

Sangal PAPERS LTD.



34th ANNUAL REPORT 2013 - 2014

BOARD STRUCTURE OF THE COMPANY

Managing Director/Whole-Time Director :

Sh. HIMANSHU SANGAL
Sh. AMIT SANGAL
Sh. TANMAY SANGAL

Director

VINAYAK SANGAL

AUDITOR :

M/s Shiam & Co.
Chartered Accountants.
Aggarwal Market, Mahaveer Chowk,
MUZAFFARNAGAR, U.P.

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 Indi. Area
Phase II, New Delhi.
E-mail : mas_serv@yahoo.com
PHONES : 011 - 26387281 - 82 - 83
FAX : 91 - 11- 26387384

CONTENTS

Notice	2
Director's Report	5
Auditor's Report	15
Balance Sheet	19
Profit & Loss Account	20
Cash Flow Statement	21
Notes	22
Proxy Form	33



NOTICE TO MEMBERS

NOTICE is hereby given that the THIRTY FOUR Annual General Meeting of SANGAL PAPERS LIMITED (the 'Company') will be held at 11.30 a.m. on Tuesday on 30th day, of September, 2014 at Village Bhainsa, 22 km Mawana Road, Meerut, U.P.-250401, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31 March, 2014 and audited Statement of Profit & Loss Account for the year ended on that date and the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. TANMAY SANGAL (Din-01297057), who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint auditors and to fix their remuneration.

To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution :

"RESOLVED" THAT in accordance with applicable provisions of the Companies Act, 2013, and the Rules made thereunder (including any statutory modification (s) or re-enactment thereof), the retiring auditors, SHIAM & Co. (Chartered Accountants), Muzaffarnagar (Registration No. 000030C), be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on remuneration to be fixed by the Board of Directors."

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT in accordance with applicable provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification (s) or re-enactment thereof), and the Articles of Association of the Company Mr. VINAYAK SANGAL (DIN-06833351), who was appointed as an Additional Director of the Company by the Board of Directors at its meeting held on 01 March, 2014, effective from 01 March 2014, pursuant to provisions contained in Articles of Association of the Company and Section 260 of the Companies Act, 1956, and who holds office upto the date of this Annual General Meeting pursuant to Section 161(1) of the Companies Act, 2013, and as per provisions contained in the Articles of Association of the Company, and in respect of whom a written Notice pursuant to Section 160 of the Companies Act, 2013, has been received from a member signifying his intention to propose Mr. VINAYAK SANGAL (DIN-06833351) as a candidate for the office of Director of the Company, be and is hereby appointed as Director of the Company whose period of office shall be liable to determination by retirement by rotation."

Date : 26.05.2014
Place : MEERUT

By Order of the Board
HIMANSHU SANGAL
(DIN-00091324)
Managing Director

THIRTY FOURTH ANNUAL REPORT 2013 - 2014

NOTES: A. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. As per Section 105 of the Companies Act, 2013 and relevant rules made there under a person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. Further, a member holding more than ten percent (10%) of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

(B) The instrument appointing the proxy (duly completed, stamped and signed) must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, member would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than 3 days written notice is given to the Company.

(C) Attention of member is invited to specified page in the annual report. With effect from April 01, 2014 *inter-alia* provisions of section 149 of Companies Act, 2013, has been brought into force. In terms of the said section read with section 152(6) of the Act, the provisions of retirement by rotation are not applicable to Independent Directors. Therefore, the directors to retire by rotation have been reascertained on the date of this notice. Accordingly, Mr. Tanmay Sangal (Din-01297075) Non-Independent Director will retire at the ensuing annual general meeting and being eligible offers himself for re-appointment.

(D) Statement as required under section 102 of the Companies Act, 2013, in respect of special business is annexed hereto.

(E) The Register of Members and the share transfer books of the Company will remain closed 30th Day of September 2014.

(F) The Company has joined as a member of depository services with National Security Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), as Issuer Company for dematerialization of shares. Shareholder can get their shares dematerialized either with NSDL or CDSL.

The depository have allotted the following code to the company **INE384D01022**.

(G) The Registrar and Transfer Agent of the Company M/s. **MAS SERVICES LIMITED**, T-34, II Floor, Okhla Ind. Area, Phase II, New Delhi (e-mail: mas_serv@yahoo.com) is handling registry work in respect of shares held both in physical form and in electronic/ demat form.

(H) Pursuant to Section 72 of the Companies Act, 2013, shareholders holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's Registrar and Transfer Agent. In respect of shares held in electronic/demat form, the nomination form may be filed with the respective Depository Participant.

(I) Members are requested to bring their copy of the Annual Report to the Annual General Meeting.

(J) Members/Proxies/Representatives are requested to bring the attendance slip enclosed to the annual report / notice for attending the meeting.

Date : 26.05.2014
Place : MEERUT

By Order of the Board
HIMANSHU SANGAL
(DIN-00091324)
Managing Director

SANGAL PAPERS LIMITED

CIN: L21015UP1980PLC005138
Regd. Office: Village Bhalnasa, 22km Mawana Road,
Meerut, U.P. - 250401
PH-01233-271515, 274324, Fax : 01233-272051
e-mail : sangalpapers@hotmail.com

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

In terms of provision of section 161 (1) of the Companies Act, 2013 and as per provisions contained in the Articles of Association of the Company, the Board of Directors of the Company decided to recommend the re-appointment of Mr. VINAYAK SANGAL (DIN-06833351), who was appointed as an Additional Director of the Company by the Board of Directors at its meeting held on 01 March, 2014, effective from 01 March 2014, and who holds office upto the date of ensuring Annual General Meeting, and in respect of whom a written Notice pursuant to Section 160 of the Companies Act, 2013 has been received from a member signifying his intention to propose Mr. VINAYAK SANGAL (DIN-06833351) as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company whose period of office shall be liable to determination by retirement by rotation.

The Board of the Directors of the company pleased to recommend for proper structure of the Board of the Company.

Your Directors recommend the above as on Ordinary Resolution for your approval.

Mr. Amit Sangal the Executive Director of the Company is the father of Mr. Vinayak Sangal and is deemed to be interested in the proposed resolution.

Date : 26.05.2014
Place : MEERUT

By Order of the Board
HIMANSHU SANGAL
(DIN-00091324)
Managing Director

SANGAL PAPERS LIMITED

CIN: L21015UP1980PLC005138
Regd. Office: Village Bhainsa, 22km Mawana Road,
Meerut, U.P. - 250401
PH-01233-271515, 274324, Fax : 01233-272051
e-mail : sangalpapers@hotmail.com

DIRECTOR'S REPORT

Dear Shareholders,

Your Directors present the Company's 34th Annual Report and Audited Accounts for the financial year ended 31st March, 2014.

FINANCIAL HIGHLIGHTS

(Amount in ₹)

YEAR	2014	2013
Profit before Finance Charges and Depreciation	66,677,633	63,206,492
Finance Charges	28,774,180	28,284,199
Depreciation / Amortization	16,749,664	15,880,381
PROFIT BEFORE TAX	21,153,789	19,041,912
Current Tax	8,082,860	7,648,700
Deferred Tax Liability	(2,684,000)	(1,517,000)
Income Tax Related to earlier year	57,812	2,187
PROFIT AFTER TAX	15,697,117	12,908,025
Balance brought Forward from last year	144,522,736	131,614,711
Balance carried Forward to balance sheet	160,219,853	144,522,736

PERFORMANCE REVIEW

The Company is moving fast to achieving it's goal of maximization of shareholders wealth and objective of the Company. The Company does care to all stakeholder of the Company.

Sangal Paper' focus in India and outside India over last few years has been to move closer to the ultimate consumers and position its products in a way that consumers can connect with and aspire for, with this in mind The Company has maintained the world-wide standard in its products and engaged in to give sharpness to the Company's marketing strategies.

Sangal Paper, standalone has given its best performance in all subjects. During the year under review the Company has achieved a turnover of Rs. 10164.29 lacs as against previous figure of Rs. 9255.56 Lacs, posting approx 9.82% growth in sale.

During the year under review PAT (profit after tax) were Rs. 156.97 lacs as compared to previous year figure of Rs. 129.08 lacs. Your company has also posted a vibrant growth of 21.61% in net profit after tax as compared to previous year.

DIVIDEND AND RESERVES

DIVIDEND

Board of directors of the Company has opted to plough back the profits for future growth and do not recommend any dividend for the financial year ending on 31/03/2014.

RESERVES

The balance of reserve & surplus account of the Company as on 31/03/2014 was Rs. 1650.75 lacs.

BOARD OF DIRECTORS

Mr. TANMAY SANGAL (Din-01297057), Director of the company, who retire by rotation and being eligible offer himself for re-appointment. Mr. VINAYAK SANGAL (Din-06833351) who was appointed as an Additional Director of the Company by the Board of Directors at its meeting held on 01 March, 2014

effective from 01 March 2014, and who holds office upto the date of ensuing Annual General Meeting, and in respect of whom a written Notice pursuant to Section 160 of the Companies Act, 2013 has been received from a member signifying his intention to propose Mr. VINAYAK SANGAL (Din-06833351) as a candidate for the office of Director of the Company, whose period of office shall be liable to determination by rotation.

The details of Directors being recommended for appointment/ re-appointment as required in clause 49 of the Listing Agreement with Stock Exchange are provided in the report on corporate governance and also contained in the accompanying Notice convening the ensuing Annual General Meeting of the Company.

Appropriate Resolutions(s) seeking your approval to the appointment/ re-appointment of Directors are also included in the Notice.

PARTICULARS OF EMPLOYEES

There are no employees in the company drawing remuneration in excess of the limit prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended time to time.

FIXED DEPOSIT

The Company has not accepted or renewed any deposit cover under Section 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposit) Rules, 1975 from public during financial year under review.

STATUTORY AUDITOR AND AUDITORS' REPORT

The Statutory Auditors, SHIAM & Co. (Chartered Accountants), Muzaffarnagar (Registration No. 000030C), who will retire at the conclusion of 34th Annual General Meeting to be held on September 30, 2014 and being eligible, themselves for re-appointment. A certificate from them has been received to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224 (1B) of the Companies Act, 1956. The report is self explanatory, therefore does not require an specific comments.

COST AUDITORS

In terms of letter No. 52/26/CAB-2010 dated 30th June 2011 received from the Cost Audit Branch of the Ministry of Corporate Affairs and pursuant to the provisions of section 224(1B) read with section 233B of the Companies Act, 1956, M/s SURENDRA RAI KAPUR (Registration No. 04926), Cost Accountants were appointed as the cost auditors of the Company for the year ending 31st March, 2014.

CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

Information required as per Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, Relating to the conservation of energy as per "Annexure A" Technology Absorption, Adaption and Innovation as per "Annexure B" and Research and Development as per "Annexure C" and The information on foreign exchange earning and outgo as per "Annexure D".

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors to the best of their knowledge hereby state by and confirm that:

- i) in the preparation of the annual accounts of the Company, the applicable accounting standards had been followed along with proper explanations relating to material departures;
- ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are 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 profits of the Company for that period;
- iii) 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; and
- iv) the Directors had prepared the annual accounts of the Company on a going concern basis.

DEPOSITORY SERVICES

The Company is availing Depository Services of National Security Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

INSURANCE

All property and insurable assets of the Company, including Building, Plant & Machinery and Stock have been adequately, wherever necessary.

CORPORATE GOVERNANCE

Good governance is not a part of our vocabulary but in our organization's DNA.

Your Company upholds the standards of governance and is compliant with the Corporate Governance Provisions as stipulated under clause 49 of the Listing Agreement in both true letter spirit. The Company's core values of honesty and transparency have since its inception been followed in every line of decision making. Setting the tone at the top, your Directors cumulatively at the Board level advocate good governance standards. Sangal Paper has been built on a strong foundation of good corporate governance which is now a standard for all operations across your company.

Parameters of Statutory compliances evidencing the standards expected from a listed entity have been duly observed and a Report on Corporate Governance as well as the Certificate from Statutory Auditors confirming compliance with the requirements of clause 49 of the Listing Agreement forms part of the Annual Report.

Report on Corporate Governance as per "Annexure E".

HIMANSHU SANGAL
(Managing Director/Chairman)

AMIT SANGAL
(Executive Director)

Date : 26-05-2014
Place : MEERUT

SANGAL PAPERS LIMITED

CIN: L21015UP1980PLC005138
Regd. Office: Village Bhainsa, 22km Mawana Road,
Meerut, U.P. - 250401
PH-01233-271515, 274324, Fax : 01233-272051
e-mail : sangalpapers@hotmail.com

REPORT ON CONSERVATION OF ENERGY

ANNEXURE-A

Form for disclosure particulars with respect to conservation of energy.
Information as required under Section 217 (a) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Board of Directors), 1988 and forming part of Directors' Report for the year ended 31st March 2014.

CONSERVATION OF ENERGY:

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
	2013-2014	2012-2013
(A) POWER & FUEL CONSUMPTION		
1. ELECTRICITY :		
(a) Purchased		
Purchased	NIL	NIL
Total Amount Rs.	NIL	NIL
Rate/Unit Rs.	NIL	NIL
(b) Own Generation		
Through Diesel Generation (Unit)	----	----
Unit/Ltr. Or Diesel oil	----	----
Total Amount Rs.	----	----
Rate/Unit Rs.	----	----
(c) Through Steam Turbine Generation Unit		
Unit	21434579	27211141
Rate/Unit	12.88	9.37
2. COAL AND FUEL :		
Qty. (Tones)	25161.306	20994.581
Total Cost Rs.	143891539	106374868
Average Rate Rs.	5718.76	5066.78
3. OTHER/ INTERNAL GENERATION		
Qty. (D'oilied Paddy Husk. Etc.) (Tones)	33438604	32658.755
Total Cost Rs.	132266458	148690660
Average Rate Rs.	3955.50	4552.86
4. CONSUMPTION PER UNIT OF PRODUCTION (IN ONE TON)		
Unit Standard (if any)		
Production with details Unit Standard (if any)		
Electricity (Unit)	660.70	750

REPORT ON TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION**ANNEXURE-B**

The Company is taking all the steps to practice the latest technology available in the industry.

REPORT ON RESEARCH AND DEVELOPMENT**ANNEXURE-C**

The research and development activities are on going process in your company.

REPORT ON FOREIGN EXCHANGE EARNING AND OUTGO**ANNEXURE-D**

Particulars regarding foreign exchange, earning and outgo is as per Schedule 23 to 26 of Balance

By Order of the Board
HIMANSHU SANGAL
(DIN-00091324)
Managing Director

SANGAL PAPERS LIMITED

CIN: L21015UP1980PLC005138
Regd. Office: Village Bhainsa, 22km Mawana Road,
Meerut, U.P. - 250401
PH-01233-271515, 274324, Fax: 01233-272051
e-mail : sangalpapers@hotmail.com