

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

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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

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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 its 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

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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

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REPORT ON CORPORATE GOVERNANCE

ANNEXURE-E

M/s SANGAL PAPERS LIMITED believes that sound Corporate Governance practices are essential for healthy growth of business and to repose confidence in all interested parties.

SANGAL PAPERS LIMITED has placed adequate Corporate Governance Practices for improving long term values. The Corporate Governance Philosophy of SANGAL PAPERS LIMITED has been further strengthened with the formulation of Code of Conduct for Management, Whistle Blower Policy, Online Grievance Redressal System and implementation of Public Disclosure Policies. The Company has also set up mandatory committees as prescribed in the Corporate Governance Guidelines. The Company, through its Board and Committees, endeavors to strike and deliver the highest governing standards for the benefit of its stakeholders of the Company.

2.0. Composition of the Board of Directors

The Board of Director of the Company duly constituted as per provision of Companies Act, 2013 and Listing Agreement clause 49 and any other applicable rules and regulation. The Board of the Company consists of both Executive and Non Executive Directors.

3.0. Guidelines for Committees of the Board

The Company has set up mandatory Committees of the Board. The Committees of the Board meet at frequent intervals as per the Guidelines prescribed for holding such meetings. The Board of the Directors of the Company ensures that the meetings of the Shareholders, Board of Directors and Committees of the Board are held as per the time frame and the minutes of such meetings are properly recorded.

4.0. Board of Directors Meetings

The names of the Board of Directors and their attendance at the Board Meetings held during the financial year 2013-14 are as under.

S.No.	Name of Director(s)	Qualification	Field of Specialization	Field of Directorship	No. of Meeting held	No. of Meeting attended
1.	Himanshu Sangal	B.Com, LL.B.	Production	Managing Director/ Chairman	12	12
2.	Amit Sangal	B.Com	Sales & Marketing	Executive Director	12	12
3.	Tanmay Sangal	B.Com, MBA	Marketing	Director	12	12
4.	Vinayak Sangal	B.Tech	Technical	Director	01	01

Date of Board Meeting provided in Table 'A'

5.0. Committee Meetings of the Board Directors

The details of the Committee Meetings of the Board of Directors held during the financial year 2013-2014 are as under.

(A) Audit Committee

The Audit Committee was duly constituted as per listing agreements norms. The committee has the mandate to review and analysis of Financial statement of the Company.

The names of the Board of Directors and the attendance of the Director/Members attended the meetings are as under :

S.No.	Name of Member(s)	Status of Directorship	No. of Meeting Held	No. of Meeting Attended
1.	Himanshu Sangal	Manging Director/Chairman	4	4
2.	Amit Sangal	Member	4	4
3.	Tanmay Sangal	Member	4	4
4.	Vinayak Sangal	Member	1	1

(B) Investors / Shareholders Grievance Committee :

The Shareholders Grievance Committee was duly constituted. The committee has the mandate to review and redress shareholder grievances.

The names of the Directors and the attendance of the Directors/Members who have attended the meetings are as under.

S.No.	Name of Member(s)	Status of Directorship	No. of Meeting Held	No. of Meeting Attended
1.	Himanshu Sangal	Member/Chairman	3	3
2.	Tanmay Sangal	Member	3	3

6.0. Non-Mandatory Committees

NA

7.0. Code of Business Conduct and Ethics

The Company promotes ethical behavior in all its business activities. The Board of Directors approved Code of Business conduct and Ethics for Board Members and Senior Management personnel of the Company. The Code of Business conduct and ethics provides prevention of insider trading, access to

confidential information, protection of company's properties, conflict of interests, information to be placed before Board etc. The Code also provides the role of Compliance officer and other Senior Management.

8.0. Whistle Blower Policy

The Whistle Blower Policy formulated by the Company provides an opportunity to employees to have access, in good faith, to the Chairman of the Company in case they observe any unethical and improper practices or wrongful conduct in the Company. The Board of Directors formulated the Whistle Blower Policy wherein the employees are free to report violations of laws, rules, regulations or unethical conduct. The Policy provides maintenance of confidentiality of data, procedure for reporting improper and unethical practices etc.

9.0. Subsidiary Companies

The Company does not have any listed and non-listed any Indian and non-Indian subsidiary company and hence, it is not required to have an Independent Director of the Company on the Board of such subsidiary company.

10.0. Management Certificate Clause 49 (1D) of Listing Agreement/Declaration

The Company has framed a specified code of conduct for the Board of Director and senior Management personal of the pursuant to Clause 49 of the Listing Agreement with the Stock Exchange.

This is to declare the Company has received affirmations of compliance with the applicable code of conduct from the Board of Director and senior Management personal of the Company. In respect of the financial year 2013-2014.

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

11.0. Auditors' Certificate on Corporate Governance to the Members of Sangal Paper Limited

We have examined the compliance of conditions of Corporate Governance of Sangal Papers Limited ("the Company"), for the year ended on 31 March 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with the management has conducted the affairs of the Company.

For SHIAM & CO.,
(Chartered Accountants)
Firm Regn. No. 000030C

Rajesh Kumar Jain
Partner
Membership No. 073352

Date: 26/05/2014
Place: Muzaffarnagar

Table 'A'

Statement of Board Meetings Held in Financial Year 2013-2014

Sr.No.	Date of Meeting	Purpose of Meeting
1.	20/05/2013	Appointment of Cost Auditor (Mr. S.R. Kapoor).
2.	30/05/2013	Adopting of Financial Result of Quarter Ended 31st March 2013.
3.	25/07/2013	Adopting of Financial Result of Quarter Ended 30th June 2013.
4.	30/10/2013	Adopting of Financial Result of Quarter Ended 30th September 2013.
5.	06/11/2013	Authorization to Directors for UCO Bank Operation.
6.	21/11/2013	Access Facility from Axis Bank for Operation of Corporate Internet Banking.
7.	29/11/2013	Access Facility from Axis Bank for Operation of Corporate Iconnect Service.
8.	24/12/2013	Borrowings from Volkswagen Finance Pvt. Ltd. of Rs. 35,00,000/-.
9.	09/01/2014	Co. Finance Foregoing Trip of Directors of Rs 2 lacs to Europe & US Tour.
10.	28/01/2014	Adoption of Financial result of Quarter Ended 31st December 2013.
11.	01/03/2014	Appointment of Mr. Vinayak Sangal as Additional Director till next AGM.
12.	20/03/2014	Financial Assistance from Axis Bank in the form of L/C of Rs. 2.50 Lacs



Sangal Papers Ltd.

SHIAM & CO.,
Chartered Accountants

AUDITOR'S REPORT

33/46-A, 1st Floor, Agarwal Market
Arya Samaj Road, Muzaffarnagar

Independent Auditor's Report
To,

THE MEMBERS,
SANGAL PAPERS LIMITED, MEERUT.

Report on the Financial Statements

We have audited the accompanying financial statements of SANGAL PAPERS LIMITED, MEERUT ("Company") which comprise the Balance sheet as at 31st March, 2014, the Statement of Profit & Loss and the Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanation given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2014;
- (ii) in the case of the statement of Profit and Loss, of the profit for the year ended on that date; and
- (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

- a. 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;
- b. 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;
- c. The Balance Sheet Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956; and
- e. On the basis of written representations received from the directors as on 31 March 2014 and taken on record by the Board of Directors none of the directors is disqualified as on 31 March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For SHIAM & Co.
Chartered Accountants,
Registration No. 000030C

Date : 26.05.2014
Place : MUZAFFARNAGAR

Rajesh Kumar Jain
Partner
Membership No. 073352

THIRTY FOURTH ANNUAL REPORT 2013 - 2014

**ANNEXURE REFERRED TO IN PARAGRAPH 1 OF THE AUDITORS' REPORT OF EVEN DATE TO
THE MEMBERS OF SANGAL PAPERS LIMITED ON THE ACCOUNTS FOR
THE YEAR ENDED MARCH, 31st 2014.**

(i) IN RESPECT OF FIXED ASSETS :

- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, the fixed assets have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its business. No material discrepancies were noticed on such verification.
- (c) During the year, the Company has not made any substantial disposals of fixed assets.

(ii) IN RESPECT OF IT'S INVENTORIES :

- (a) As explained to us, inventories has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanation given to us, the Company has maintained proper records of inventories. The discrepancies noticed on verification between the physical stock and the book records were not material.

(iii) In respect of loans, secured or unsecured, granted/taken by the company to or from companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act, 1956 :

- (a) The Company had not granted any loan to any one. Accordingly, clauses (iii) (b) to (iii) (d) of paragraph 4 of the Order are not applicable to the Company for the current year.
 - (b) The Company had taken loan from five parties. The maximum amount involved during the year was Rs. 480.69 and the year-end balance of loans taken from such parties was Rs. 474.25 Lacs.
 - (c) In our opinion and according to the information and explanations given to us, the rate of interest wherever applicable and other terms and conditions of loans taken by the company are not, prima facie, prejudicial to the interest of the Company.
 - (d) The company is regular in payment of the principal amounts and interest as stipulated.
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weaknesses in internal controls.**

(v) IN RESPECT OF TRANSACTIONS COVERED u/s 301 OF THE COMPANIES ACT, 1956 :

- (a) According to the information and explanations give to us, the particulars of contracts or arrangements that need to be entered in the register maintained under section 301 of Companies Act 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, there is no transaction made in pursuance of any contracts or arrangements exceeding the value of rupees five lacs in respect of any party during the year.

(vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from the public within the meaning of section. 58A and 58AA or any other relevant provision of the Companies Act 1956 and the rules framed there under.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) As informed by the management, cost records for the year are under preparation.

(ix) IN RESPECT OF STATUTORY DUES :

(a) According to the records of company and information and explanation to us, the company is regular in depositing undisputed statutory dues including Employee State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess and other statutory dues with appropriate authorities during the year. There is no undisputed amounts payable, as at 31.03.2014 for a period of more than six months from the date they became payable.

(b) According to information and explanations given to us, there is no undisputed amount payable in respect of dues of income tax wealth tax, Trade Tax, Customs duty, Service Tax, Custom Duty, Excise Duty, cess which have not been deposited on account of any dispute.

(c) According to information and explanations given to us, the disputed dues in respect of Trade / Commercial Tax is as under :

NAME OF THE	YEAR	AMOUNT	FORUM WHERE IS DISPUTE IS PENDING STATUS
Trade Tax	1996 - 1997	117000.00	Hon'ble High Court, Allahabad
Trade Tax	2001 - 2002	200000.00	Hon'ble High Court, Allahabad
Trade Tax	2008 - 2009	1039591.00	Joint Commissioner Appeal, U.P. Commercial Tax Department.

(x) The company has no accumulated losses and has not incurred any cash losses in such financial year and in the immediately preceding financial year.

(xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to banks.

(xii) In our opinion, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore the provision of clause 4(xii) of the Companies (Auditor's Report) Order 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the company.

(xiii) In our opinion, the company is not a chit fund or nidhi mutual benefit fund/society. Therefore the provision of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the company.

(xiv) In our opinion, the company is not dealing or trading in shares, securities, debentures and other investments. Therefore the provision of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the company.

(xv) In our opinion, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

(xvi) In our opinion, the term loan have been applied for the purpose for which they were raised..

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long term investment.

(xviii) According to information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.

(xix) According to information and explanations given to us, the company has not issued any debentures during the year.

(xx) According to information and explanation given to us, the company has not raised any money from public issue during the year.

(xxi) According to information and explanation given to us, no fraud on or by the Company has been noticed or reported during the year.

For SHIAM & CO.
Chartered Accountants
Registration No. 000030C

Date : 28.05.2014
Place : MUZAFFARNAGAR

Rajesh Kumar Jain
Partner
Membership No. 073352

BALANCE SHEET AS AT 31ST MARCH, 2014

(Amount in ₹)

PARTICULARS	Note No.	As at 31.03.2014	As at 31.03.2013
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	13,072,600	13,072,600
Reserves & Surplus	3	165,075,468	149,378,351
		178,148,068	162,450,951
Non-current liabilities			
Long-term borrowings	4	65,577,489	75,929,929
Other Long-term liabilities	5	5,652,846	6,500,000
Deferred tax liabilities (Net)		27,903,000	30,587,000
		99,133,335	113,016,929
Current liabilities			
Short-term borrowings	6	143,178,152	153,752,925
Trade payable	7	87,394,988	131,507,886
Other current liabilities	8	32,475,279	30,536,014
Short-term provisions	9	442,400	1,005,735
		263,490,819	316,802,560
TOTAL		540,772,222	592,270,440
ASSETS			
Non-current Assets			
Fixed assets	10	175,735,548	174,515,053
Tangible assets	11	1,702,096	8,974,374
Long-term loans and advances		177,437,644	183,489,427
Current Assets			
Inventories	12	169,594,908	178,085,531
Trade receivable	13	164,209,735	195,457,777
Cash and Bank Balances	14	21,939,935	20,917,362
Short-term loans and advances	15	7,590,000	14,320,343
		363,334,578	408,781,013
TOTAL		540,772,222	592,270,440

The accompanying notes form an integral part of the Financial Statements.

Himanshu Sangal
Managing Director
DIN : 00091324

Amit Sangal
Executive Director
DIN : 00091486

In Terms of our separate report
of even date
For SHIAM & CO.
Chartered Accountants
Registration No. 000030C

Date : 26.05.2014
Place : MUZAFFARNAGAR

Rajesh Kumar Jain
Partner
Membership No. 073352

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2014

(Amount in ₹)

PARTICULARS	Note No.	For the year ended 31.03.2014	For the year ended 31.03.2013
REVENUE			
Revenue from Operations			
Sales (Gross)	16	1,016,428,644	925,556,194
Less : Excise Duty		15,561,158	10,857,455
Sales (Net)		1,000,867,486	914,698,739
Other operating revenues	17	106,824	82,390
Other Income		1,114,504	651,974
TOTAL		1,002,088,814	915,433,103
EXPENSES			
Cost of material consumed	18	530,211,954	452,722,964
Changes in inventories of finished goods and stock-in-progress	19	(8,559,956)	7,245,008
Employee benefits expense	20	19,981,185	17,375,648
Finance Costs	21	28,774,180	28,284,199
Depreciation	10	16,749,664	15,880,381
Other expenses	22	393,777,998	374,882,991
Total Expenses		980,935,025	896,391,191
Profit before Tax		21,153,789	19,041,912
Tax Expense			
Current Tax		8,082,860	7,648,700
Deferred Tax		(2,684,000)	(1,517,000)
Income tax relating to earlier year		57,812	2,187
Profit after Tax		15,697,117	12,908,025
Earnings per equity share (Basic)		12.01	9.87

The accompanying notes form an integral part of the Financial Statements.

Himanshu Sangal
Managing Director
DIN : 00091324

Amit Sangal
Executive Director
DIN : 00091486

In terms of our separate
report of even date
For SHIAM & CO.
Chartered Accountants
Firm Regn. No. 000030C

Date : 26.05.2014
Place : MUZAFFARNAGAR

Rajesh Kumar Jain
Partner
Membership No. 073352

**CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET
FOR THE YEAR ENDED 31st MARCH 2014**

	(Amount in ₹)	
	2013-2014 Amount (Rs.)	2012-2013 Amount (Rs.)
A. CASH FLOW FROM OPERATION ACTIVITIES :		
Net Profit before tax :	21,153,789	19,041,912
Adjustments for :		
Depreciation	16,749,664	15,880,381
Finance Charges	28,774,180	28,284,199
Loss on sale of assets	2,618,669	66,409
Operating Profit before working capital changes :	69,296,302	63,272,901
Adjustments for :		
Trade and other receivables	37,978,385	(39,388,565)
Inventories	8,490,623	5,379,490
Trade payables & Other Liabilities	(40,951,600)	29,718,335
Cash generated from operation	74,813,710	58,982,161
Finance Charges	(28,774,180)	(28,284,199)
Taxes Paid	(8,140,672)	(7,650,887)
Net Cash from operating activities	37,898,858	23,047,075
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Sale of Fixed Assets	2,378,400	60,000
Movement in Loans and Advances	7,272,278	(4,324,192)
Purchase of Fixed Assets (including Capital work in progress)	(22,967,228)	(14,451,553)
Net Cash used in Investing activities	(13,316,550)	(18,715,745)
	24,582,308	4,331,330
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Repayment of Borrowings	(23,559,735)	3,637,373
Net Cash used in Financial activities	(23,559,735)	3,637,373
	1,022,573	7,968,703
Cash and bank balances as at 31.3.2013	20,917,362	12,948,659
Cash and bank balances as at 31.3.2014	21,939,935	20,917,362
	1,022,573	7,968,703

The accompanying notes form an integral part of the Financial Statements.

Himanshu Sangal
Managing Director
DIN : 00091324

Amit Sangal
Executive Director
DIN : 00091486

In Terms of our separate report
of even date
For SHIAM & CO.
Chartered Accountants
Firm Regis. No. 000030C

Date : 26.05.2014
Place : MUZAFFARNAGAR

Rajesh Kumar Jain
Partner
Membership No. 073352

1. SIGNIFICANT ACCOUNTING POLICIES

1) Basis of Preparation of Financial Statements :

- (i) The financial statements are prepared on the historical cost convention basis (except for certain fixed assets which have been revalued) in accordance with the generally accepted accounting principles.
- (ii) The Company generally follows mercantile system of accounting and recognises significant items of income and expenditure on accrual basis.

2) Use of Estimates :

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amount reported in the financial statement and notes there to. Differences between actual and estimates are recognized in the period in which the results are known/materialized.

3) Valuation of Inventories :

- Inventories are valued at the lower of the cost and estimated net realisable value. The basis of determining of cost for various categories of inventories are as follows :

- Raw Material, Chemicals, Fuels, Store & Spares and packing Material. On weighted Average/FIFO basis.

- Finished Goods and Work in process includes Raw Material Cost, Cost of conversion and other costs in bringing the inventories to their present location and conditions.

4) Sales :

Sales are inclusive of Excise Duty.

5) Excise Duty :

Excise Duty has been accounted for on the basis of payment made in respect of goods cleared

Amount of Excise Duty deducted from sale is relatable to the sale made during the year.

Amount of Cenvat Credits in respect of material consumed is deducted from cost of material.

6) Fixed Assets :

(i) Fixed Assets are stated at cost. Cost includes installation charges and expenditure during construction period wherever applicable.

(ii) All pre-operative expenditure accumulated as capital work in progress and is allocated to the relevant fixed assets on a pro-rata basis.

7) Depreciation :

Depreciation on fixed assets has been provided on straight line method at the rates as prescribed in Schedule XIV of the Companies Act, 1956 on monthly pro-rata basis.

8) Impairment of Assets :

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

9) Government Grants :

Value of Government grants related to specific Fixed assets are adjusted with the fixed assets.

10) Foreign Currency Transactions :

Foreign Currency transactions are accounted at the exchange rates prevailing on the date of transactions. Foreign Currency assets and current liabilities outstanding at the Balance Sheet date are translated at the exchange rate prevailing on that date and the resultant gain or loss is recognized in the Statement of Profit & Loss. In cases where they relate to the acquisition / construction of fixed assets, they are adjusted to the carrying cost of fixed assets.

11) Employee retirement benefit :

- (i) Retirement benefit in the form of provident fund and superannuation/pension schemes whether in pursuance of any law or otherwise is accounted on accrual basis and charged to the Statement of profit & loss of the year.
- (ii) The provision for gratuity has been made on the basis of formula prescribed for the payment of gratuity act 1972.

12) Borrowing Cost :

Borrowing cost directly attributable to the acquisition or construction of fixed assets are capitalised as part of the cost of assets, up to the date of assets is put to use. Other borrowing costs are charged to the statement of profit and loss in which they are incurred.

13) TAX ON INCOME :

(a) Current Tax

Provision for Income Tax is determined in, accordance with the provision of Income Tax Act, 1961

(b) Deferred Tax

Deferred Tax is recognised on timing differences being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period (s).

14) Provision, Contingent Liabilities and Contingent Assets :

Provision involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statement.

15) Printing & Stationery, Postage & Telephone are accounted on cash basis :

2. Share Capital

Authorised, Issued, Subscribed and paid-up share capital and par value share

(Amount in ₹)

PARTICULARS	As at 31.03.2014	As at 31.03.2013
Authorised Share Capital		
70,00,000 Equity Shares of Rs. 10/- each	70,000,000	70,000,000
Issued, Subscribed and Paid-up Share Capital		
1307260 Equity Shares of Rs. 10/- each fully paid up	13,072,600	13,072,600
TOTAL	13,072,600	13,072,600

The company has only equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share. In the event of liquidation of the company, the holders of shares shall be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.

Reconciliation of number of equity shares outstanding at the beginning and end of the year

PARTICULARS	As at 31.03.2014	As at 31.03.2013
Number of shares outstanding as at the beginning and end of the year	1,307,260	1,307,260

Shares in the company held by each shareholder holding more than 5% shares

SL. No.	Name of the shareholder	Number of shares as on 31.03.2014	% of Holding	Number of shares as on 31.03.2013	% of Holding
1	Shri Himanshu Sangal	107,580	8.23%	107,580	8.23%
2	Shri Amit Sangal	120,740	9.24%	120,740	9.24%
3	Smt. Charu Sangal	93,320	7.14%	93,320	7.14%
4	Smt. Renu Sangal	112,500	8.61%	112,500	8.61%

3. Reserve and Surplus

Revaluation Reserve

Opening Balance	4,855,615	6,933,102
Less : Depreciation on increased value of assets due to revaluation	-	2,077,487
Total (a)	4,855,615	4,855,615

Surplus (Statement of Profit and Loss)

Opening Balance	144,522,736	131,614,711
Add : Addition during the year	15,697,117	12,908,025
Total (b)	160,219,853	144,522,736
Total (a + b)	165,075,468	149,378,351

Note No. 10

Tangible Assets

PARTICULARS	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	AS ON 31-03-2013	ADDITONS	DEDUCT- IONS	AS ON 31-03-2014	UPTO 31-03-2013	FOR THE YEAR	REVALUATION RESERVE	ADJUST- MENT	UPTO 31-03-2014	AS ON 31-03-2014	AS ON 31-03-2013
Land & Site Development	16,641,040	-	-	16,641,040	-	-	-	-	-	16,641,040	16,641,040
Building	43,486,886	1,921,914	-	45,408,800	16,734,414	1,250,598	-	-	17,985,012	27,423,788	26,752,472
Co-generation System	98,710,419	-	-	98,710,419	28,665,505	5,211,910	-	-	33,877,415	64,833,004	70,044,914
Plant & Machinery	223,483,838	15,344,031	10,922,788	227,905,161	169,644,513	9,020,788	-	6,824,508	171,840,793	56,064,368	53,839,325
Office Furniture & Equipment	1,346,722	225,807	-	1,574,529	1,006,409	92,771	-	-	1,099,180	475,349	342,313
Computer	843,673	35,000	-	878,673	776,322	78,233	-	-	854,555	24,118	67,351
Vehicles	11,351,300	5,440,476	2,060,106	14,731,670	4,523,662	1,095,364	-	1,161,237	4,457,789	10,273,881	6,827,638
TOTAL (Rs.)	395,865,878	22,967,228	12,982,814	405,850,292	221,350,825	16,749,664	-	7,985,745	230,114,744	175,735,548	174,515,053
PREVIOUS YEAR FIGURES	381,738,098	14,451,553	323,773	395,865,878	203,590,320	15,880,381	2,077,488	197,364	221,350,825	174,515,053	178,147,778

4. Long term borrowings
Secured borrowings

Term loans from banks	13,152,083	25,360,901
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Unsecured borrowings

Loans and advances from related parties	47,425,406	45,569,028
Loans and advances from companies	5,000,000	5,000,000

Total	65,577,489	75,929,929
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Term Loan from Axis Bank is secured by way of equitable mortgage of land & building and hypothecation of Plant & Machinery and personal guarantee by Directors of the Company.

From Axis Bank (for term loan of Rs. 108480000)

At the rate of 3.25% above base rate. Present effective rate is 13.25% p.a. (Previous year 13.25% p.a.). Repayable in 96 Monthly installment of Rs. 11,30,000 each starting from July 2007.

From Axis Bank (for term loan of Rs. 94200000)

At the rate of 3.25% above base rate. Present effective rate is 13.25% p.a. (Previous year 13.25% p.a.). Repayable in 60 Monthly installment of Rs. 1,57,000 each starting from July 2011.

From Axis Bank (for term loan of Rs. 135000000)

At the rate of 3.25% above base rate. Present effective rate is 13.25% p.a. (Previous year 13.25% p.a.). Repayable in 60 Monthly installments of Rs. 2,25,000 each starting from April 2013.

Vehicle Loan is secured by hypothecation of respective vehicles and guaranteed by Directors of the Company.

From State Bank of India (for term loan of Rs. 10000000)

At the Present effective rate is 12% p.a. (Previous year 12% p.a.) Repayable in 60 monthly EMI of Rs. 21,867 each starting from May 2011.

From Axis Bank (for term loan of Rs. 15000000)

At the Present effective rate is 10.70% p.a. (Previous year NIL) Repayable in 36 monthly EMI of Rs. 48,898 each starting from Jan 2013.

From Axis Bank (for term loan of Rs. 35000000)

At the Present effective rate is 8.86% p.a. (Previous year Nil) Repayable in 60 monthly EMI of Rs. 71886 each

5. Other Long Term Liabilities

Secure deposits	5,652,846	6,500,000
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Total	5,652,846	6,500,000
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6. Short-term borrowings

Secured borrowings

Working Capital Loan	143,178,152	153,752,925
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Total	143,178,152	153,752,925
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Working Capital Loans from Axis Bank is secured by way of Stock of Raw Material, Stores & spares, work in process, finished goods, semi finished goods, bills and Book Debts of the Company and personal guarantee by Directors of the Company.

7. Trade payable

For Raw Materials	81,174,718	126,089,360
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Others	6,220,270	5,418,528
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Total	87,394,988	131,507,888
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8. Other current liabilities

Current maturities of long term debt	17,208,208	18,993,576
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Interest accrued and due on borrowings	310,084	427,094
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Advances from Customers	3,823,198	430,575
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Cheque issued but not presented	2,111,152	3,332,860
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Other payables	9,022,637	7,351,909
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Total	32,475,279	30,536,014
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9. Short term provision

Income tax	232,400	
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Water cess	210,000	1,005,735
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Total	442,400	1,005,735
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10. Long-term loans and advances		
Unsecured, considered good	-	7,477,558
Capital advances	140,600	107,400
Security deposits	1,561,496	1,389,416
Others		
Total	1,702,096	8,974,374
11. Inventories		
Raw Materials	72,736,417	110,687,698
Work-in-Progress	2,344,000	2,463,000
Finished Goods	12,232,704	3,553,748
Stores and spares	12,612,029	8,590,951
Chemicals	4,161,018	4,366,973
Fuel	62,646,652	48,065,836
Packing Materials	2,862,088	357,325
Total	169,594,908	178,085,531
12. Trade Receivables		
Unsecured, considered good		
Trade receivables outstanding for more than six months from the date they became due for payment		
Considered good-	11,371,713	10,054,181
Considered doubtful-	7,635,481	
Others		
Total	19,007,194	7,651,887
	145,202,541	177,751,709
	164,209,735	195,457,777
13. Cash and Cash Equivalents		
Balance with Banks		
Bank balances held as margin money or as Security against:		
Guarantees	740,999	814,758
Letters of Credit	3,195,000	2,821,000
Other bank balances	4,904,096	5,117,073
Cheques in hand	10,987,696	8,062,458
Cash in hand	2,112,144	4,102,073
Total	21,939,935	20,917,362
14. Short-term loans and advances		
(Unsecured, considered good)		
Balance with Central Excise Authorities	2,124,174	1,334,081
Advance to Suppliers	3,221,025	7,372,577
Mat Credit entitlement	846,871	4,697,331
Advance Income taxes	141,572	87,998
Others	1,256,358	828,356
Total	7,590,000	14,320,343

15. Revenue From operations		
Sale of Products News Print & Writing Printing Paper	1,016,428,644	925,556,194
Total	1,016,428,644	925,556,194
16. Other Income		
Interest received	288,181	294,316
Miscellaneous Income	826,323	357,658
Total	1,114,504	651,974
17. Cost of Material Consumed		
Particulars	530,211,954	452,722,964
Waste Paper	530,211,954	452,722,964
Total		
18. Changes in Inventories of Finished Goods and Stock-in-Progress		
<u>Opening Stock</u>	3,553,748	11,280,756
Finished Goods	2,463,000	1,981,000
Stock in Process	6,016,748	13,261,756
Total (a)		
<u>Closing Stock</u>	12,232,704	3,553,748
Finished Goods	2,344,000	2,463,000
Stock in Process	14,576,704	6,016,748
Total (b)	(8,559,956)	7,245,008
Total (a - b)		
19. Employee benefit expense		
Salaries, Wages & Incentives	14,621,136	13,016,286
Salary to Directors	1,740,000	1,380,000
Bonus	711,325	743,475
Gratuity	874,075	470,090
Security Service Charges	1,591,388	1,500,116
Staff & Labour Welfare	443,261	265,681
Total	19,981,185	17,375,648
20. Finance Costs		
<u>Interest on:</u>	4,936,900	5,432,975
Term Loans	21,496,432	21,051,573
Bank Borrowings & Others	2,340,848	1,865,810
Bank Charges & Others	28,774,180	28,350,358
	-	66,159
Less : Amount included in Capital Work in Progress	28,774,180	28,284,199
Total		

21. Other expenses
Manufacturing

Chemicals	59,679,333	50,659,280
Packing Material	12,150,875	10,310,093
Stores & Spares	22,342,987	27,244,328
Power & Fuel	262,895,853	256,354,292
Repairs - Plant & Machinery	4,129,240	2,272,705
Total (a)	361,198,288	346,840,698

Administrative & Overhead

Printing & Stationery	313,752	275,799
Communication Expenses	1,007,547	913,752
Travelling & Conveyance	1,765,483	483,490
Insurance Charges	2,306,226	1,558,310
Legal & Professional Charges	1,368,826	1,039,227
Auditors Remuneration	84,270	56,180
Rates & Taxes	1,568,441	1,492,412
Loss on Sale of Fixed Assets	2,618,669	66,409
Repairs - Others	-	349,511
Vehicle Running & Manitenance	1,637,759	1,294,150
General Expenses	800,172	1,263,650
Total (b)	13,471,145	8,792,890

Selling & Forwarding :

Advertisement & Publicity	121,321	207,463
Business Promotion Expenses	515,019	419,484
Rebate & Discounts	5,276,954	6,192,258
Freight Outward & Loading Charges	7,817,206	8,054,490
Commission on Sales	5,378,065	4,375,708
Total (c)	19,108,565	19,249,403
Total (a+b+c)	393,777,999	371,882,991

22. Value of Imports (C.I.F.) Value in respect of

(Amount in ₹)

PARTICULARS	As at 31.03.2014	As at 31.03.2013
	AMOUNT (Rs.)	AMOUNT (Rs.)
(a) Raw Materials	29,810,263	20,180,329
(b) Stores & Spare Parts	1,517,414	1,351,718
23. Expenditure in Foreign Currency	NIL	NIL
24. Remittance in Foreign Currency	NIL	NIL
25. Earning in Foreign Currency (Sale)	28,186,945	18,463,097

26. Consumption of Imported and Indigenous Raw Materials, Stores & Spare Parts etc :

(Amount in ₹)

	As at 31.03.2014		As at 31.03.2013
	AMOUNT (Rs.)	PERCENTAGE	AMOUNT (Rs.)
1. Raw Material			PERCENTAGE
Indigenous	492,240,208	92.84%	427,237,087
Imported	37,971,746	7.18%	25,485,877
Total Rs.	530,211,954		452,722,964
2. Stores & Spares			
Indigenous	20,927,492	93.66%	25,443,343
Imported	1,415,495	5.96%	1,800,985
Total Rs.	22,342,987		27,244,328
3. Chemicals	59,679,333	100%	50,659,280
4. Packing Material	12,150,875	100%	10,310,093

27. Earning per Share (EPS) :-

(Amount in ₹)

PARTICULARS	As at 31.03.2014	As at 31.03.2013
Profit attributable to the Shareholders	15697117	12908025
Basic/Weighted average number of Equity Shares outstanding during the year	1307260	1307260
Nominal value of Equity Shares (Rs.)	10	10
Basic/Diluted Earning per Shares (Rs.)	12.01	9.87

28. Payment to Auditors :

(Amount in ₹)

	As at 31.03.2014	As at 31.03.2013
Audit Fee	60,000	45,000
Tax Audit Fee	15,000	5,000
Service Tax	9,270	6,180
Total	84,270	56,180

	As at 31.03.2014	As at 31.03.2013
29. Deferred Tax Liability (Net)		
(a) Deferred Tax Liability		
Related to Fixed assets	29,074,000	31,855,000
Total (a)	29,074,000	31,855,000
(b) Deferred Tax Assets		
Disallowances under the Income Tax Act, 1961	1,171,000	1,268,000
Total (b)	1,171,000	1,268,000
Total (a - b)	27,903,000	30,587,000
30. Contingent Liabilities and Commitments (to the extent not provided for)		
Contingent Liabilities		
Guarantees		
Trade Tax	-	250,000.00
Letters of Credit	2,420,045	2,473,829
Commitment	17,566,519	15,427,467
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for		582,158

32. Related Party Disclosures :

a Key management Personnel

1. Shri Himanshu Sangal
2. Shri Amit Sangal
3. Shri Tanmay Sangal
4. Shri Vinayak Sangal

b Associated Company

1. Prema Chits (P) Limited
2. Shri Ganesh Credits (P) Limited

c Related Party Transactions :

(Amount in ₹)

Sr. No.	Name of the Related Parties and Relationship	Value of Transaction		Balance at the end of the year	
		2013-14	2012-13	2013-14	2012-13
1	Unsecured Loans repayment	1,418,623	10,265,298	-	-
2	Unsecured Loans taken	3,275,000	5,239,327	-	-
3	Shri Ganesh Credits (P) Ltd. (Associated Company)	-	-	11,100,000	11,215,000
4	Prema Chits (P) Ltd. (Associated Company)	-	-	13,830,000	13,380,000
5	Shri Himanshu Sangal, Managing Director	-	-	9,833,843	8,747,911
6	Shri Amit Sangal, Executive Director	-	-	11,661,563	11,226,118
	Remuneration to:-				
7	Shri Himanshu Sangal, Managing Director	720,000	540,000	36,672	-
8	Shri Amit Sangal, Executive Director	720,000	540,000	49,945	-
9	Shri Tanmay Sangal, Whole Time Director	300,000	300,000	-	-

33. Since the Company operates in a single segment i.e. "Paper & Paper Board", Accounting Standard (AS) 17- "Segment Reporting" issued by the Institute of Chartered Accountants of India is not applicable.

34. Balances of Trade receivable, Trade payables and Advances as at 31st March, 2014 are subject to confirmation.

35. In the opinion of Board of Directors, the Current Assets, Loans & Advances have the value at which they are stated in the Balance Sheet as at 31.03.2014 if realised in ordinary course of business.

36. Trade receivable includes Rs. 76.35 lacs for which suits are pending in the court. In the opinion of Board of Directors, they are good as fully recoverable.

37. The fixed Assets Register is under preparation, hence the book Records and Physical verification of Fixed Assets could not be reconciled. The steps are being taken to complete it at the earliest.

38. The bifurcation of the total outstanding dues of small scale industrial undertaking and other than small scale industrial undertaking as well as the name small scale industrial, undertaking to whom the company owes a sum of exceeding rupees one lacs and which is outstanding for more than thirty days, are not disclosed in the Balance Sheet as suppliers have not indicated their status on their documents/papers whether they are small scale undertaking or not hence it is not possible for the company to disclose the said information in respect of trade creditors.

39. Previous year figures have been re-arranged and re-grouped wherever necessary.

The accompanying notes form an integral part of the Financial Statements.

Himanshu Sangal
Managing Director
DIN : 00091324

Amit Sangal
Executive Director
DIN : 00091486

In terms of our separate
report of even date
For SHIAM & CO.
Chartered Accountants
Firm Registration No. 000030C

Date : 26.05.2014
Place : MUZAFFARNAGAR

Rajesh Kumar Jain
Partner
Membership No. 073352



Regd. Offl. : 22-Km., MEERUT-MAWANA ROAD, MAWANA-250401, Distt. MEERUT (U.P.)

PROXY FORM

D.P. Id. Folio No.
Client Id. No. of Shares held
I/We
of in the district of
being a member / members of the above named company, hereby appoint
of in the district of or
failing him / her of
..... in the district of
as my / our Proxy to vote for me / us on my / our behalf at the 34th Annual General Meeting of the
Company to be held on Tuesday, the 30th Sep., 2014 at 11.30 a.m. and any adjournment thereof.
Signed this day of 2014.

Signature



NOTE : This form in order to be effective should be duly stamped, completed and signed and must be deposited with the Company's Regd. Office not less than 48 hours before the commencement of the meeting.



ATTENDANCE SLIP

D.P. Id. Folio No.
Client Id. No. of Shares held
Mr. / Mrs. / Miss certify that I
am the registered shareholder/proxy for the registered of the Company.
I hereby record my presence at the 34th Annual General Meeting of the Company being held on
Tuesday, the 30th Sep., 2014 at 11.30 a.m.
INTIMATION SLIP

To,
SANGAL PAPERS LTD.
22-Km., MEERUT ROAD, MAWANA-250401, Distt. MEERUT (U.P.)

Member/Proxy's Signature

Dear Sir,
We give below the particulars as desired by you :

- (1) Name of the Member (PAN)
(2) Father's Name
(3) Address

Yours Faithfully,

Signature of Sole / First holder

- NOTE : 1. Members are requested to bring their copies of Annual Report of the Meeting.
2. Members having any queries on accounts are requested to send them seven days
in advance to the Company to enable it. to collect the relevant information.