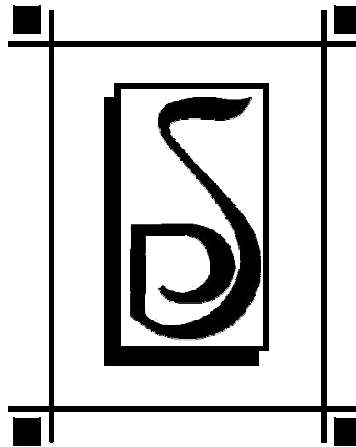


Sargal PAPERS LTD.



35th ANNUAL REPORT 2014 - 2015



SANGAL PAPERS LTD.

CIN : L21015UP1980PLC005138

BOARD OF DIRECTORS

Mr. Himanshu Sangal - Chairman & Managing Director
Mr. Amit Sangal - Director Finance cum CFO
Mr. Tanmay Sangal - Whole Time Director
Mr. Vinayak Sangal - Director
Mr. Prem Sethi - Additional Director
Mrs. Geeta Gupta - Additional Director
Mr. Rohit Kumar Tyagi - Company Secretary

AUDIT COMMITTEE

Mr. Prem Sethi - Chairman (Independent Director)
Mrs. Geeta Gupta - Member
Mr. Himanshu Sangal - Member
Mr. Amit Sangal - Member
Mr. Tanmay Sangal - Member
Mr. Vinayak Sangal - Member

STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. Prem Sethi - Chairman (Independent Director)
Mrs. Geeta Gupta - Member
Mr. Himanshu Sangal - Member
Mr. Tanmay Sangal - Member

NOMINATION & REMUNERATION COMMITTEE

Mr. Prem Sethi - Chairman (Independent Director)
Mrs. Geeta Gupta - Member
Mr. Vinayak Sangal - Member

AUDITOR :

M/s SHIAM & Co.
Chartered Accountants
Aggarwal Market, Mahaveer Chowk,
Muzaffarnagar, U.P.

REGISTERED OFFICE :

22- KM , Meerut – Mawna Road, Mawana-
250 401, Distt. Meerut (U.P)

E – mail : sangalpapers@hotmail.com

BANKERS :

AXIS BANK LTD.
Boundary Road, Meerut

35TH ANNUAL GENERAL MEETING

Date : 30th September 2015

Day : Wednesday

Time : 11.00 A.M

Place : 22 KM , Meerut- Mawana Road,
Mawana- 250 401, Distt.- Meerut (U.P)

REGISTRAR & SHARE TRANSFER AGENT:

MAS SERVICES LTD.

T- 34, 2nd Floor, Okhla Industrial Area,
Phase – II, New Delhi – 110 020
E-mail : sm@masserv.com, mas_serv@yahoo.com
Phone No. : 011 – 26387281 – 82 -83

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SANGAL PAPERS LTD.

22- Km – Meerut Mawana Road, Mawana- 250 401, Distt. – Meerut (U.P)

E- Mail ID : sangalpapers@hotmail.com, PH. No. : 01233-271515

CIN : L21015UP1980PLC005138

NOTICE TO MEMBERS

Notice is hereby given under the provision of section 101 of the Companies Act 2013 that 35th Annual General Meeting of the Members of SANGAL PAPERS LTD. will be held on Wednesday , the 30th September, 2015 at 11:00 A:M, at the registered office of the Company at Village Bhainsa, 22Km 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 31st March 2015, the Statement of Profit & Loss Account for the year ended on that date and the Report of the Directors and Auditors thereon as well as Form No. MR-3 Secretarial Audit Report issued by the Practicing Company Secretary for the year ended 31.03.2015 in pursuance to Section 204 (1) of Companies Act, 2013.
2. To Ratification of appointment of Statutory Auditors and to fix their remuneration and in this connection to consider and if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution** :
“**RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification (s) or re-enactment(s) thereof, for the time being in force), the appointment of M/S SHIAM & Co. (Chartered Accountants), Muzaffarnagar (Registration No. 000030C), as Statutory Auditors upto the conclusion of Thirty Seven (37th) Annual General Meeting be and is hereby ratified and confirmed and that the Board of Directors be and is hereby authorized to fix a Fee of Rs. 75000 /- plus service tax p.a as recommended by the Audit Committee and approved by the Board.”
3. To appoint a Director in place of Mr. Vinayak Sangal (DIN NO. 06833351) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. APPOINTMENT OF MR. PREM SETHI AS AN INDEPENDENT DIRECTOR

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and such other applicable provisions, if any, of the Companies Act, 2013 (“Act”) read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification (s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Prem Sethi (DIN : 07146425) who was appointed as an Additional Director of the Company with effect from 04th March, 2015 pursuant to Section 161 of the Act, and who holds office as such upto the date of this Annual General Meeting has submitted declaration that he is eligible for appointment and that he meets the criteria of Independence as provided in Section 149 (6) of the Act of the Listing Agreement (s) entered into with the Stock Exchange and that he has given a notice in writing under section 160 of the Act to the Company, proposing himself as a candidate for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for three consecutive years for a term upto the conclusion of 38th Annual General Meeting of the Company in the year 2018”

5. APPOINTMENT OF MRS. GEETA GUPTA AS AN INDEPENDENT DIRECTOR

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and such other applicable provisions, if any, of the Companies Act, 2013 (“Act”) read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification (s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Geeta Gupta (DIN : 00095939) who was appointed as an Additional Director of the Company with effect from 04th March, 2015 pursuant to Section 161 of the Act, and who holds office as such upto the date of this Annual General Meeting has submitted declaration that she is eligible for appointment and that she meets the criteria of Independence as provided in Section 149 (6) of the Act of the Listing Agreement (s) entered into with the Stock Exchange and that she has given a notice in writing under section 160 of the Act to the Company, proposing herself as a candidate for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for three consecutive years for a term upto the conclusion of 38th Annual General Meeting of the Company in the year 2018”

6. INCREASE IN BORROWING POWER OF THE COMPANY

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

“ **RESOLVED THAT** pursuant to Section 180(1)(c) and all other applicable provisions of the Companies Act, 2013 and Rules made there under as may be amended, from time to time and Articles of Association of the Company, consent of the Company be and is hereby given to the Board of Directors to borrow moneys, from time to time, whether as rupee loans, foreign currency loans, debentures , bonds and/ or other instruments or non fund based facilities or in any other form (apart from temporary loans obtained or to be obtained from the Company's Bankers in the ordinary course of business) from the Banks, Financial Institutions, Investment Institutions, Mutual Funds, Trusts, other Bodies Corporate or from any other source, located in India or abroad, whether unsecured or secured, on such terms and conditions as may be considered suitable by the Board of Directors up to an amount the aggregate outstanding of which should not exceed, at any given time, Rs.35 crore.”

“ **RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorized to negotiate and decide terms and conditions of such borrowings, finalise and execute all such deeds, documents and writing as may be necessary, desirable or expedient, settle any question, difficulty or doubt that may arise in this regard, do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary, proper or desirable and to delegate all or any of these powers to any Committee of Directors or Managing Director or Whole time Director or Director or any other officer of the Company or any other person.”

THIRTY FIFTH ANNUAL REPORT 2014 - 2015

7. CREATION OF SECURITY ON THE PROPERTIES OF THE COMPANY IN FAVOUR OF THE LENDERS

To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**

"RESOLVED THAT pursuant to Section 180(1)(a) and all other applicable provisions of the Companies Act, 2013 and Rules made there under as may be amended, from time to time and Articles of Association of the Company, consent of the Company be and is hereby given to the Board of Directors for creation of mortgage/hypothecation/ pledge/charge/security in any form or manner on the properties of the Company whether tangible, intangible or otherwise, both present and future, in favour of lenders including Banks, Financial Institutions, Investment Institutions, Mutual Funds, Trusts, other Bodies Corporate, Trustees for holders of debentures/ bonds and/ or other instruments to secure all credit facilities including rupee loans, foreign currency loans, debentures, bonds and /or other instruments or non fund based facilities availed / to be availed by the company and / or for any other purpose, from time to time, together with interest, further interest thereon, compound interest in case of default, accumulated interest, liquidated damages, all other costs, charges and expenses payable by the Company in respect of such borrowing."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorized to negotiate and decide terms and conditions of security, finalise and execute all deeds, documents and writings as may be necessary, desirable or expedient, settle any question difficulty or doubt that may arise in this regard, do all such acts, deeds, matters and things, as it may, in its absolute discretion deem necessary, proper or desirable and to delegate all or any of these powers to any Committee of Directors or Managing Director or Whole time Director or Director or any other officer of the Company or any other person."

Place : Mawana

Date : 25/05/2015

Reg. Office : 22 KM, Meerut - Mawana Road,
Mawana – 250 401, Distt. Meerut (U.P.)
PH- 01233- 271515, 274324
E- Mail : sangalpapers@hotmail.com

By Order of the Board of Directors

FOR Sangal Papers Ltd.
CIN : L21015UP1980PLC005138

Himanshu Sangal
Chairman & Managing Director

(DIN – 00091324)

NOTES :

1. The Explanatory Statement as required under Section 102 (1) of the Companies Act, 2013 in respect of the special business is annexed to this Notice.
2. **A Member of the Company entitled to attend and vote at the Meeting shall be entitled to appoint another person as his/her proxy to attend and vote instead of himself/herself and such proxy need not be a Member of the Company.**
3. **The instrument appointing proxy, in order to be effective, must be received by the Company at the Registered Office not later than 48 hours before the commencement of the Meeting/ Proxies are requested to sign the attendance slip annexed to the proxy form and hand it over at the gate of the venue of the Meeting.**
4. Pursuant to the provisions of Section 105 of the Companies Act 2013 and the Rules framed thereunder, a person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A Member holding more than 10% of the total share capital carrying voting rights may appoint a single person as a proxy and such proxy shall not act as a proxy for any other person or Member.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 24th Sep. 2015 to 30TH Sept. 2015 in terms of the provisions of Section 91 of the Companies Act 2013.
6. In line with Green Initiative of the Ministry of Corporate Affairs, hard copy of the Annual Report containing the Balance Sheet, the Statement of Profit & Loss, the Cash Flow Statement will be sent to those shareholders who have not registered their e- mail addresses. Shareholders who have registered e-mail address will be sent the soft copies by e- mail. However, a shareholder continues to retain the right to request the Company for a hard copy of the Report.
7. To ensure that shareholder's queries are answered in full, shareholders are requested to write to the Company at an early date at the e- mail ID sangalpapers@hotmail.com
8. Relevant documents referred to in the accompanying Notice and the explanatory Statement, the Statutory Registers, the Audited Financial Statement, the Director's Report and the Auditor's Report will remain open for inspection at the Registered office of the Company on all working days between 09.30 A:M to 5.30 P.M. excluding Sundays and public holidays upto the date of the AGM. The Audited Financial Statements, the Director's Report and the Auditor's Report will be placed on the Company's website on : www.sangalpapers.com
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number ("PAN") by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
10. **Voting through electronic means:**
In Compliance with provisions of Section 108 of the Companies Act 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement, the Company is pleased to provide its Members facility to exercise their right to vote at the 35th Annual General Meeting (AGM) by electronic means and the items of business as detailed in this Notice may be transacted through e- voting services provided by National Securities Depository Limited (NSDL):

The Instructions for shareholders voting electronically are as under :

- (i)(i) The voting period begins on 27th September, 2015 at 9.00 A:M and ends on 29th September , 2015 at 6.00 P:M. During this period, Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23rd September 2015 may cast their vote electronically. The e- voting module shall be disabled by NSDL for voting thereafter.
- (ii) Open e- mail and open PDF file viz. "ACL- remote e- Voting.pdf" with your client ID or Folio No. as password containing your user ID and password for remote e- voting. The shareholders should log on to the e- voting [website www.evoting.nsdl.com](http://www.evoting.nsdl.com) during the voting period.



- (iii) Click on "Shareholders" Tab
- (iv) Put user ID and password as initial password noted in step (ii) above. Click Login.
- (v) Password change menu appears, Change the password with new password of your choice with minimum 8 digits/ characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of remote e- voting opens. Click on remote e- voting. Active Voting Cycles.
- (vii) Select "EVEN" of **Sangal Papers Ltd.**
- (viii) Now you are ready for remote e- voting as Cast page opens.
- (ix) Cast Your Vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon Confirmation, the message "Vote Cast Successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of the any Company, then your existing password is to be used.
- II Please note that the Members who have exercised their right to vote by electronic means shall not be eligible to vote by way of poll at the Meeting. If a Member cast vote by both the modes, then votes cast through e-voting shall prevail and voting at the Meeting will be treated Invalid. The voting rights of the Members shall be in proportion to their shares of the paid- up Equity Share Capital of the Company as on the Cut- off date of 23rd September 2015.
- III The poll process shall be conducted and report thereon will be prepared in accordance with Section 109 of the Companies Act, 2013 read with the relevant Rules. In such an event, votes cast under Poll taken together with the votes cast through e- voting shall be counted for the purpose of passing of resolution (s).
- IV The Company has appointed D.K. Gupta, Practicing Company Secretary (Membership No. FCS 5226 & CP No. 3599), as the Scrutinizer, to scrutinize the e- voting process, in a fair and transparent manner.
- V The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e- voting period, unblock the votes in the presence of at least two (2) witnesses, not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company .

Place : Mawana

Date : 25/05/2015

Reg. Office : 22 KM, Meerut - Mawana Road,
Mawana – 250 401, Distt. Meerut (U.P.)
PH- 01233- 271515, 274324
E- Mail : sangalpapers@hotmail.com

By Order of the Board of Directors

FOR Sangal Papers Ltd.
CIN : L21015UP1980PLC005138

Himanshu Sangal
Chairman & Managing Director
(DIN – 00091324)

ANNEXURE TO THE NOTICE

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

Resolution at Item No. : 4 & 5

Mr. Prem Sethi (DIN No. 07146425) & Mrs. Geeta Gupta (DIN No. 00095939) are independent directors of the Company and have held the position as such for three consecutive years.

As per the current provision of Company Law and Clause 49 of the listing agreement, independent directors are permitted to be appointed for a consecutive period of 5 years without being liable to retire by rotation.

It is proposed to appoint Mr. Prem Sethi and Mrs. Geeta Gupta as independent directors under section 149 of the Act and clause 49 of the Listing Agreement to hold office for three consecutive years for a term up to the conclusion of 38th Annual General Meeting of the Company in the Calendar year 2018.

Mr. Prem Sethi & Mrs. Geeta Gupta are not disqualified from being appointed as Directors in term of section 164 of the Act and have given their consent to act as directors.

The Company has received notices in writing from members along with deposits of requisite amount under section 160 of the Act proposing the candidature of each of Mr. Prem Sethi and Mrs. Geeta Gupta for the office of Directors of the Company.

The Company has also received declarations from Mr. Prem Sethi & Mrs. Geeta Gupta that they meet the criteria of independence as prescribed both under sub section (6) of Section 149 of the Act and under clause 49 of the Listing Agreement.

In the opinion of the Board, Mr. Prem Sethi & Mrs. Geeta Gupta fulfill the conditions for appointment as independent directors as specified in the Act and the Listing Agreement. Mr. Prem Sethi & Mrs. Geeta Gupta are independent of the management.

Brief resume of Mr. Prem Sethi & Mrs. Geeta Gupta, nature of their expertise, specific functional areas and name of Companies in which they hold directorships and memberships/ chairmanships of Board Committees, shareholding and relationship between directors inter –se as stipulated under clause 49 of the Listing Agreement with the stock exchanges, are provided herein below :

Details of Director (s) seeking Appointment/ Re-appointment at the Annual General Meeting

Particulars	Prem Sethi	Geeta Gupta
Date of Birth	25/09/1954	13/09/1962
DIN No.	07146425	00095939
Date of Appointment	16/03/2015	16/03/2015
Designation	Independent Director	Independent Director
Qualifications	Graduate	Graduate
Expertise Area	Finance, Taxation, Audit	Finance, Legal
List of Directorship held in other Companies	NIL	NIL
Membership/ Chairmanship Committee of all other Companies	Audit Committee : NIL Stakeholders Relationship Committee : NIL	Audit Committee : NIL Stakeholders Relationship Committee : NIL
No. of Shares held in the Company	NIL	NIL
Relationship with the Director (s) of the Company	NO	NO



Mr. Prem Sethi & Mrs. Geeta Gupta are interested in the resolutions set out respectively at item nos. 4 & 5 of the notice with regard to their respective appointments.

Except above, none of the Directors/Key Managerial Personnel of the company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the resolutions set out at item nos. 4 & 5.

Resolution at Item No. : 6 & 7

The shareholder of the company had, in their meeting on 31st July 2010, increased the borrowing limits of the company and authorized the Board of Directors to borrow funds, from time to time, for the business of the company, up to an amount, the aggregate, outstanding of which should not exceed, at any given time Rs.25 crores and to create charge on properties of the Company to secure the repayments of the borrowings. Keeping in view, the existing borrowing and the additional fund requirements for meeting the capital expenditure for the ongoing / future projects, capacity expansion, acquisitions and enhanced long term working capital needs of the Company, the Board of Directors had, in its meeting held on 16th March, 2015, considered and approved subject to the approval of the shareholders, the borrowing limits of the company to Rs. 35 crores and creation of security on the properties of the Company and recommends Resolution no. 6 & 7 of the accompanying Notice to the shareholder for their approval by way of special resolution.

Pursuant to Section 180(1)(c) and 180(1)(a) of the Companies Act 2013, approval of the Shareholder by way of special resolution is required to authorize the Board of Director to borrow moneys up to the said limits and create security in respect thereof.

None of the Directors and / or Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6 & 7.

Place : Mawana

Date : 25/05/2015

Reg. Office : 22 KM, Meerut - Mawana Road,
Mawana – 250 401, Distt. Meerut (U.P.)
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E- Mail : sangalpapers@hotmail.com

By Order of the Board of Directors

FOR Sangal Papers Ltd.
CIN : L21015UP1980PLC005138

Himanshu Sangal
Chairman & Managing Director
(DIN – 00091324)



DIRECTORS' REPORT TO THE MEMBERS

To
The Members,
Your Directors have pleasure in presenting their 35th Annual Report with the Audited Accounts of the Company for the year ended 31st March, 2015.

FINANCIAL RESULT

PARTICULARS	31.03.2015 (Amount in Rs.)	31.03.2014 (Amount in Rs.)
Turnover	<u>950,642,374</u>	<u>1,016,428,644</u>
Profit Before	55,191,902	66,677,633
Financial Charges and Depreciation		
Financial Charges	24,488,152	28,774,180
Depreciation/ Amortization	6,729,807	16,749,664
PROFIT BEFORE TAX	<u>23,973,943</u>	<u>21,153,789</u>
Current Tax	4,796,650	8,082,860
MAT Credit Entitlement	(104,750)	-----
Deferred Tax Liability	4,856,000	(2,684,000)
Income Tax (Related to Earlier Year)	249,908	57,812
PROFIT AFTER TAX	<u>14,176,135</u>	<u>15,697,117</u>
Balance brought Forward from last Year	160,219,853	144,522,736
Balance Carried Forward to Balance Sheet	174,395,988	160,219,853

OPERATIONAL 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 Papers Ltd. 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 is 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 Papers Ltd. has given its best performance in all subjects. During the year under review the Company has achieved a turnover of **Rs. 950,642,374** as against previous figure of **Rs. 1,016,428,644** posting approx **6.47%** decline in sale.

During the year under review PAT (profit after tax) were **Rs. 14,176,135** as compared to previous year figure of **Rs. 15,697,117**. However, the Profit after tax has reduced by **9.69%** in net profit after tax as compared to previous year.

SHARE CAPITAL

The paid up equity capital as on 31st March 2015 was Rs. 13,072,600. During the year under review , the Company has not increased their capital . Further the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

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 31/03/2015.

RESERVES

The balance of Reserve & Surplus Account of the Company as on 31/03/2015 was Rs. 179,251,603/-.

FIXED DEPOSITS

The Company has not accepted any fixed deposits and accordingly no amount was outstanding as on the date of the Balance Sheet.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS :

The Company has not given any loans or guarantee covered under the provisions of section 186 of the Companies Act, 2013.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY :

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined in the Internal Audit Manual. To maintain its objectivity and independence, the Internal Audit function reports to Chairman of the Audit Committee of the Board & to the Chairman & Managing Director.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function , process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

CORPORATE SOCIAL RESPONSIBILITY

Since the Company has not fulfill the criteria in respect of constitution of Corporate Social Responsibility as specified in the Section 135 of the Companies Act 2013 read with Companies (Corporate Social Responsibility) Rules, 2014 , therefore no CSR Committee is constituted.

CONSERVATION OF ENERGY

- (a) Company ensures that the manufacturing operations are conducted in the manner whereby optimum utilization and maximum possible savings of energy is achieved.
- (b) No specific investment has been made in reduction in energy consumption.
- (c) As the impact of measures taken for conservation and optimum utilization of energy are not quantitative, its impact on cost cannot be stated accurately.
- (d) Since the Company does not fall under the list of Industries which should furnish information on conservation of energy , the question of furnishing the same does not arise.

TECHNOLOGY ABSORPTION

Company's products are manufactured by using In- house know how and no outside technology is being used for manufacturing activities. Therefore no technology absorption is required. The Company constantly strives for maintenance and improvement in quality of its products and entire Research & Development activities are directed to achieve the aforesaid goal.

IMPORTS/ EXPORTS AND FOREIGN EXCHANGE EARNINGS AND OUTGO

A. IMPORTS

Import of raw materials during the year amounted to **Rs. 43,323,426 /-** (previous Year **Rs. 29,810,263 /-**) and Capital Goods & Spares of **Rs. 2,012,079 /-** (Previous Year **Rs. 1,517,414 /-**).

B. EXPORTS

Exports were mainly to Gulf and Asian Countries . Exports during the year **increased to Rs. 38,910,936 /-** from **Rs. 28,186,945 /-** in the previous year.

C. EARNINGS AND OUTGO

Details are provided under the Point 23-26 of “Notes to Financial Statements” for the financial year ended as on 31st March 2015.

INDUSTRIAL RELATIONS

During the year under review, your Company enjoyed cordial relationship with workers and employees at all levels.

DIRECTORS

Director Mr. Vinayak Sangal (**DIN NO. 06833351**) retire by rotation and, being eligible, offer himself for re- appointment. The Board of Directors recommend Mr. Vinayak Sangal for re- appointment .

Mr. Prem Sethi (**DIN NO. 07146425**) & Mrs. Geeta Gupta (**DIN NO. 00095939**) were appointed as additional independent director w.e.f 4th March 2015. The Board now recommends the appointment of Mr. Prem Sethi & Mrs. Geeta Gupta as independent directors under section 149 of the Companies Act, 2013 and clause 49 of the listing agreement in the ensuing Annual General Meeting to hold office for three consecutive years i.e. upto the conclusion of the Annual General Meeting of the Company held in the calendar year 2018.

All independent directors have given declarations that they meet criteria of independence as laid down under section 149 (6) of the Companies Act, 2013 and clause 49 of the Listing Agreement.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of the Working of its Audit, Appointment & Remuneration Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

REMUNERATION POLICY

The Board has, on the recommendation of the Appointment & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The remuneration Policy is stated in Corporate Governance Report.

MEETINGS

Meetings During the year 12 (Twelve) Board Meetings and 4 (Four) Audit Committee Meetings were convened and held. The details of which given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act 2013, your Directors confirm that :

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed with no material departures;
- (b) They have 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 review of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the same period;
- (c) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) They have prepared the annual accounts on a going concern basis;
- (e) They have laid down internal financial controls in the Company that are adequate and are operating effectively; and
- (f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that these are adequate

RELATED PARTY TRANSACTIONS

The related party transactions have already been disclosed in the financial statements. No transaction of material nature has been entered into by the Company during the year which may have potential conflict with the interest of the Company. All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the company with promoters, key managerial personnel or other designated persons which may have potential conflict with interest of the Company at large.

SUBSIDIARY COMPANIES

The Company does not have any subsidiary.

CODE OF CONDUCT

The Board of Directors has approved a Code of Conduct which is applicable to the members of the Board and all employees in the course of day to day business operations of the company. The Company believes in "Zero Tolerance" against bribery, corruption and unethical dealings/behaviours of any form and the Board has laid down the directives to counter such acts. The code laid down by the Board is known as "Code of Business Conduct" which forms and Appendix to the Code.

The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders. The Code gives guidance through examples on the expected behavior from an employee in a given situation and the reporting structure.

All the Board members and the Senior Management personnel have confirmed compliances with the code. All management Staff were given appropriate training in this regard.

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

Pursuant to Section 177(9) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Company has formulated a Whistle Blower Policy to establish a vigil mechanism for directors and employees of the Company. The purpose and objective of this Policy is to provide a framework to promote responsible and secure whistle blowing. It protects the employees wishing to raise a concern about serious irregularities within the Company. The details of the Whistle Blower Policy are explained in the Corporate Governance Report and also posted on the website of the Company.

AUDITORS

M/s Shaim & Co. (Chartered Accountants), Muzaffarnagar (Registration No. 000030C), have been appointed as Statutory Auditors of the Company for a period 3 years at the last annual general meeting held on 30th September, 2014 subject to ratification of their appointment by the members at every general meeting. The shareholders at the ensuing annual general meeting will consider ratification of the appointment of the Statutory Auditors. As required under Clause 41 of the Listing Agreement, the Auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

COST AUDIT

The Turnover of the Company during the financial year 2014-15 are not covered under cost audit and therefore, pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Company is not required to appoint cost auditor for financial year 2015-16.

SECRETARIAL AUDIT

Pursuant to provision of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company has appointed D. K Gupta & Co. , Practicing Company Secretary to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as " Annexure A".

AUDITOR'S REPORT/ SECRETARIAL AUDIT REPORT

The auditors have given clean report. There is no observation/adverse remark in the Auditors' Report.
As required under section 204 (1) of the Companies Act, 2013, the Company has obtained a Secretarial Audit Report.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT -9 is annexed herewith as " Annexure C".

BUSINESS RISK MANAGEMENT

Pursuant to the requirement of Clause 49 of the Listing Agreement, the Company has constituted a Risk Management Committee. The details of the Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board's Report.

On the recommendation of the Risk Management Committee, the Board has adopted Risk management Policy, which outlines the programme implemented by the Company to ensure appropriate risk management within its system and culture. The Risk Management Policy is also posted on the website of the Company. The Company's risk management programme comprises of a series of processes, structures and guidelines which assist the Company to identify, assess, monitor and manage its business risks, including material changes to its risk profile. To achieve this, the Company has clearly defined the responsibility and authority of the Company's Board of Directors and of the Risk Management Committee to oversee and manage the risk management programme while conferring responsibility and authority on the Company's senior management to develop and maintain the risk management programme in light of the day to day needs of the Company. Regular communication and review of risk management practices provide the Company with important checks and balances to ensure the efficacy of its risk management programme.

REPORT ON FACTORY ACCIDENT

On 1st August 2014 at 6.00 A.M an Accident took place in our Factory Site Village - Bhainsa, 22 Km Stone, Meerut- Mawana Road, Meerut due to burst in Digester. Accident caused substantial damage to the Building, Plant & Machinery as well as Stock and claimed two lives. As per our estimated the total damage caused to the factory may be as much as Rs.142 Lakhs. It was an unexpected mishap, but fortunately it is fully covered by insurance for the Building, Plant & Machinery, Stock damage and human loss. We have accordingly informed the Insurance company and submitted a formal claim. The Managing Director of the Company has announced all assistance to the families of the victims immediately.

PARTICULARS OF EMPLOYEES

The provisions of Rule 5 (2) & (3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 requiring particulars of the employees in receipt of remuneration in excess of Rs. 60 Lacs per year to be disclosed in the Report of Board of Directors are not applicable to the Company as none of the employees was in receipt of remuneration in excess of Rs. 60 lacs during the financial year 2014-15.

The information required under section 197 (12) of the Companies Act, 2013 read with Rules 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 is given in the Statement annexed herewith as "Annexure –D".

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORT

The Corporate Governance and Management Discussion & Analysis Report, which form an integral part of this Report, are set out as separate Annexures, together with the Certificate the auditors of the Company regarding Compliance with the requirements of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

ACKNOWLEDGEMENTS :

Your Company and its Directors wish to extend their sincerest thanks to the Members of the Company , Bankers, State Government, Local Bodies, Customers, Suppliers, Executives, Staff and workers at all levels for their continuous co-operation and assistance.

Place : Mawana

Date : 25/05/2015

By Order of the Board of Directors

FOR Sangal Papers Ltd.

CIN : L21015UP1980PLC005138

Himanshu Sangal
Chairman & Managing Director

(DIN – 00091324)

Reg. Office : 22 KM, Meerut - Mawana Road,

Mawana – 250 401, Distt. Meerut (U.P.)

PH- 01233- 271515, 274324

E- Mail : sangalpapers@hotmail.com



'ANNEXURE A' TO BOARDS' REPORT

FORM NO. MR – 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH 2015

[Pursuant to section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel Rules, 2014)]

**To
The Members,
Sangal Papers Ltd.
CIN: L21015UP1980PLC005138**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by the Sangal Papers Ltd. (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by Sangal papers Ltd. ('the Company') its officers, agents, and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on 31st March 2015 complied with the statutory provision listed hereunder and also that the Company has proper Board processes and compliance – mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 according to the provision of :

- I. The Companies Act, 2013 and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- III. The Depositories Act, 1956 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI ACT') :-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India(Prohibition of Insider Trading) Regulations, 2011;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- VI. As informed by management other laws applicable to the Company are:-
 1. Air (Prevention and Control of Pollution) Act, 1981 read with The Air (Prevention and Control of Pollution) Rules, 1982
 2. Central Excise Act, 1944
 3. Cenvat Credit Rules, 2004
 4. Employee's Compensation Act, 1923
 5. Employees' Pension Scheme, 1995
 6. Employees' Provident Fund Scheme, 1952
 7. Employees Provident Funds And Miscellaneous Provisions Act, 1952
 8. Finance Act, 1994
 9. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008
 10. Income Tax Act, 1961 and the rules made thereunder
 11. Industrial Disputes Act, 1947

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12. The Contract Labour (Regulation & Abolition) Act, 1970
13. The Payment of Bonus Act, 1965
14. The Payment of Gratuity Act, 1972
15. The Payment of Wages Act, 1936
16. Water (Prevention and Control of Pollution) Act, 1974 read with Water (Prevention & Control of Pollution) Rules, 1975
17. Child Labour (Prohibition And Regulation) Act, 1986
18. Employee's Compensation Act, 1923
19. Employees Deposit-Linked Insurance Scheme, 1976
20. Explosives Act, 1884
21. Foreign Exchange Management Act, 1999
22. Foreign Trade Policy 2009 To 2014
23. Income-Tax Act, 1961 | Income-Tax Rules, 1962
24. Industrial Employment (Standing Orders) Act, 1946
25. Water (Prevention And Control Of Pollution) Cess Act, 1977
26. Legal Metrology Act, 2009.

I have also examined compliance with the applicable clauses of the following :

- (i) Secretarial Standards issued by the The Institute of Company Secretaries of India were not applicable to the Company during financial year 2014-15.
- (ii) The Listing Agreements entered into by the Company with BSE Stock Exchange.
During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

I Further Report that :

The Board of Directors of the Company is constituted with total no. of 6 (Six only) directors on the Board of directors with 3 (Three only) whole time directors 2 (Two only) additional directors, who are proposed to be appointed as independent directors and 1 (one only) non executive director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

As informed adequate notices were given to all Directors to schedule the Board Meetings, Agenda and detailed notes on Agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the Agenda items before the meeting and for meaningful participation at the meeting .

Majority Decision were carried through while the dissenting members' views are captured and recorded as part of the minutes.

I Further Report that there are adequate systems and process in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place : Meerut

D.K Gupta & Co.
(Company Secretaries)

Date : 25/05/2015

CS. D. K. GUPTA
Proprietor
FCS No. 5226
C. P No. 3599

Note : This report is to be read with our letter of even date which is annexed as "ANNEXURE B" and forms an integral part of this report.



'ANNEXURE - B' TO BOARDS' REPORT

To
The Members,
Sangal Papers Ltd.
CIN: L21015UP1980PLC005138

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express as opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct fact are reflected in secretarial records. I believe that the processes and practices , I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, Standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place : MEERUT

Date : 25/05/ 2015

D.K Gupta & Co.
(Company Secretaries)

CS. D. K. GUPTA
Proprietor
FCS No. 5226
C. P No. 3599



ANNEXURE 'C' TO BOARDS' REPORT

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

#REF!

EXTRACT OF ANNUAL RETURN

1 REGISTRATION & OTHER DETAILS:

i	CIN	L21015UP1980PLC005138
ii	Registration Date	25-11-1980
iii	Name of the Company	SANGAL PAPERS LTD.
iv	Category of the Company	Company Limited by Shares
v	Address of the Registered office & contact details	
	Address :	Village Bhainsa, 22 KM Mawana Road
	Town / City :	Meerut, U.P- 250401
	State :	Uttar Pradesh
	Country Name :	India
	Telephone (with STD Code)	01233-271515
	Fax Number :	01233-272051
	Email Address :	sangalpapers@hotmail.com
vi	Website, if any :	www.sangalpapers.com
vii	Whether listed company	Yes
	Name and Address of Registrar & Transfer Agents (RTA):-	
	Name of RTA:	MAS SEVICES LIMITED
	Address :	T- 34, Iind Floor, Okhla Indl. Area Phase II
	Town / City	New Delhi
	State :	Delhi
	Pin Code :	110020
	Telephone :	011- 26387281
	Fax Number :	011- 26387384
	Email Address :	sm@masserv.com

II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	PAPER & PAPER PRODUCTS	17011,17012	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COPANIES -

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	PRERNA CHITS (P) LIMITED	U65992UP1988PTC009247	Associate	N.A.	N.A.
2	SHRI GANESH CREDITS (P) LIMITED	U65921UP1988PTC009362	Associate	N.A.	N.A.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s	459980	459980	486120	37.19%	459980	26140	486120	37.19%	0%
(1) Indian	0	0	0	0	0	0	0	0%	0%
a) Individual/ HUF	0	0	0	0	0	0	0	0%	0%
b) Central Govt.	0	0	0	0	0	0	0	0%	0%
c) State Govt (s)	0	0	0	0	0	0	0	0%	0%
d) Bodies Corp.	0	0	0	0	0	0	0	0%	0%
e) Banks / FI	0	0	0	0	0	0	0	0%	0%
f) Any other	0	0	0	0	0	0	0	0%	0%
				0	0	0	0		
(2) Foreign	0	0	0	0	0	0	0	0%	0%
a) NRI - Individual/	0	0	0	0	0	0	0	0%	0%
b) Other - Individual/	0	0	0	0	0	0	0	0%	0%
c) Bodies Corp.	0	0	0	0	0	0	0	0%	0%
d) Banks / FI	0	0	0	0	0	0	0	0%	0%
e) Any Others	0	0	0	0	0	0	0	0%	0%
Total Shareholding of Promoter (A)	459980	26140	486120	37.19%	459980	26140	486120	37.19%	0%
B. Public Shareholdin									
1. Institutions	0	0	0	0%	0	0	0	0%	0%
a) Mutual Funds	0	0	0	0%	0	0	0	0%	0%
b) Banks / FI	0	0	0	0%	0	0	0	0%	0%
c) Central Govt.	0	0	0	0%	0	0	0	0%	0%
d) State Govt. (S)	0	0	0	0%	0	0	0	0%	0%
e) Venture Capital Funds	0	0	0	0%	0	0	0	0%	0%
f) Insurance Companies	0	0	0	0%	0	0	0	0%	0%
g) FIIs	0	0	0	0%	82	0	82	0.01	0.01%
h) Foreign Venture Capital Funds	0	0	0	0%	0	0	0	0%	0%
i) Others (specify)	0	0	0	0%	0	0	0	0%	0%
Sub-total (B)(1):-	0	0	0	0%	82	0	82	0.01	0.01%
2. Non - Institutions									
a) Bodies Corp.	30557	10580	41137	3.147	27486	10540	38026	2.909	.238
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	140369	558240	698609	53.44	134933	544120	679053	51.94	1.5
ii) Individual shareholders holding nominal share capital excess of Rs. 1 lakh	79101	0	79101	6.05	101288	0	101288	7.75	(1.7)
c) Others (specify) Clearing Members	493	0	493	0.04	891	0	891	0.07	(.03)
d) Any other Specify NRI/OCB	1800	0	1800	0.14	1800	0	1800	0.14	0

Sub-total (B)(2):-									
Total Public Shareholding (B)=(B)(1)+(B)(2)	252320	568820	821140	62.81	266480	554660	821140	62.81	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0%	0	0	0	0%	0
Grand Total (A+B+C)	712300	594960	1307260	100.00	726460	580800	1307260	100.00	0%

ii. Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	RENU SANGAL	112500	8.61	8.41	112500	8.61	8.41	0
2	CHARU SANGAL	93320	7.14	0.00	93320	7.14	0.00	0
3	AMIT SANGAL	120740	9.24	6.88	120740	9.24	6.88	0
4	HIMANSHU SANGAL	107580	8.23	0.00	107580	8.23	0.00	0%
5	AMIT KUMAR HUF	7080	.54	0.00	7080	.54	0.00	0%
6	HIMANSHU SANGAL HUF	6800	.52	0.00	6800	.52	0.00	0%
7	TANMAY SANGAL	38100	2.91	0.0	38100	2.91	0.00	0%
								0%
	TOTAL	486120	37.19	15.30	486120	37.19	15.30	0

iii. Change in Promoters' Shareholding (please specify, if there is change)

		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
At the beginning of the year					
Changes During the Year					
Increase					
Date	Reason for Increase				
0	0				
0	0				
0	0				
0	0				
At the End of the year					

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

SR. No.	For Each of Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	VGS Share Services Private Limited	28558	2.185	23969	1.834
	Rathinasamy Narayansamy Rubesh	20745	1.587	20745	1.587
	R. N Rubesh	4529	.346	19656	1.504
	Rajendra Dhirajlal Gandhi	17000	1.300	17000	1.300
	M Lalitha	7128	.545	15880	1.215
	Vikash Jain (HUF)	16540	1.265	14807	1.133
	Deepak Arora	13200	1.010	13200	1.010
	Madhuben Dhirajlal	11616	.889	9000	.688
	R. Vanitha	6170	.472	7288	.558
	Bogharajay Jayantilal	-	-	5272	.403

v. Shareholding of Directors and Key Managerial Personnel:

S. No.: 1 Mr. Himanshu Sangal (Managing Director)	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
At the beginning of the year	107580	8.23	107580	8.23
Changes During the Year				
Increase				
Date	Reason for Increase			
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
Decrease				
Date	Reason for Increase			
0	0	0	0	0
0	0	0	0	0
At the End of the year	0	0	0	0

S. No.: 2 Mr. Amit Sangal		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
At the beginning of the year		120740	9.24	120740	9.24
Changes During the Year					
Increase					
Date	Reason for Increase				
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
Decrease					
Date	Reason for Increase				
0	0	0	0	0	0
0	0	0	0	0	0
At the End of the year		0	0	0	0

S. No.: 3 Mr. Tanmay Sangal (Whole Time Director)		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
At the beginning of the year		38100	2.91	38100	2.91
Changes During the Year					
Increase					
Date	Reason for Increase				
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
Decrease					
Date	Reason for Increase				
0	0	0	0	0	0
0	0	0	0	0	0
At the End of the year		0	0	0	0

S. No.: 4 Mr. Vinayak Sangal (Director)		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
At the beginning of the year		-	-	-	-
Changes During the Year					
Increase					
Date	Reason for Increase				
0	0	-	-	-	-
0	0	-	-	-	-
0	0	-	-	-	-
0	0	-	-	-	-
Decrease					
Date	Reason for Increase				
0	0	-	-	-	-
0	0	-	-	-	-
At the End of the year		-	-	-	-

S. No.: 5 Mr. Prem Sethi (Additional Director)		Shareholding at the beginning		Cumulative Shareholding	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
At the beginning of the year		-	-	-	-
Changes During the Year					
Increase					
Date	Reason for Increase				
0	0	-	-	-	-
0	0	-	-	-	-
0	0	-	-	-	-
0	0	-	-	-	-
Decrease					
Date	Reason for Increase				
0	0	-	-	-	-
0	0	-	-	-	-
At the End of the year		-	-	-	-

S. No.: 6 Mr. Prem Sethi (Additional Director)	Shareholding at the beginning		Cumulative Shareholding	
	No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
At the beginning of the year	-	-	-	-
Changes During the Year				
Increase				
Date	Reason for Increase			
0	0	-	-	-
0	0	-	-	-
0	0	-	-	-
0	0	-	-	-
Decrease				
Date	Reason for Increase			
0	0	-	-	-
0	0	-	-	-
At the End of the year	-	-	-	-

(V) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness
i) Principal Amount	30670375	52425406	0	0
ii) Interest due but not paid	310084	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	0	0	0
Change in Indebtedness during the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness
* Addition	22385142.5	0	0	0
* Reduction	21556885	0	0	0
Net Change	828258	0	0	0
Indebtedness at the end of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness
i) Principal Amount	31498633	53080015	0	0
ii) Interest due but not paid	312209	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	0	0	0

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Director and/or Manager :

Sl. No.	Particulars of Remuneration	Himanshu Sangal	Tanmay Sangal	Total Amount
		(CMD)	wtd	
1	Gross salary			
	(a) Salary as per provisions contained in section 17 (I) of the Income-tax Act, 1961	900000	300000	1200000
	(b) Value of perquisites u/s 17 (2) Income-tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission	0	0	0
	- as% of specify	0	0	0
	- others, please specify	0	0	0
5	Others, please specify	0	0	0
	Total (A)	900000	300000	1200000
	Ceiling as per the Act	N.A.	N.A.	N.A.

B. Remuneration to other directors :

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		A	B	C	
1	Independent Directors				
	Fee for attending board committee meetings	0	0	0	0
	Commission	0	0	0	0
	Others, please specify	0	0	0	0
	Total (1)	0	0	0	0
2	Other Non-Executive				
	Fee for attending board committee meetings	0	0	0	0
	Commission	0	0	0	0
	Others, please specify	0	0	0	0
	Total (2)	0	0	0	0
	Total (B)=(1+2)	0	0	0	0
	Total Managerial Remuneration	0	0	0	0
	Overall Ceiling as per the Act	0	0	0	0

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		CFO	Company Secretary	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17 (I) of the Income-tax Act, 1961	900000	300000	1200000
	(b) Value of perquisites u/s17 (2) Income-tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission	0	0	0
	- as% of specify	0	0	0
	- others, please specify	0	0	0
5	Others, please specify	0	0	0
	Total	900000	300000	1200000

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCE:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	0	0	100000/-	SEBI	0
Punishment	0	0	0	0	0
Compounding	0	0	0	0	0
B. DIRECTORS					
Penalty	0	0	0	0	0
Punishment	0	0	0	0	0
Compounding	0	0	0	0	0
C. OTHER OFFICERS IN DEFAULT					
Penalty	0	0	0	0	0
Punishment	0	0	0	0	0
Compounding	0	0	0	0	0

ANNEXURE "D" TO BOARD'S REPORT

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

PARTICULARS PURSUANT TO SECTION 197 (12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- (i) The ratio of the remuneration of each director of the median employee's remuneration for the financial year and such other details as prescribed is as given below:

Name	Ratio
Himanshu Sangal (Managing Director)	16:1
Amit Sangal (Director Finance cum CFO)	16:1
Tanmay Sangal (Whole Time Director)	5:1
Vinayak Sangal (Director) - without remuneration	NIL

For this purpose, sitting fees paid of the directors has not been considered as remuneration.

- (ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Name	Designation	% increase
Himanshu Sangal	(Managing Director)	25%
Amit Sangal	(Director Finance cum CFO)	25%
Tanmay Sangal	(Whole Time Director)	NIL

* There was no increase in remuneration of Shri Tanmay Sangal (Whole Time Director) during the financial year 2014-15.

- (iii) The percentage increase in the median remuneration of employee in the financial year :7.66%

- (iv) The number of permanent employees on the rolls of company: 135.

- (v) The explanation on the relationship between average increase in remuneration and Company performance.

The Company's PAT has decline from Rs. 156.97 lacs to Rs.141.76 lacs, an decrease of 9.69% against which the average increase in remuneration is 16.67%.

- (vi) Comparison of the remuneration of the Key Managerial Personnel (KMP) against the performance of the Company:

% increase (avg.) in remuneration of KMP	Company Performance
16.67%	Company's PAT decrease by 9.69%

(vii) Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer :

Closing date of the Financial Year	Issued Capital (Shares)	Closing Market Price Per Share	EPS	PE Ratio	Market Capitalization (Rs. in Lacs)
31.03.2014	1307260	27.25	12.01	2.27	356.32
31.03.2015	1307260	46.00	10.84	4.24	601.06
Increase/Decrease	-	18.75	1.17	1.97	244.74
% of Increase/Decrease	-	68.80%	9.74%	-	68.68%

Market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer.

The equity shares of the Company were initially listed on BSE Ltd. in the year 1994. The last public offer of the equity shares was made in the year 1994 by way of Public issue to the general public in the ratio of 3:1 at a price of Rs. 10 /- per equity share. As on 31st March, 2015, the market quotation of the Company's share price (closing price) was Rs. 46.00.

(viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and any exceptional circumstances to increase in the managerial remuneration :

There is only one Managing Director and one Whole Time Director. There was no increase in remuneration paid to Managing Director during the Financial Year 2014-15. Average increase in remuneration for employees other than Managerial Personnel is 7.66%.

(ix) Comparison of the each remuneration of the KMP against the performance of the company :

Name	Remuneration of KMP (Rs Lacs)	Performance of the Company -PAT as on 31st March 2015
Himanshu Sangal, Managing Director	900000 /-	141.76
Amit Sangal, Director Finance cum CFO	900000 /-	141.76
Rohit Tyagi, Company Secretary	193749 /-	141.76

(x) The key parameters for any variable component of remuneration availed by the directors :

There is no variable component in the remuneration of Shri Himanshu Sangal, Managing Director.

(xi) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year : Not Applicable

(xii) If remuneration is as per the remuneration policy of the Company : Yes

Place : Mawana

Date : 25/05/2015

Reg. Office : 22 KM, Meerut - Mawana Road,
Mawana – 250 401, Distt. Meerut (U.P.)
PH- 01233- 271515, 274324
E- Mail : sangalpapers@hotmail.com

By Order of the Board of Directors

FOR Sangal Papers Ltd.
CIN : L21015UP1980PLC005138

Himanshu Sangal
Chairman & Managing Director
(DIN – 00091324)

CORPORATE GOVERNANCE REPORT

This report on Corporate Governance forms part of the Directors Report for the financial year ended 31st March, 2015.

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Sangal Papers Ltd. Strives to adopt the standard of excellence in Corporate Governance. The Company has consistently practiced good Corporate Governance norms for the past several years for the efficient conduct of its business and meeting its obligations towards all its stakeholders viz, the shareholders, customers, employees and the community in which the Company operates.

The Company has established procedures and systems to be fully complied with the requirements stipulated by the Securities and Exchange Board of India (SEBI) from time to time, under the revised Clause 49 of the Listing Agreement. The provisions of Clause 49 have been implemented in a manner so as to achieve the objectives of Corporate Governance.

The essential elements of Corporate Governance are fairness, transparency, accountability and responsibility towards which company continues to remain committed.

2. BOARD OF DIRECTORS

(i) COMPOSITION AND CATEGORY OF DIRECTORS

The Board of Directors of the Company have an optimum combination of Executive, Non- Executive and Independent Directors who have an in- depth knowledge of business, in addition to the expertise in their areas of specialization.

The Board of the Company comprises Six Directors- Three Executive Directors and Three Non- Executive Directors, of whom two are Independent Directors. The current strength of the Board includes one Woman Independent Director. The Chairman of the Board is a promoter Executive Director. Composition of the Board of Directors as on 31st March 2015

Category	No. of Direction
Promoter - Non Executive Director	1
Executive Director	3
Non Executive Additional Directors	2
TOTAL	6

Pursuant to the provisions of Companies Act, 2013 and clause 49 of the Listing Agreement, Board has carried out an evaluation of its own performance, the Directors individually as well as the valuation of the working of its Committees viz Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee. The manner in which evaluation has been carried out has been explained in the Corporate Governance Report.

(ii) BOARD MEETINGS DETAIL

The total number of Board Meetings held during the financial year ended as on 31st March 2015 is 12. The detail are as follows :

13/05/2014, 26/05/2014, 28/07/2014, 04/09/2014, 23/09/2014, 18/10/2014, 28/10/2014, 13/11/2014, 30/01/2015, 27/02/2015, 16/03/2015, 27/03/2015.

(iii) Attendance of Directors at the Board Meetings :

Name of the Director	Designation	Board Meeting Held during the Year	Board Meeting Attended during the Year	Whether attended Last AGM
Himanshu Sangal	Managing Director	12	12	YES
Amit Sangal	Director Finance & CFO	12	12	YES
Tanmay Sangal	Whole Time Director	12	12	YES
Vinayak Sangal	Director	12	12	NO
Prem Sethi	Additional Director	12	02	NO
Geeta Gupta	Additional Director	12	02	NO

3. COMMITTEES OF THE BOARD

1. Audit Committee

i) Terms of Reference :

Apart from all the matters provided in clause 49 of the Listing Agreement and section 177 of the Companies Act 2013, the Audit Committee reviews reports of the internal auditor, meets statutory auditors as and when required and discusses their findings, suggestions, observations and other related matters. It also reviews major accounting policies followed by the Company.

In order to effectively discharge their responsibility, the Audit Committee members have been empowered :-

- To investigate any activity within its terms of reference.
- To seek information from any employee of the Company.
- To obtain outside legal or other professional advice.
- To invite statutory/ internal auditors.

The Committee acts as a link between the Internal Auditor, Statutory Auditor and the Board of Directors of the Company. The Committee reviews the financial statements and other related matters before submission to the Board for approval.

ii) Composition :

The Audit Committee consists of two directors, Mr. Prem Sethi, Mrs. Geeta Gupta. Shri Prem Sethi has been designated as Chairman of the Committee. The Committee met 4 times during the financial year ended March 31, 2015. The attendance record of the members At the meeting were as follows :

Name of the Member	Designation	No. of Meetings Held	No. of Meetings Attended
Prem Sethi	Chairman	04	01
Geeta Gupta	Member	04	01
Himanshu Sangal	Member	04	04
Amit Sangal	Member	04	04
Tanmay Sangal	Member	04	04
Vinayak Sangal	Member	04	04

i) Code of Conduct

There are no employees in view of which no code of conduct for employees have been framed. However, the board has laid down the standard procedure of business conduct which is expected to be followed by the directors which is being followed by them. The board of directors has laid down/ adopted a Code of Conduct for all Board members of the Company. All Board Members have affirmed compliance with the code of conduct for the financial year 2014-15., declaration regarding affirmation by chairman – cum- managing Director is enclosed as annexure to this Report.

1. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Company has been reconstituted Stakeholders Relationship Committee on 16th March, 2015 looks into the issue relating to shareholders including share transfers. The Composition of the Committee is as under as on 31/03/2015 :-

- i) **Mr. Prem Sethi** : **Chairman**
- ii) **Mrs. Geeta Gupta** : **Member**
- iii) **Mr. Himanshu Sangal** : **Member**
- iv) **Tanmay Sangal** : **Member**

The Committee meets as often as necessary depending on the share transfer applications received. There has been no complaint from any investor which has not been redressed. There is no pending share transfer as on date where the documents are clear in all respects.

1. i) NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors had constituted a Remuneration Committee as a Nomination and Remuneration Committee on 16th March, 2015 and comprises of Mr. Prem Sethi as Chairman (Independent Non- Executive Director), Mrs. Geeta Gupta (Independent Non- Executive), Mr. Vinayak Sangal (Non- Executive Director) as members of the Committee as on 31.03.2015. The Committee ensures appropriate disclosure on the remuneration of Directors and deals with the remuneration package of Directors, Service Contract, Notice Period, Severance Fees and Stock Option. If any. Sitting fee of Rs. 2000 /- per meeting is payable to all Directors who attended the Board and its Committee Meeting held on and after 1st April 2015. No shares of the Company are held by Non- Executive Directors.

ii) PAYMENT TO DIRECTORS

Name of the Member	Designation	Remuneration	Tenure of Appointment
Himanshu Sangal	Managing Director	Rs. 9,00,000/- P.A.	5 Years from 01/04/2011
Amit Sangal	Executive Director	Rs. 9,00,000/-P.A.	5 Years from 01/04/2011
Tanmay Sangal	Whole Time Director	Rs. 3,00,000/-P.A.	5 Years from 01/04/2011

iii) MEETING AND ATTENDANCE DURING THE YEAR

The Committee met one times during the financial year 2014-15 on 20/03/2015. The attendance of each member of the Committee is given below :

Name of the Member	Designation	No. of Meetings Held	No. of Meetings Attended
Mr. Prem Sethi	Chairman	01	01
Mrs. Geeta Gupta	Member	01	01
Mr. Vinayak Sangal	Member	01	01

There were no other pecuniary relationships or transactions of the Non- Executive Directors vis-s-vis the Company. The Company has not granted any stock option to any of its directors.

4. GENERAL BODY MEETINGS

i) The details of the last three Annual General Meetings held are as under :

Financial Year	Date	Time	Venue	No. of Special Resolution Passed
2013-14	30/09/2014	11.30 A.M.	Vill. Bhainsa, 22 KM, Mawana Road, Meerut.	NIL
2012-13	30/09/2013	12.00 P.M.	Vill. Bhainsa, 22 KM, Mawana Road, Meerut.	02
2011-12	25/09/2012	12.00 P.M.	Vill. Bhainsa, 22 KM, Mawana Road, Meerut.	NIL

i) **No Extra Ordinary General Meeting held during the Financial Year 2014-15.**

ii) **Postal Ballot :**

For the year ended as on 31st March 2015 there have been no ordinary or special resolution passed by the Company's Shareholders through postal ballot.

5. PERFORMANCE EVALUATION

In Compliance with the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board during the year adopted a formal mechanism for evaluation of its performances as well as that of its committees and individual Directors, including the Chairman of the Board. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non- Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction

with the evaluation process.

6. RISK MANAGEMENT COMMITTEE :

The revised Clause 49 of the Listing Agreement mandates constitution of the Risk Management Committee. The Company has a risk management programme which comprises of a series of processes, structures and guidelines to assist the Company to identify, assess, monitor and manage its business risks, including any material changes to its risk profile.

The objective and scope of the Risk Management Committee broadly comprises :

- i) Oversight of the risk management performed by the executive management,
- ii) Review of the risk management policy inline with legal requirements and SEBI guidelines.
- i) Reviewing risks and initiating mitigation actions,
- ii) Defining framework for identification, assessment, monitoring, mitigation and reporting of risks. During the Financial year 2014-15, the Risk Management Committee met once on 28th March 2015. The Risk Management Committee comprised of the following directors of the Company and the attendance of the members as under :-

Name of the Member	Position	No. of Meetings Held	No. of Meetings Attended
Mr. Prem Sethi	Chairman	1	1
Mrs. Geeta Gupta	Member	1	1
Himanshu Sangal	Member	1	1
Tanmay Sangal	Member	1	1

7. INDEPENDENT DIRECTORS MEETING

During the year under review, the independent directors met on 27th March 2015 for evaluation of the performance of Non- Independent directors and the Board as a whole as well as the Chairman of the Company taking into account the views of the non- executive directors further evaluating the quality, content and timeliness of flow of information between the management and the board i.e. necessary for the board to effectively and reasonably perform its duties. All Independent Directors were present at the meeting .

8. MEANS OF COMMUNICATION

The quarterly, Half yearly and Annual Results are communicated to the BSE Limited, where the Company's shares are listed as soon as they are approved and taken on record by the Board of Directors of the Company. Further , the results are published in newspapers. The results are not sent individually to the shareholders. The financial results are also displayed on the web site of the Company at www.sangalpapers.com.

Pursuant to circular no. CIR/CFD/DIL/10/2010 dated 16th December, 2010 issued by Securities & Exchange Board of India (SEBI), the Company has maintained website namely www.sangalpapers.com providing the basic information about the Company such as details of our business, financial information, shareholding pattern, compliance with corporate governance, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances, etc. The information provided on the website is being updated regularly.

The Company has an Investor Grievance Cell with their RTA to redress the grievances/queries of the shareholders. In order to redress shareholders queries and grievances, the Company has a separate e - mail ID

sangalpapers@hotmail.com .

9. AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

A Certificate has been obtained from the Auditors of the Company regarding compliance with the provisions relating to Corporate Governance laid down in Clause 49 of the Listing Agreement with the Stock Exchange. The same is annexed to this report .

10. CEO/CFO CERTIFICATION

The CMD and CFO have issued certificate pursuant to the provisions of Clause 49 of the listing agreement certifying that the financial statements do not contain any untrue statements and these statements represent a true and fair view of the Company's affair. The said certificate is annexed and forms part of the Annual Report.

GENERAL SHAREHOLDERS INFORMATION

•Annual General Meeting :

Date	30th September 2015
Time	11.00 A.M.
Place	Vill. Bhainsa, 22 KM, Meerut - Mawana Road, U.P. - 250401

•Listing :

Name & Address of Stock Exchange
MAS SERVICES LTD., T-34, IInd Floor, Okhla Indl. Area, Phase II, New Delhi. Phone No. : 011 - 26387281 - 82 - 83 Mail ID : sm@masserv.com, mas_serv@yahoo.com

•Stock Code :

BSE Limited , Mumbai : 516096

•Market Price Data :

High/Low of Market price of Company's equity share traded on the Bombay Stock Exchange Ltd., during the financial year ended on March 31st 2015 was as follows :

Month	High	Low
April 2014	34.40	28.60
May 2014	33.35	25.30
June 2014	40.00	31.00
July 2014	41.85	37.50
August 2014	41.15	37.50
September 2014	43.75	36.10
October 2014	45.10	41.00
November 2014	42.50	28.75
December 2014	31.00	25.35
January 2015	35.00	25.45
February 2015	45.25	30.70
March 2015	46.20	32.60

11. DISCLOSURES

The Company has not entered into any transaction of a material nature with the Promoters, the Directors or the Management, their relatives etc. that may have any potential conflict with interests of the Company.

The Company has complied with the requirements of the Stock Exchange, SEBI and other statutory authorities on all matters related to capital market during the last three years. There was **Rs. 1,00,000 /-** penalties imposed by the SEBI in respect of delay in shareholder grievance.

DECLARATION REGARDING AFFIRMATION OF CODE OF CONDUCT

In terms of the requirements of Clause 49 of the Listing Agreement, this is to confirm that all the members of the Board and the Senior Management personnel have affirmed Compliance with the Code of Conduct for the year ended March 31st, 2015.

Place : Mawana

Date : 25/05/2015

By Order of the Board of Directors

FOR Sangal Papers Ltd.
CIN : L21015UP1980PLC005138

Reg. Office : 22 KM, Meerut - Mawana Road,
Mawana – 250 401, Distt. Meerut (U.P.)
PH- 01233- 271515, 274324
E- Mail : sangalpapers@hotmail.com

Himanshu Sangal
Chairman & Managing Director
(DIN – 00091324)



CERTIFICATE OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER ON CORPORATE GOVERNANCE

**The Board of Directors
Sangal Papers Ltd.**

We have reviewed the financial statement and the cash flow statement of Sangal Papers Ltd. For the financial year 2014-15 and certify that :

- a) These statements to the best of our knowledge and belief :
 - I. Do not contain any materially untrue statements or omit any material facts or contain statements that might be misleading:
 - II. Present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable law and regulations.
- b) To the best of our knowledge and belief, there are no transactions entered into by the Directors and Senior Management Personnel during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct .
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of the internal control systems of the Company for such reporting. We have disclosed to the Auditors and the Audit Committee, deficiencies, if any, in the design operation of such internal controls, of which we are aware of and the steps taken and/or proposed to be taken to rectify these deficiencies.
- d) We have also indicated to the Auditors and the Audit Committee :
 - i) Significant changes in Internal Controls with respect to financial reporting during the year.
 - ii) Significant changes in accounting policies during the year and these have been disclosed in the notes to the financial statements.
- e) To the best of our and belief, there are no instances of significant fraud involving either the management or employees having a significant role in the Company's internal control systems with respect to financial reporting.

By Order of the Board of Directors

FOR Sangal Papers Ltd.
CIN : L21015UP1980PLC005138

HIMANSHU SANGAL
Chairman & Managing Director
(DIN No.: 00091324)

AMIT SANGAL
Director Finance & CFO
(DIN No.: 00091486)

Place : Mawana
Date : 25/05/2015

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

The Members of Sangal Papers Ltd.

We have examined the compliance of conditions of Corporate Governance by Sangal Papers Ltd. For the year ended March 31st, 2015 stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The Compliance of condition of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company to ensure Compliance with the condition of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements 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 fully complied with all mandatory Conditions of Corporate Governance as stipulated in clause 49 of the listing Agreement.

Place : Meerut

For V.S Gupta & Co.

Date : 25/05/2015

Chartered Accountants
Firm Registration No. : 724C



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 31 March 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, 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 qualified audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at 31 March 2015, and its profit and its 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, 2015 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143(3) of the Act, we report that:

- a. we have sought and 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 specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 except AS-15 Accounting for Retirement Benefits of Employees.
- e. on the basis of written representations received from the directors as on 31 March 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015, from being appointed as a director in terms of section 164 (2) of the Act, and
- f. Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in Note 31 to the financial statements.
 - (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, and as required on long-term contracts including derivative contracts.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Date : 25.05.2015

Place : MUZAFFARNAGAR

For **SHIAM & Co.**

Chartered Accountants,

Registration No. 000030C

Rajesh Kumar Jain

Partner

Membership No. 073352



SHIAM & CO.,
Chartered Accountants

ANNEXURE TO THE AUDITOR'S REPORT 33/46-A, 1st Floor, Agarwal Market
Arya Samaj Road, Muzaffarnagar

The Annexure referred to in our report to the members of SANGAL PAPERS LIMITED, MEERUT ('the Company') for the year ended 31 March 2015. We report that:

(i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) According to the information and explanations given to us, physically verification of fixed assets have been carried out by the management and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable, having regard to the size of the company and nature of its assets.

(ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.

(b) The procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In our opinion and according to information and explanations given to us, the company has maintained proper records of inventory. As explained to us, no material discrepancies were noticed on physical verification as compared to book records.

(iii) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(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 our opinion and according to the information and explanations given to us, the company has not accepted any deposit from the public.

(vi) The Cost record has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013. We have broadly reviewed the accounts and records of the Company in this connection and are of the opinion, that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, carried out a detailed examination of the records with a view to determine whether they are accurate or complete.

(vii) (a) According to the records of company and information and explanation to us, the company is regular in depositing undisputed statutory dues including, provident fund employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities during the year. There is no undisputed amounts payable, as at 31.03.2015 for a period of more than six months from the date they became payable.

(a) According to the information and explanations given to us, there are no dues of income tax, value added tax, wealth tax, duty of customs and cess which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of sales tax and service tax have not been deposited by the Company on account of disputes:

Name of the Status	Period to which the amount relates	Amount (in Rs.)	Forum where dispute is pending
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.
Service Tax	2010-2011	11449.00	CESTAT, Delhi

(a) According to the information and explanations given to us there is no amount required to be transferred to investor education and protection fund in accordance with the relevant provision of the companies act, 1956 (1 of 1956) and rules made there under has been transferred to such fund within time.

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

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

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

(xi) In our opinion and according to the information and explanations given to us, term loan were applied for the purpose for which the loans were obtained.

(xii) According to information and explanation given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

Date : 25.05.2015
Place : MUZAFFARNAGAR

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

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 (SLM). Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

8) 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.

9) 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.

10) 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.

11) 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).

12) 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 not disclosed in the financial statement.

13) Printing & Stationery, Postage & Telephone are accounted on cash basis.

BALANCE SHEET AS AT 31ST MARCH, 2015

(Amount in ₹)

PARTICULARS	Note No.	As at 31.03.2015	As at 31.03.2014
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	13,072,600	13,072,600
Reserves & Surplus	3	179,251,603	165,075,468
		192,324,203	178,148,068
Non-current liabilities			
Long-term borrowings	4	74,498,724	65,577,489
Other Long-term liabilities	5	3,500,000	5,652,846
Deferred tax liabilities (Net)		32,759,000	27,903,000
		110,757,724	99,133,335
Current liabilities			
Short-term borrowings	6	154,565,211	143,178,152
Trade payable	7	103,328,627	87,394,988
Other current liabilities	8	22,646,556	32,475,279
Short-term provisions	9	375,000	442,400
		280,915,394	263,490,819
TOTAL		583,997,321	540,772,222
ASSETS			
Non-current Assets			
Fixed assets	10	203,773,274	175,735,548
Tangible assets	11	1,866,777	1,702,096
Long-term loans and advances		205,640,051	177,437,644
Current Assets			
Inventories	12	159,460,041	169,594,908
Trade receivable	13	195,779,249	164,209,735
Cash and Bank Balances	14	5,884,939	21,939,935
Short-term loans and advances	15	17,233,041	7,590,000
		378,357,270	363,334,578
TOTAL		583,997,321	540,772,222

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

 Himanshu Sangal
Managing Director
 DIN : 00091324

 Amit Sangal
**Executive Director
& Chief Financial
Officer**
 DIN : 00091486

 Tanmay Sangal
Whole-Time Director
 DIN : 01297057

 Rohit Kumar Tyagi
Company Secretary
 PAN : AGYPT0209Q

 Date : 25.05.2015
 Place : MUZAFFARNAGAR

 In Terms of our separate report
 of even date
For SHIAM & CO.
 Chartered Accountants
 Registration No. 000030C
 Rajesh Kumar Jain
Partner
 Membership No. 073352

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2015

(Amount in ₹)			
PARTICULARS	Note No.	For the year ended 31.03.2015	For the year ended 31.03.2014
REVENUE			
Revenue from Operations			
Sales (Gross)	16	950,642,374	1,016,428,644
Less : Excise Duty		19,136,245	15,561,158
Sales (Net)		931,506,129	1,000,867,486
Other operating revenues	17	122,354	106,824
Other Income		2,378,425	1,114,504
TOTAL		934,006,908	1,002,088,814
EXPENSES			
Cost of material consumed	18	532,072,692	530,211,954
Changes in inventories of finished goods and stock-in-progress	19	(6,771,614)	(8,559,956)
Employee benefits expense	20	22,467,936	19,981,185
Finance Costs	21	24,488,152	28,774,180
Depreciation	10	6,729,807	16,749,664
Other expenses	22	331,045,992	393,777,998
Total Expenses		910,032,965	980,935,025
Profit before Tax		23,973,943	21,153,789
Tax Expense			
Current Tax		4,796,650	8,082,860
MAT Credit entitlement		(104,750)	
Deferred Tax		4,856,000	(2,684,000)
Income tax relating to earlier year		249,908	57,812
Profit after Tax		14,176,135	15,697,117
Earnings per equity share (Basic)		10.84	12.01

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

Himanshu Sangal
Managing Director
DIN : 00091324

Amit Sangal
**Executive Director
& Chief Financial
Officer**
DIN : 00091486

Tanmay Sangal
Whole-Time Director
DIN : 01297057

Rohit Kumar Tyagi
Company Secretary
PAN : AGYPT0209Q

Date : 25.05.2015
Place : MUZAFFARNAGAR

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

Rajesh Kumar Jain
Partner
Membership No. 073352

**CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET
FOR THE YEAR ENDED 31st MARCH 2015**

	(Amount in ₹)	
	2014-2015	2013-2014
	Amount (Rs.)	Amount (Rs.)
A. CASH FLOW FROM OPERATION ACTIVITIES :		
Net Profit before tax :	23,973,943	21,153,789
Adjustments for :		
Depreciation	6,729,807	16,749,664
Finance Charges	24,488,152	28,774,180
Loss on sale of assets	(331,715)	2,618,669
Operating Profit before working capital changes :	54,860,187	69,296,302
Adjustments for :		
Trade and other receivables	(41,212,555)	37,978,385
Inventories	10,134,867	8,490,623
Trade payables & Other Liabilities	13,478,010	(17,599,678)
Cash generated from operation	37,260,509	(40,951,600)
Finance Charges	(24,488,152)	5,517,408
Taxes Paid	(4,941,808)	74,813,710
Net Cash from operating activities	7,830,549	(28,774,180)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Sale of Fixed Assets	1,260,500	2,378,400
Movement in Loans and Advances	(164,681)	7,272,278
Purchase of Fixed Assets (including Capital work in progress)	(35,698,318)	(22,967,228)
Net Cash used in Investing activities	(34,600,499)	(13,316,550)
	(26,769,950)	24,582,308
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Repayment of Borrowings	10,714,954	23,559,735
Net Cash used in Financial activities	10,714,954	(23,559,735)
	(16,054,996)	1,022,573
Cash and bank balances as at 31.3.2014	21,939,935	20,917,362
Cash and bank balances as at 31.3.2015	5,884,939	(16,054,996)
	(16,054,996)	21,939,935
		1,022,573

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

Himanshu Sangal
Managing Director
DIN : 00091324

Amit Sangal
**Executive Director
& Chief Financial
Officer**
DIN : 00091486

Tanmay Sangal
Whole-Time Director
DIN : 01297057

Rohit Kumar Tyagi
Company Secretary
PAN : AGYPT0209Q

Date : 25.05.2015
Place : MUZAFFARNAGAR

In Terms of our separate report
of even date
For SHIAM & CO.
Chartered Accountants
Registration No. 000030C
Rajesh Kumar Jain
Partner
Membership No. 073352

2. Share Capital

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

(Amount in ₹)

PARTICULARS	As at 31.03.2015	As at 31.03.2014
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 31.03.2015	As at 31.03.2014
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 31.03.2015	% of Holding	Number of shares as on 31.03.2014	% 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

Total (a)

4,855,615

4,855,615

4,855,615

4,855,615

Surplus (Statement of Profit and Loss)

Opening Balance

160,219,853

144,522,736

Add : Addition during the year

14,176,135

15,697,117

Total (b)

174,395,988

160,219,853

Total (a + b)

179,251,603

165,075,468

4. Long term borrowings

Secured borrowings

Term loans from banks	21,418,709	13,152,083
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Unsecured borrowings

Loans and advances from related parties	53,080,015	47,425,406
Loans and advances from companies		5,000,000

Total	74,498,724	65,577,489
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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. 9420000)

At the rate of 2.75% above base rate. (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. 13500000)

At the rate of 2.75% above base rate. (Previous year 13.25% p.a.). Repayable in 60 Monthly installment of Rs. 2,25,000 each starting from April 2011.

From Axis Bank (for term loan of Rs. 19500000)

At the rate of 2.75% above base rate (Previous year NIL.). Repayable in 60 Monthly installments of Rs. 325000 each starting from Jan 2015

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. 1500000)

At the Present effective rate is 10.70% p.a. (Previous year 10.70% p.a.) Repayable in 60 monthly EMI of Rs. 71886 each starting from Jan 2013.

From Axis Bank (for term loan of Rs. 3500000)

At the Present effective rate is 8.86% p.a. (Previous year 10.70%) Repayable in 36 monthly EMI of Rs. 48,898 each starting from Jan 2013.

From Axis Bank (for term loan of Rs. 3500000)

At the Present effective rate is 8.86% p.a. (Previous year 8.86%) Repayable in 60 monthly EMI of Rs. 71886 each Starting from Dec. 2013

5. Other Long Term Liabilities

Secure deposits	3,500,000	5,652,846
Total	3,500,000	5,652,846

6. Short-term borrowings

Secured borrowings

Working Capital Loan	154,565,211	143,178,152
Total	154,565,211	143,178,152

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	79,461,327	81,174,718
Others	23,867,300	6,220,270
Total	103,328,627	87,394,988

8. Other current liabilities

Current maturities of long term debt	9,767,714	17,208,208
Interest accrued and due on borrowings	312,209	310,084
Advances from Customers	4,678,013	3,823,198
Cheque Issued but not presented	785,594	2,111,152
Other payables	7,103,026	9,022,637
Total	22,646,556	32,475,279

9. Short term provision

Income tax	-	232,400
Water cess	375,000	210,000
Total	375,000	442,400

Note No : 10

Tangible Assests

PARTICULARS	<-----GROSS BLOCK----->				DEPRICIATION			
	AS ON 31.03.2014	ADDITIONS	DECUTIOS	AS ON 31.03.2015	UPTO 31.03.2014	FOR THE YEAR	ADJUST MENT	UPTO 31.03.2015
Land & Site Development	16,641,040	5,174,540	-	21,815,580	-	-	-	-
Building	45,408,800	1,053,593	-	46,462,393	17,985,012	1,316,262	-	19,301,274
Co-generation System	98,710,419	6,283,175		104,993,594	33,877,415	1,850,162	-	35,727,577
Plant & Machinery	227,905,161	21,399,191	7,895,563	241,408,789	171,840,793	2,374,424	7,895,563	166,319,654
Office Furniture & Equipment	1,574,529	7,850	-	1,582,379	1,099,180	183,432	-	1,282,612
Computer	878,673	111,173	701,523	288,323	854,555	10,607	701,523	163,639
Vehicles	14,731,670	1,666,796	2,939,447	13,459,019	4,457,789	994,920	2,010,662	3,442,047
TOTAL Rs.	405,850,292	35,696,318	11,536,533	430,010,077	230,114,744	6,729,807	10,607,748	226,236,803
PREVIOUS YEAR FIGURES	395,865,878	22,967,228	12,982,814	405,850,292	221,350,825	16,749,664	7,985,745	230,114,744

11. Long-term loans and advances

Unsecured, considered good		-
Capital advances	83,100	140,600
Security deposits	1,783,677	1,561,496
Others		
Total	1,866,777	1,702,096

12. Inventories

Raw Materials	111,975,998	72,736,417
Work-in-Progress	2,397,000	2,344,000
Finished Goods	18,951,318	12,232,704
Stores and spares	11,880,797	12,612,029
Chemicals	4,649,552	4,161,018
Fuel	7,143,531	62,646,652
Packing Materials	2,461,845	2,862,088
Total	15,460,041	169,594,908

13. Trade Receivables

Unsecured, considered good		
Trade receivables outstanding for more than six months from the date they became due for payment		
Considered good-	30,863,454	11,371,713
Considered doubtful-	7,409,408	
Others		
Total	195,779,249	164,209,735

14. Cash and Cash Equivalents

Balance with Banks

Bank balances held as margin money or as Security against:

Guarantees		
Letters of Credit	2,145,000	3,195,000
Other bank balances	1,305,589	4,904,096
Cheques in hand	1,599,822	10,987,696
Cash in hand	834,528	2,112,144
Total	5,884,939	21,198,936

15. Short-term loans and advances

(Unsecured, considered good)

Balance with Central Excise Authorities	2,010,248	2,124,174
Advance to Suppliers	3,545,401	3,221,025
Mat Credit entitlement	951,621	846,871
Advance Income taxes	455,524	141,572
Others	10,270,247	1,997,357
Total	17,233,041	8,330,999

16. Revenue From operations

Sale of Products News Print & Writing Printing Paper	950,642,374	1,016,428,644
Total	950,642,374	1,016,428,644

17. Other Income

Interest received	763,551	
Miscellaneous Income	331,715	288,181
Total	1,283,159	826,323
	2,378,425	1,114,504

18. Cost of Material Consumed

Particulars	532,072,692	530,211,954
Waste Paper	532,072,692	530,211,954

19. Changes In Inventories of Finished Goods and Stock-In-Progress

<u>Opening Stock</u>		
Finished Goods	12,232,704	3,553,748
Stock in Process	2,344,000	2,463,000
Total (a)	14,576,704	6,016,748

<u>Closing Stock</u>		
Finished Goods	18,951,318	12,232,704
Stock in Process	2,397,000	2,344,000
Total (b)	21,348,318	14,576,704
Total (a - b)	(6,771,614)	(8,559,956)

20. Employee benefit expense

Salaries, Wages & Incentives	17,295,996	14,621,136
Salary to Directors	2,100,000	1,740,000
Bonus	725,417	711,325
Gratuity	566,818	874,075
Security Service Charges	1,421,606	1,591,388
Staff & Labour Welfare	358,099	443,261
Total	22,467,936	19,981,185

21. Finance Costs

<u>Interest on :</u>		
Term Loans	3,473,681	4,936,900
Bank Borrowings & Others	20,978,672	21,496,432
Bank Charges & Others	763,630	2,340,848
	25,215,983	28,774,180
Less : Amount included in Capital Work in Progress	727,831	-
Total	24,488,152	28,774,180

22. Other expenses

Manufacturing

Chemicals	59,008,337	59,679,333
Packing Material	13,606,829	12,150,875
Stores & Spares	28,027,424	22,342,987
Power & Fuel	191,703,805	262,895,853
Repairs - Plant & Machinery	3,077,444	4,129,240
Total (a)	295,426,839	361,198,288

Administrative & Overhead

Printing & Stationery	296,652	313,752
Communication Expenses	1,149,311	1,007,547
Travelling & Conveyance	1,526,959	1,765,483
Insurance Charges	2,456,893	2,306,226
Legal & Professional Charges	2,006,656	1,368,826
Auditors Remuneration	84,270	84,270
Rates & Taxes	1,741,678	1,568,441
Loss on Sale of Fixed Assets	-	2,618,669
Repairs - Others	4,162,497	-
Vehicle Running & Maintenance	1,812,570	1,637,759
General Expenses	1,580,630	800,172
Total (b)	16,818,116	13,471,145

Selling & Forwarding :

Advertisement & Publicity	176,672	121,321
Business Promotion Expenses	879,154	515,019
Rebate & Discounts	5,195,481	5,276,954
Freight Outward & Loading Charges	8,312,253	7,817,206
Commission on Sales	4,240,477	5,378,065
Total (c)	18,804,477	19,108,656
Total (a+b+c)	331,045,992	393,777,998

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

(Amount in ₹)

PARTICULARS	As at 31.03.2015	As at 31.03.2014
(a) Raw Materials	43,323,426	29,810,263
(b) Stores & Spare Parts	2,012,079	1,517,414
24. Expenditure in Foreign Currency	NIL	NIL
25. Remittance in Foreign Currency	NIL	NIL
26. Earning in Foreign Currency (Sale)	38,910,936	28,186,945

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

	As at 31.03.2015		As at 31.03.2014	
1. Raw Material				
Indigenous	480,877,570	90.34%	492,240,208	92.84%
Imported	51,195,122	9.62%	37,971,746	7.16%
Total Rs.	532,072,692		530,211,954	
2. Stores & Spares				
Indigenous	25,395,596	90.61%	20,927,492	93.66%
Imported	2,631,828	9.62%	1,415,495	5.96%
Total Rs.	28,027,424		22,342,987	
3. Chemicals	59,008,337	100%	59,679,333	100%
4. Packing Material	13,606,829	100%	12,150,875	100%

28. Earning per Sharee (EPS) :-

PARTICULARS	As at 31.03.2015	As at 31.03.2014
Profit attributable to the Shareholders	14,176,135	15,697,117
Basic/Weighted average number of Equity Shares outstanding during the year	1,307,260	1,307,260
Nominal value of Equity Shares (Rs.)	10	10
Basic/Diluted Earning per Shares (Rs.)	10.84	12.01

29. Payment to Auditors :

	As at 31.03.2015	As at 31.03.2014
Audit Fee	60,000	60,000
Tax Audit Fee	15,000	15,000
Service Tax	9,270	9,270
Total	84,270	84,270

(Amount in ₹)

	As at 31.03.2015	As at 31.03.2014
30. Deferred Tax Liability (Net)		
(a) Deferred Tax Liability		
Related to Fixed assets	34,022,000	29,074,000
Total (a)	34,022,000	29,074,000
(b) Deferred Tax Assets		
Disallowances under the Income Tax Act, 1961	1,263,000	1,171,000
Total (b)	1,263,000	1,171,000
Total (a - b)	32,759,000	27,903,000

31. Contingent Liabilities and Commitments (to the extent not provided for)

Contingent Liabilities

Trade Tax	1,704,045	2,420,045
Letters of Credit	-	17,566,519
Service Tax	11,449	-

Commitment

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for

- -

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 :

Sr. No.	Name of the Related Parties and Relationship	Key Management Personnel (Rs. In Lacs)		Companies Controlled by Directors / Relatives	
		As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
	Unsecured borrowings				
1	Unsecured Loans repayment	10,565,264	1,418,623	16,305,000	440,000
2	Unsecured Loans taken	3,618,155	3,275,000	15,012,500	775,000
3	Outstanding Payable as on 31.03.2015	29,442,515	22,495,406	23,637,500	24,930,000
4	Remuneration to :-				
	Shri Himanshu Sangal, Managing Director	900,000	720,000	-	-
	Shri Amit Sangal, Executive Director	900,000	720,000	-	-
	Shri Tanmay Sangal, Whole Time Director	300,000	300,000	-	-
5	Outstanding Payable as on 31.03.2015				
	Shri Himanshu Sangal	6,097	36,672	-	-
	Shri Amit Sangal	6,843	49,945	-	-

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
& Chief Financial
Officer**
DIN : 00091486

Tanmay Sangal
Whole-Time Director
DIN : 01297057

Rohit Kumar Tyagi
Company Secretary
PAN : AGYPT0209Q

Date : 25.05.2015
Place : MUZAFFARNAGAR

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

Rajesh Kumar Jain
Partner
Membership No. 073352



FORM NO. MGT -11

PROXY FORM

(Pursuant to section 105 (6) of the Companies Act, 2013 and the rule 193 (3) of the Companies (Management and Administration) Rules, 2014)

SANGAL PAPERS LTD.

CIN No. : L21015UP1980PLC005138

Village Bhainsa, 22 Km Mawana Road, Meerut, U.P – 250401

E mail : sangalpapers@hotmail.com

Name of the Member (s) :

Registered Address :

E- mail ID :

Folio No./Client ID :

DP ID :

I/we, being the member (s) of _____ shares of the above named company, hereby appoint

1. Name

2. E- Mail ID :

3. Signatures

1. Name

2. E – Mail ID :

3. Signatures :

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 35th Annual General Meeting of the Company, to be held on the 30th Sept, 2015 at 11.00 A.M at Vill. Bhainsa, 22km Mawana Road, Meerut, U.P-250401 and at any adjournment thereof in respect of such resolutions as are indicated below :

Ordinary Resolution No.

1. Adoption of Accounts and Reports
2. Appointment of Directors retiring by rotation
3. Appointment of Auditors and remuneration

Special Resolution No.

1. Appointment of Independent Directors.
2. Increase in Borrowing Powers.

Signed this _____ day _____ 2015

Signature of Shareholder

Signature of Proxy holder

Affix Revenue
Stamp

Note : This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the Meeting.

If undelivered please return to :

Sangal papers Ltd.

22, Km., MEERUT - MAWANA ROAD,
MAWANA - 250 401, Distt. Meerut (U.P.)