your Directors wish to place on record their appreciation for the assistance and co-operation that your company has received from the Govt. of U.P., Bankers, Stakeholders and all others, whose continued support has been a source of strength to the company. Your Directors also wish to place on record their sincere appreciation to the devotion and commitment of every employee of the company.

Your Directors recommend that Annual Accounts may be passed by you and said appointments may be approved by you.

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

**(HIMANSHU SANGAL)**  
CHAIRMAN

Date : 14.08.2013  
Place : MEERUT