



Regd. Off. / Works  
VILL. BHAINSA, 22-Km. STONE, MEERUT-MAWANA ROAD,  
P.O. SANDHAN, MAWANA - 250401, U.P. (INDIA)  
Ph. 01233-271137, 271515, 274324, Mob. 8126131100, 9927900176  
e-mail : sangalpapers@hotmail.com sangalpapers@gmail.com  
website : www.sangalpapers.com GSTIN: 09AACCS4253J2Z5  
CIN: J21015UP1980PLC005138 PAN NO:- AACCS4253J

The Secretary,  
Bombay Stock Exchange Limited,  
P. J. Tower, Dalal Street Fort,  
Mumbai-400001  
BSE Scrip Code: 516096

Date: 04/09/2018

Respected Sir/Madam,

**Sub.: Notice for the 38<sup>th</sup> Annual General Meeting of the Company and Book Closure:**

This is inform you that pursuant to the regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and the relevant sections of Companies Act, 2013 and rules made there under, we wish to inform you that:

1. 38<sup>th</sup> Annual General Meeting of the Company for the Financial Year ended 31<sup>st</sup> march 2018 is schedule to be held on Saturday, 29<sup>th</sup> Day of September 2018, at 11.00 A.M. at its registered office at Vill. Bhainsa, 22-km stone, Meerut-Mawana Road, Mawana, Meerut, UP- 250401.
2. The Register of Member and Share Transfer Books shall remain closed form 23<sup>rd</sup> September, 2018 to 29<sup>th</sup> September, 2018 (both days inclusive) for the purpose Annual General Meeting.
3. The e-voting period shall commence on 25<sup>th</sup> September 2018 (09.00 a.m.) and end on 28<sup>th</sup> September 2018 (05.00 p.m.). during this period shareholders of the Company, holding shares either in physical form or in dematerialization from as on cut-off date of 22<sup>nd</sup> September 2018, may cast their vote electronically.

Copy of the 38<sup>th</sup> Annual General Meeting is enclosed herewith.

Kindly take on your records,

Thanking you,  
For and on behalf of Sangal Papers Limited/-

Himanshu Sangal  
Managing Director



# **SANGAL PAPERS LIMITED**

**CIN: L21015UP1980PLC005138**

## **BOARD OF DIRECTORS**

Mr. Himanshu Sangal	- Managing Director
Mr. Amit Sangal	- Whole Time Director cum CFO
Mr. Tanmay Sangal	- Director
Mr. Vinayak Sangal	- Director
Mr. Prem Sethi	- Director
Mrs. Geeta Gupta	- Director
Mr. Shivam Sharma	- Company Secretary

## **AUDIT COMMITTEE**

Mr. Prem Sethi	-Chairman
Mrs. Geeta Gupta	- Member
Mr. Himanshu Sangal	- Member

## **STAKEHOLDERS RELATIONSHIP COMMITTEE**

Mr. Prem Sethi	- Chairman
Mrs. Geeta Gupta	- Member
Mr. Himanshu Sangal	- Member

## **NOMINATION & REMUNERATION COMMITTEE**

Mr. Prem Sethi	-Chairman
Mrs. Geeta Gupta	-Member
Mr. Vinayak Sangal	-Member

## **AUDITOR :**

M/s RAJ SANDHYA & Co.

Chartered Accountants  
572/7, Bhartia Colony,  
Kukra Road, Muzaffarnagar,  
U.P.

## **REGISTERED OFFICE :**

22- KM , Meerut – Mawana Road, Mawana- 250 401  
Distt. Meerut (U.P.), 01233-271137, 271515

E – mail : [sangalinvestors1980@gmail.com](mailto:sangalinvestors1980@gmail.com), Website: [www.sangalpapers.com](http://www.sangalpapers.com)

## **Secretarial Auditor**

D. K. Gupta & Co., Meerut.

Company Secretary in practice

## **BANKERS :**

**State Bank of India**

SME Branch, Ganga Plaza, Begum Bridge, Meerut

## **38<sup>TH</sup> ANNUAL GENERAL MEETING**

**Date : 29<sup>th</sup> September, 2018**

**Day : Saturday**

**Time : 11.00 A.M**

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

## **REGISTRAR & SHARE TRANSFER AGENT:**

**MAS SERVICES LTD.**

T- 34, 2<sup>nd</sup> Floor, Okhla Industrial Area,

Phase – II, New Delhi – 110 020

E-mail : [sm@masserv.com](mailto:sm@masserv.com), [info@masserv.com](mailto:info@masserv.com)

Phone No. : 011 – 26387281 – 82 -83

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**NOTICE TO MEMBERS:**

Notice is hereby given under the provision of section 101 of the Companies Act 2013 that Thirty Eighth (38<sup>th</sup>) Annual General Meeting of the SANGAL PAPERS LIMITED ("The Company") will be held on Saturday, **29<sup>th</sup> day of September, 2018 at 11:00 A.M.** at the registered office of the Company at Village Bhainsa, 22Km stone, Meerut-Mawana Road, Meerut, U.P.- 250401 to transact the following business:-

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Standalone Financial Statements i.e. Balance Sheet as at 31<sup>st</sup> March 2018, the Statement of Profit & Loss Account and cash flow statement for the year ended on that date, together with Report of the Board of Directors' and Auditors' thereon as well as Form No. MR-3 Secretarial Audit Report issued by the Practicing Company Secretary for the year ended 31.03.2018 in pursuance to Section 204 (1) of Companies Act, 2013.
2. 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.
3. To appoint a Director in place of **Mr. Tanmay Sangal (DIN No.: 01297057)** who retires by rotation and being eligible, offers himself for re-appointment.
4. To ratify the 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 RAJ SANDHYA & Co. (Chartered Accountants), Muzaffarnagar (Registration No.: 002011C), as Statutory Auditor of the company, upto the conclusion of Forty Second (42<sup>nd</sup>) Annual General Meeting of the company be and is hereby ratified and confirmed by the Board of Directors of the company and at a remuneration as recommended by the Audit Committee and approved by the Board of Directors."

**SPECIAL BUSINESS:**

5. **RE-APPOINTMENT OF Mr. PREM SETHI (DIN: 07146425) AS NON-EXECUTIVE INDEPENDENT DIRECTOR:**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") 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 pursuant to the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any modification or amendment thereof, Mr. Prem Sethi (DIN: 07146425) a non-executive Independent Director of the Company, who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, also who has submitted a declaration that he meets the criteria for independence as provided in SEBI (LODR) Regulation, 2015 and Section 149(6) of the Companies Act, 2013 be and is here by appointed as an Independent Director of the Company to hold office for second term for five consecutive years for a term upto the conclusion of Forty Third (43<sup>rd</sup>) Annual General Meeting of the company in the year 2023, and whose office shall not be liable to retire by rotation."

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds and things and take all such steps as may be necessary or expedient to give effect to this resolution."

6. **REAPPOINTMENT OF Mrs. GEETA GUPTA (DIN: 00095939) AS NON-EXECUTIVE INDEPENDENT DIRECTOR:**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") 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 pursuant to the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any modification or amendment thereof, Mrs. Geeta Gupta (DIN: 00095939) a non-executive Independent Director of the Company, who is

eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, also who has submitted a declaration that he meets the criteria for independence as provided in SEBI (LODR) Regulation, 2015 and Section 149(6) of the Companies Act, 2013 be and is hereby appointed as an Independent Director of the Company to hold office for second term for five consecutive years for a term upto the conclusion of Forty Third (43<sup>rd</sup>) Annual General Meeting of the company in the year 2023, and whose office shall not be liable to retire by rotation.”

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds and things and take all such steps as may be necessary or expedient to give effect to this resolution.”

**7. RATIFICATION OF COST AUDITOR’S REMUNERATION:**

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

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Company hereby ratifies the remuneration of 40,000/- (Rupees Forty Thousand only) plus applicable taxes and reimbursement of travel and out of pocket expenses, if any, to be paid to M/s. Mr. S. R. Kapur, Cost Accountant (Membership No.:- M-4926), appointed as the Cost Auditors of the Company by the Board of Directors to conduct the audit of the cost records of the Company for the Financial Year ending March 31, 2019.”

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds and things and take all such steps as may be necessary or expedient to give effect to this resolution.”

Place :Mawana  
Date : 30/05/2018

By Order of the Board of Directors  
FOR Sangal Papers Ltd.  
CIN : L21015UP1980PLC005138

Mawana – 250 401, Distt. Meerut (U.P.)  
PH- 01233- 271515, 274324  
E- Mail :[sangalinvestors1980@gmail.com](mailto:sangalinvestors1980@gmail.com)

Himanshu Sangal  
Chairman & Managing Director  
Reg. Office : 22 KM, Meerut - Mawana Road,  
(DIN – 00091324)

**NOTES:**

1. The Explanatory Statement as required under Section 102 (1) of the Companies Act, 2013 in respect of rectification of term of Statutory Auditor of the company and 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 23<sup>rd</sup> Sep. 2018 to 29<sup>th</sup> September 2018 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, 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 [sangalinvestors1980@gmail.com](mailto:sangalinvestors1980@gmail.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](http://www.sangalpapers.com).
9. Members may also note that the Notice of the Thirty Eighth (38<sup>th</sup>) Annual General Meeting, Attendance Slip, Proxy Form, Route Map, Ballot Paper and the Annual Report for the year ended 2018 will also be available on the Company's website [www.sangalpapers.com](http://www.sangalpapers.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office at for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost, For any communication, the shareholders may also send requests to the Company's investor email id: [sangalinvestors1980@gmail.com](mailto:sangalinvestors1980@gmail.com).
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number ("PAN") and Bank details 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 and Bank details to the Company.
11. Details of Directors seeking appointment/re-appointment at the Annual General Meeting of the Company to be held on Saturday, 29<sup>th</sup> Day of September, 2018 and are provided in Annexure A of this Notice.
12. The Notice of Annual General Meeting may be assessed on Company website [www.sangalpapers.com](http://www.sangalpapers.com) and Stock Exchange website [www.bseindia.com](http://www.bseindia.com).
13. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
14. Relevant documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays, Sundays and Public Holidays during business hours up to the date of the Meeting.
15. **Voting through electronic means:**  
In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 ('Amended Rules 2015') (include and modification or reenactment thereof, if any) and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 and Secretarial Standard on General Meetings (SS2) issued by the Institute of Company Secretaries of India (ICSI), the Company is pleased to provide its members facility to exercise their right to vote on resolutions proposed to be considered at the Thirty Eighth (38<sup>th</sup>) Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

A person who is not a member as on the cut-off date should treat this Notice for information purpose only.

The Instructions for shareholders voting electronically are as under:

- (i) (A) (i) The voting period begins on 26<sup>th</sup> September, 2018 at 09.00 A:M and ends on 28<sup>th</sup> September, 2018 at 05.00 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 22<sup>nd</sup> September 2018 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. **“SPL- 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) A. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>  
B. Click on “Shareholders” Tab
- (iv) Put user ID and password as initial password noted in step (ii) above. Click Login.
- (v) Password change menu will appears, Change the password/pin 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- 108843” 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) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authorization letter etc. together with attested specimen signature of the duly authorized signatory(ies) who is/are authorized to vote, to the Scrutinizer through e-mail to [dkgupta08@yahoo.co.in](mailto:dkgupta08@yahoo.co.in) or [sangalinvestors1980@gmail.com](mailto:sangalinvestors1980@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).  
In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]:  
(i) The Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:  
REVEN (Remote e-voting Event Number) USER ID \_\_\_\_\_  
PASSWORD/PIN \_\_\_\_\_  
(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- (xiii) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or contact Senior Manager, National Securities Depository Ltd., Trade World, ‘A’ Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, at the designated email IDs: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) at telephone nos. +91 22 2499 4600/ +91 22 2499 4360 who will also address the grievances connected with the voting by electronic means. The Members may also write to the Company Secretary at the email ID: [sangalinvestors1980@gmail.com](mailto:sangalinvestors1980@gmail.com) or contact at telephone no. 01233-2711137.
- (xiv) Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the ‘Forgot Password’ option available on the site to reset the password.
- (xv) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

- (xvi) If you are holding shares in demat form and had logged on to [www.evoting.nsdl.com](http://www.evoting.nsdl.com) and voted on an earlier voting of the any Company, then your existing password is to be used.
- I. 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 22<sup>nd</sup> September 2018.
- II. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- 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 Mr. D.K. Gupta (M/s D. K. Gupta & Co.), 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 favor or against, if any, forthwith to the Chairman of the Company.
- VI. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.sangalpapers.com](http://www.sangalpapers.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

**Place :Mawana**  
**Date : 30/05/2018**

**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 : [sangalinvestors1980@gmail.com](mailto:sangalinvestors1980@gmail.com)**

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

The following statement sets out all material facts relating to certain Ordinary Business and all the Special Businesses mentioned in the accompanying Notice:

**Resolution at Item No.: 5 AS SPECIAL RESOLUTION:**

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, The Members of the Company, at the 35<sup>th</sup> Annual General Meeting held on Wednesday, 30<sup>th</sup> day of September, 2015 had approved the appointment of Mr. Prem Sethi (DIN- 07146425) as an Independent Director of the Company upto the conclusion of Thirty Eighth (38<sup>th</sup>) Annual General Meeting of the in the year 2018, whose term is due to expire on this Thirty Eighth (38<sup>th</sup>) Annual General Meeting of the Company. Mr. Prem Sethi (DIN- 071464525) does not hold any Equity Shares of the Company. As per Section 149(10) of the Companies Act, 2013 (CA 2013), an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company. In line with the aforesaid provisions of the CA 2013 and in view of long, rich experience, continued valuable guidance to the management and strong Board performance of Mr. Prem Sethi, it is proposed to re-appoint him for the second term as an independent Director on the Board of Sangal Papers Limited for a period of five years form Thirty Eighth Annual General Meeting to Forty Third Annual General Meeting of the company held in the year 2023. In the opinion of the Board, Mr. Prem Sethi fulfills the conditions specified in the Act and except for the above mentioned shareholding; he is independent of the management. Copy of the draft letter for appointment of Mr. Prem Sethi as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day. The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Prem Sethi as an Independent Director. Accordingly, the Board recommends passing of the Resolution at Item No. 5 of the Notice as a Special Resolution. Except Mr. Prem Sethi, being an appointee, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 5.

The Directors recommend the resolution set out in Item No. 5 of the accompanying notice to be adopted as special resolution.

**Resolution at Item No.: 6 AS SPECIAL RESOLUTION:**

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, The Members of the Company, at the 35<sup>th</sup> Annual General Meeting held on Wednesday, 30<sup>th</sup> day of September, 2015 had approved the appointment of Mrs. Geeta Gupta (DIN- 00095939) as an Independent Director of the Company upto the conclusion of Thirty Eighth (38<sup>th</sup>) Annual General Meeting of the in the year 2018, whose term is due to expire on this Thirty Eighth (38<sup>th</sup>) Annual General Meeting of the Company. Mrs. Geeta Gupta (DIN- 00095939) does not hold any Equity Shares of the Company. As per Section 149(10) of the Companies Act, 2013 (CA 2013), an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company. In line with the aforesaid provisions of the CA 2013 and in view of long, rich experience, continued valuable guidance to the management and strong Board performance of Mrs. Geeta Gupta (DIN- 00095939), it is proposed to re-appoint her for the second term as an independent Director on the Board of Sangal Papers Limited for a period of five years form Thirty Eighth Annual General Meeting to Forty Third Annual General Meeting of the company held in the year 2023. In the opinion of the Board, Mrs. Geeta Gupta (DIN- 00095939) fulfills the conditions specified in the Act and except for the above mentioned shareholding; he is independent of the management. Copy of the draft letter for appointment of Mrs. Geeta Gupta (DIN- 00095939) as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day. The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mrs. Geeta Gupta (DIN- 00095939) as an Independent Director. Accordingly, the Board recommends passing of the Resolution at Item No. 6 of the Notice as a Special Resolution. Except Mrs. Geeta Gupta, being an appointee, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 6.

The Directors recommend the resolution set out in Item No. 6 of the accompanying notice to be adopted as special resolution.

**Resolution at Item No. : 7**

Pursuant to the provisions of Section 148 of the Companies Act, 2013 ("the Act"), read with the Companies (Cost Records and Audit) Rules, 2014, the Company is required to have the audit of its cost records conducted by a cost accountant in practice.

The Board of Directors of your Company has, on the recommendation of the Audit Committee, approved the appointment of M/s. Surendra Rai Kapur, (M. No.: M-4926) Cost Accountants as the Cost Auditors of the Company to conduct the audit of the cost records of the Company for the Financial Year ending March 31, 2019, at a remuneration of Rs. 40,000/- plus applicable taxes and reimbursement of travel and out of pocket expenses. M/s.



Surendra Rai Kapur, Cost Accountants have the necessary experience in the field of cost audit and have submitted a certificate regarding their eligibility for appointment as Cost Auditors of the Company. As per the provisions of Section 148 of the Act read with Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the members of the Company. Accordingly, consent of the Members is sought for passing the resolution as set out in Item no. 7 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2019.

None of the Directors and Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

The Board commends the ordinary resolution as set out in Item No. 7 of this Notice for your approval.

#### **Annexure A**

Details of the Directors seeking Re-Appointment in the forthcoming Annual General Meeting (In pursuance of Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015).

<b>Name of the Director</b>	Vinayak Sangal (DIN- 06833351)	Tanmay Sangal (DIN- 01297057)	Prem Sethi (DIN- 07146425)	Geeta Gupta (DIN- 00095939)
Date of Birth	21/11/1991	16/10/1985	25/09/1954	13/09/1962
Item Number	2	3	5	6
Date of Appointment	01/03/2014	30/11/2003	16/03/2015	16/03/2015
Relationship of Directors	Relative (Son of Mr. Amit Sangal)	Relative (Son of Mr. Himanshu Sangal)	NA	NA
Experience in Specific functional area	Operations, Raw Material and production Management Experience.	International Business, Marketing, Finance and Wide Business Administration Experience.	Finance, Taxation, Audit	Finance, Legal
Qualification	B.tech (Mechanical), MBA (Operation)	MBA (Finance)	Graduate	Graduate
Board Membership of Companies as on 31 <sup>st</sup> March, 2017	1. Sangal Papers Limited,	1. Sangal Papers Limited	1. Sangal Papers Limited,	1. Sangal Papers Limited,
Chairman/Member of the Committee of the Board of Director as on 31 <sup>st</sup> March, 2016	Sangal Papers Limited 1. Nomination and Remuneration Committee-Member	Sangal Papers Limited 1. Stakeholder Relationship Committee-Member	Sangal Papers Limited: -Audit Committee. -Nomination and Remuneration Committee. -Stakeholder Relationship Committee. (Chairman in all committee)	Sangal Papers Limited: -Audit Committee. -Nomination and Remuneration Committee. -Stakeholder Relationship Committee. (Member in all committee)
Number of Shares Held on 31 <sup>st</sup> March, 2018	80	38200 (shares held by individual)	Nil	Nil

A Route map showing directions to reach the venue of the Thirty Eighth (38<sup>th</sup>) Annual General Meeting is given on last page of this annual report as per the requirement of the Secretarial Standards -2 on "General Meeting" and SEBI (LODR) Regulation, 2015.

**Place: Mawana**  
**Date: 30/05/2018**

**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 : [sangalinvestors1980@gmail.com](mailto:sangalinvestors1980@gmail.com)**

**Himanshu Sangal**  
**Chairman & Managing Director**  
**(DIN – 00091324)**

## **DIRECTORS' REPORT TO THE MEMBERS**

To,

The Members,

We have pleasure in presenting Thirty Eighth (38<sup>th</sup>) annual report of business and operation of your Sangal Papers Limited ("The Company"), along with the standalone audited yearly financial statements for the financial year ended 31<sup>st</sup> March, 2018.

### **COMPANY OVERVIEW**

The Sangal Papers Limited (herein after called "The Company") was incorporated in the year 1980. The Company engaged in Paper manufactured activity, The Company manufactures News Print, Writing Printing Paper and others quality paper on demand of customers. The Company faces many up and downs in its life, in starting years the company was faces many critical issues and one of them financials issue and the company approach and listed with The Board for Industrial and Financial Reconstruction (**BIFR**), as per order of BIFR in the year 2006, The paid up capital of the company reduce by 80%. We pray for better and bright future of the company. Our strategic objective is to build a sustainable organization that remains relevant to the agenda of our stakeholders and creating growth opportunities for our employee and increase the wealth of the company for our members.

The Sangal Papers Limited manufactures the paper on the demand of customers. The company is facing avoidable and unavoidable challenges and threats. The size of the company is negligible in the papers industry.

### **FINANCIAL RESULT**

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 (including any modification if any). The financial statements for the Financial Year ended March 31, 2018, the Company's first Ind AS Audited Standalone Annual Financial Statements with comparative figures for the year ended March 31, 2018 also under Ind AS. The disclosure and effects of first time adoption of Ind AS are detailed in notes of financial statements and effects on the first time adoption of Ind AS. The standalone and consolidated financial highlights of your Company for the Financial Year ended March 31, 2018 are summarized as follow, details are based on:

#### **Details of financials as per IND AS**

<b>PARTICULARS (Standalone)</b>	<b>31.03.2018 (Amount in Lakhs)</b>	<b>31.03.2017 (Amount in Lakhs)</b>
Turnover Net (Revenue from operations)	<b>12039.98</b>	<b>10710.56</b>
Other Income	<b>72.88</b>	<b>30.55</b>
Profit Before Finance charge, Tax and Dep.	627.28	569.27
<b>Financial Charges and Depreciation</b>		
Financial Charges	163.28	214.02
Depreciation/ Amortization	100.75	93.28
<b>PROFIT BEFORE TAX</b>	<b>363.25</b>	<b>261.97</b>
Current Tax	82.84	73.60
MAT Credit Entitlement		0.50
Deferred Tax Liability	13.60	13.56
Income Tax (Related to Earlier Year)	6.65	3.40
<b>PROFIT AFTER TAX</b>	<b>260.16</b>	<b>170.91</b>

### **OPERATIONAL REVIEW**

The Company is on its way to achieve its ultimate objectives i.e. to be economical and bring efficiency in the operations of the company and the company is moving fast in achieving its goal of maximization of shareholders wealth and objectives of the Company. The Company cares to all stakeholders.

In the series of goals of the Sangal Papers Ltd., the company is regularly exploring and critically appraising its domestic and international market, over last few years the Company has been moving closer to the ultimate consumers and has remained successful in positioning its products in a way that consumers can connect with and aspire with in mind. The Company has maintained the world- wide standard in its products and engaged in it to give sharpness to the Company's marketing strategies. The Company has diversified its product line and gained a name in the market in colored verity writing printing paper in a very short span of time. As per industry conditions

and market demand, Company's main concern is on increase in production of colored verity writing printing paper. Presently colored verity writing printing paper is key product of the company and has been a main contributory factor in the increase in net profit of the Company, resulting in an increase in profit (PAT) by more than 52.22% (approx) as comparison last year.

Sangal Papers Ltd. has given its best performance in all area. During the year under review the Company has achieved a turnover (Net) of **Rs. (In lakhs) 12039.98** as against previous figure of **Rs. (In lakhs) 10710.56** increase in sale 12.41% (approx).

During the year under review PBT (profit before tax) were **Rs. (In lakhs) 363.25** as compared to previous year figure of **Rs. (In lakhs) 261.97**, posting an increase by **38.66 % (approx)** in PBT. Net profit and PAT (profit after tax) were **Rs. (In lakhs) 260.16** as compared to previous year figure of **Rs. (In lakhs) 170.91** reporting an increase of **52.22% (approx)** in net profit as compared to previous year. The operating and fixed expenses are increased during the financial year resulting in lower net profits after tax and therefore, Company's net profit could not post the corresponding increase.

#### **SHARE CAPITAL**

The paid up equity capital as on 31<sup>st</sup> March 2018 was Rs. 13,072,600/- (Rupees One Crore Thirty Lacs Seventy Two Thousand Six Hundred Only) divided into 13,07,260 Equity Shares of Rupees 10/- each. There is no change in Share Capital of the company during the financial year 2017-2018.

#### **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 31/03/2018.

#### **CASH AND EQUIVALENTS**

Cash & Equivalents as on date 31<sup>st</sup> March, 2018 was Rs. 27.04 (In lakhs). The company continues to focus on judicious management of its working capital, receivables, inventories and other working capital parameters were kept under strict check through continuous monitoring.

#### **EARNING PER SHARE (EPS)**

The earning per equity share of the company for the financial year ended on 31/03/2018 was Rs. 19.90/per share and pervious year was Rs. 13.07/per share. The Company has reported an increment of 52.26% in EPS for the said financial year.

#### **CHANGES IN BANKER OF THE COMPANY**

During the year under review, The Company has changed it lead Banker form Axis Bank Ltd, Boundary Road, Meerut to State Bank of India, Ganga Plaza, Begum Bridge Meerut to State Bank of India, Ganga Plaza, Meerut, UP. The terms and conditions of SBI are more favorable then Axis Bank Ltd.

#### **DEPOSITS**

The Company has not accepted any fixed deposits from public and as such, accordingly no amount, principal or interest amount was outstanding as on the date of the Balance Sheet.

#### **CREDIT RATING**

Your Company enjoys credit rating from Brickwork Ratings, The Brickwork Ratings has upgraded credit rating of upgraded the rating from **BWR BB+ (Pronounced as BWR Double B Plus), Outlook: Stable** to **BWR BBB- (Pronounced as BWR Triple B Minus), Outlook: Stable (Upgraded)** for Fund Based- Cash Credit and Term Loan (o/s) and **BWR A4+ (Pronounced as BWR A Four Plus) to BWR A3 (Pronounced as BWR, A Three) (upgraded)** for Non Fund Based: Bank Guarantee and ILC/FLC.

#### **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. Other details can find on the Notes to the financial statements of the Company.

#### **MANAGEMENT'S DISCUSSION AND ANALYSIS:**

In the term of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements), Regulation 2015, the Management Discussion and Analysis is set out in this Annual Report.

#### **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 and to the

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, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as required to be disclosed pursuant to Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014, are given to the extent applicable herein below:

##### **CONSERVATION OF ENERGY**

Paper manufacturing Industries one of the growing industries in india. The basic need of paper industries is raw material i.e. waste paper and energy to produce the final product. Our company is seeking to optimize use of energy and installing new equipments for reduce the consumption of energy and pollution. The company is ensuring about that:

- (a) 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. The Company is adopting green initiation for reduce the pollution and being more eco friendly. Therefore no technology absorption is required. The Company constantly strives for maintenance and improvement in quality of its products and entire in-house 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, detailed as per mentioned in notes of financials statements of the company.

##### **B. EXPORTS**

Exports to Gulf, European, Asian and other Countries. Exports during the year increased to Rs. (in lakhs) 1477.11 from Rs. (in lakhs) 844.15 in the previous year.

Details are provided under the Point 20 of "Notes to Financial Statements" for the financial year ended as on 31<sup>st</sup> March 2018.

#### **DEVELOPMENTS IN INDUSTRIAL RELATIONS/ HUMAN RESOURCES INCLUDING NUMBER OF EMPLOYEE EMPLOYED**

The company is a paper manufacturing industry, We are maintaining a culture and custom for our employee to attract and retain the best talent. During the year under review, your Company enjoyed cordial relationship with workers and employees at all levels.

#### **DIRECTORS RETIREMENT AND RE-APPOINTMENT**

Pursuant to the provisions of section 152 of the Companies Act, 2013 and Articles of Association of the Company, Mr. Vinayak Sangal (DIN NO. 06833351) Director (Non-Executive) retires by rotation and, being eligible, offer himself for re- appointment. The Board of Directors recommend Mr. Vinayak Sangal for re- appointment.

Pursuant to the provisions of section 152 of the Companies Act, 2013 and Articles of Association of the Company, Mr. Tanmay Sangal (DIN: 01297057) Director (Non-Executive) retires by rotation and, being eligible, offer himself for re- appointment. The Board of Directors recommend Mr. Tanmay Sangal (DIN: 01297057) for re- appointment.



The tenure of Mr. Pren Sethi (DIN- 07146425), Director (Independent and Non-executive) is expiring on 38<sup>th</sup> (Thirty Eighth) Annual General Meeting of the company, on the recommendation of Nomination and Remuneration Committee, the Board of Director of the company reappointed (subject to the approval of Members in 38<sup>th</sup> (Thirty Eighth) Annual General Meeting) Mr. Prem Sethi for second term upto 43<sup>rd</sup> (Forty Third) Annual General Meeting of the Company.

The tenure of Mrs. Geeta Gupta (DIN- 00095939), Director (Independent and Non-executive) is expiring on 38<sup>th</sup> (Thirty Eighth) Annual General Meeting of the company, on the recommendation of Nomination and Remuneration Committee, the Board of Director of the company reappointed (subject to the approval of Members in 38<sup>th</sup> (Thirty Eighth) Annual General Meeting) Mrs. Geeta Gupta for second term upto 43<sup>rd</sup> (Forty Third) Annual General Meeting of the Company.

## **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 Annexure, together with the Certificate from the auditors of the Company regarding compliance with the requirements of Corporate Governance as stipulated under various regulations of the SEBI (Listing obligations and disclosure requirements) Regulations, 2015.

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL ("KMP")**

The Board of Director of the Company having such executive and non-executive directors.

### **Key Managerial Personnel**

Mr. Himanshu Sangal (Managing Director), Mr. Amit Sangal (Whole Time Director cum CFO), Mr. Shivam Sharma (Company Secretary) of the Company.

### **Directors**

Mr. Tanmay Sangal (Director), Mr. Vinayak Sangal (Director), Mr. Prem Sethi (Director) and Mrs. Geeta Gupta (Director), of the Company.

## **INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY**

The Board has adopted policies and procedure for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguard of its assets, the prevention and detection of fraud and error, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosure.

## **BOARD EVALUATION**

Pursuant to Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, mandate that the Board shall monitor and review the Board evaluation framework. The framework include the evaluation of the Board of Directors on various parameters, 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 Committee and Nomination and Remuneration Committees. Board evaluation policy has posted on website of the Company at [www.sangalpapers.com](http://www.sangalpapers.com), you may find. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

## **DIRECTOR APPOINTMENT AND REMUNERATION POLICY**

The policy on directors' appointment and remuneration, including criteria for determining qualification, positive attribute and independence of a director and other relevant matter, as required as per section 178(3) of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, The Board has, on the recommendation of the Nomination and Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. Remuneration policy has posted on website of the Company at [www.sangalpapers.com](http://www.sangalpapers.com), you may find. The remuneration Policy is stated in Corporate Governance Report.

## **DECLARATION BY THE INDEPENDENT DIRECTORS**

The company received necessary declaration from each independent director under section 149(7) of Companies Act, 2013, that he/she meets the criteria of independency laid down in section 149 (6) of Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

## **FAMILIARIZATION PROGRAM AND INDEPENDENT DIRECTORS MEETING**

During the relevant financial year, as per company policy the Board of Directors of the company has conducted a separate meeting of the independent directors for the purpose of evaluation of the Board of Directors as whole and individually and also conducted the familiarization program for introduction to the Board and to attend an

orientation program. The Details of Training and familiarization program are provided in the corporate governance report and also available on website ([www.sangalpapers.com](http://www.sangalpapers.com)) of the company.

#### **BOARD DIVERSITY**

We understand the value and importance of balanced and diverse board in the company. We always support a better/best board in the company. The company believe that a truly diverse board will changes in thoughts, perspective, knowledge, skills, industry experience, cultural and geographical background, age, gender that will help us retain our competitive advantage.

#### **MEETINGS OF BOARD OF DIRECTORS AND COMMITTEE**

During the financial year 2017-2018, Nine (9) Board of Directors Meetings, Six (6) Audit Committee Meetings, Five (5) Nomination and Remuneration Committee Meetings and Five (5) Stake holder Relationship Committee meetings were convened and held. The details of which given in the Corporate Governance Report. The maximum interval between any two meeting of Board of Directors and Audit Committee, did not exceed 120 days, as prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### **AUDIT COMMITTEE RECOMMENDATIONS**

During the year, if any recommendations of Audit Committee were reviews and approved by the Board of Directors.

#### **MATERIAL CHANGES AND COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE COMAPNY**

There have been no material changes and commitments affecting the financial position of The Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

#### **CHANGE IN THE NATURE OF BUSINESS**

The Company engaged in single segment i.e. manufacturing of paper, The Company has not undergone any changes in the nature of the business during the financial year.

#### **THE DETAILS OF SIGNIFICANT AND MATERIAL ORDER PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and The Company's operation in future.

#### **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**

Sangal Papers Limited has formulated a policy on Related Party Transaction. The same is available on the company website ([www.sangalpapers.com](http://www.sangalpapers.com)). All the Related Party Transactions are placed before the audit committee for its review on quarterly basic. 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.

None of the transactions with related parties falls under the scope of section 188(1) of the Companies Act, 2013. Information on transactions with related parties pursuant to section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in **Annexure I** in Form AOC-2 and forms part of this report.

#### **SUBSIDIARY COMPANIES, JOINT VENTURE AND ASSOCIATE COMPANY**

The Company does not have any subsidiary, joint venture and associate company during the relevant financial year 2016-2017.

#### **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/behaviors 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 and same is available on the company website ([www.sangalpapers.com](http://www.sangalpapers.com)).

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 Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, 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.

#### **STATUTORY AUDITORS**

Pursuant to the provisions of section 139 of the Companies Act, 2013, the rules made there under and that they are not disqualified in terms of Section 141 of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, M/s Raj Sandhya & Co., Chartered Accountants(Registration No.:002011C), Muzaffarnagar, have been appointed as Statutory Auditors of the Company for a period Five (5) years at the annual general meeting held on 29<sup>th</sup> September, 2017, subject to ratification of their appointment by the members at every general meeting. The Auditors have confirmed that, their appointment would be in accordance with the Section 139 of the Companies Act, 2013 and the rules made there under and that they are not disqualified in terms of Section 141 of the Act. The shareholders at the ensuing annual general meeting will consider ratification of the appointment of the Statutory Auditor of the company for the financial year 2018-2019. As required under provisions of Section 139 Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, 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**

Pursuant to the provision of the section 148 (3) of Companies Act, 2013 read with rule 6 (2) of Companies (Cost Records and Audit) Amendment Rule, 2014 (include any modification or reenactment thereof, if any) and other applicable law, rules or regulations, if any. Pursuant to Section 148 of the Companies Act, 2013 read with the Rule 6 (2) Companies (Cost Records and Audit) Amendment Rules, 2014 (include any modification or reenactment if any), the Company appointed Mr. S. R. Kapur, Cost Accountant (Membership No.:- M-4926), Add.: 278, Pakka Bagh, Holi Chock, Khatauli, Muzaffarnagar, UP-251201 for the financial year ended 2019 with such remuneration and other term and condition as may be agree by the Board of Directors of the Company.

#### **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 Board of Directors appointed Mr. DK Gupta proprietor of M/s D. K Gupta & Co., Practicing Company Secretary, to undertake the Secretarial Audit of the Company for the financial year 2018-2019. The Secretarial Audit Report is annexed herewith as “Annexure II”.

**AUDITOR'S REPORT/ SECRETARIAL AUDIT REPORT:**

The observation made in the Auditors' Report read together with relevant notes thereon have been explained in Notes on Account and hence, do not call for any further comments under Section 134 of the Companies Act, 2013. As required under section 204 (1) of the Companies Act, 2013 the Company has obtained a secretarial audit report. Observations, if any made there are self explanatory and read with Notes on Account of financial Statement.

**PREVENTION OF INSIDER TRADING:**

In January 2015, SEBI notified the SEBI (Prohibition of insider trading) Regulations, 2015 which came into effect from May 15, 2015. Pursuant thereto, the Company has formulated and adopted a new Code for Prevention of Insider Trading. The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code. All Directors and the designated employees have confirmed compliance with the Code.

**EXTRACT OF ANNUAL RETURN**

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

**PARTICULARS RELATING TO THE SEXUAL HARASSMENT OF WOMAN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.**

The Company has always believed in providing a safe and harassment free workplace for every individual working in its premises through various policies and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment. The Company has adopted a policy on Prevention of Sexual Harassment at Workplace which aims at prevention of harassment of employees and lays down the guidelines for identification, reporting and prevention of undesired behavior. An Internal Complaints Committee ("ICC") has been set up from the senior management which is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the Policy.

During the year ended March 31, 2018 no complaints pertaining to sexual harassment have been received.

**RISK MANAGEMENT POLICY**

Pursuant to section 134 (3) (n) of the Companies Act, 2013, the company not required to constituted a business risk management committee, in spite of the company have Risk Management policy. The details of the policy and its terms of reference are set out in the corporate governance report forming part of the Boards 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.

**Applicable of GST**

The Company successfully implemented GST in the month of July 2017, as per the Government's direction. The new implementation was done across its billing and financial application. In GST, as base tax structure was undergoing a change, the impact of the change was on all the financial related process, necessitating careful approach using manual validations.

**PARTICULARS OF EMPLOYEES**

The provisions of Rule 5 (2) & (3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (include any modification or amendment thereof, if any) requiring particulars of the employees in receipt of remuneration in excess of Rupees One Crore and Two Lakh per year and Rupees Eight lakh Fifty Thousand per month only 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 Rupees One Crore and Two Lakh per year and Rupees Eight lakh Fifty Thousand per month during the financial year 2017-18.

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 –IV ".

**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 : 30/05/2018**

**By Order of the Board of Directors**

FOR Sangal Papers Ltd.

CIN : L21015UP1980PLC005138

**Himanshu Sangal**

**Chairman & Managing Director**

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

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

**(DIN – 00091324)**

**PH- 01233- 271515, 274324**

**E- Mail: [sangalinvestors1980@gmail.com](mailto:sangalinvestors1980@gmail.com)**

## ANNEXURE "IV" TO BOARD'S REPORT

*Pursuant to Section 197 (3) of the Companies Act, 2013 read with rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014*

The Sangal Paper Limited is paper manufacturing company. The remuneration and perquisites provided to our employees including that of the management, are on par with industries benchmarks. The Nomination and Remuneration committee continuously review the compensation of our MD, WTD/CFO and other KMP to align both the short term and long term business objectives of the company and to link with the performance of the directors and KMPs. The details of remuneration to KMP including MD and WTD/CFO in the below table:

a. Remuneration of Managing Director and Whole Time Director/Chief Financial Officer:

Name of Director	Directors Identification Number (DIN)	Designation	Remuneration in the year 2018 (Rs. In Lakhs)	Remuneration in the year 2017 (Rs. In Lakhs)	% increase of remuneration in fiscal 2018 as compared to 2017*	Ration of remuneration to MRE# excluding of MD and WTD	Ration of remuneration to MRE# including MD and WTD
Himanshu Sangal	00091324	Managing Director	60	21	185.71%	62.02	61.98
Amit Sangal	00091486	Whole Time Director/CFO	60	21	185.71%	62.02	61.98

\*includes benefits provided by the company to concern MD and WTD during the financial year.

Note:

1. The details in the table are on accrual basis.
2. Remuneration provided to MD and WTD recommended by the Nomination and Remuneration Committee and approved by Board of Directors.

b. Remuneration of other Key Managerial Personnel (KMP):

Name of KMP	Title	Remuneration in the year 2018 (Rs. In Lakhs)	Remuneration in the year 2017 (Rs. In Lakhs)	% increase of remuneration in fiscal 2018 as compared to 2017*	Ration of remuneration to MRE# excluding of MD and WTD	Ration of remuneration to MRE# including MD and WTD
Shivam Sharma	Company Secretary cum Compliance officer	3.38	3.11	8.68%	3.49	3.49

The details in the above table are on accrual basis. For the purpose of comparison for both the financial year 2018 and financial year 2017 are given for the full year. Accordingly, the purpose increase and ration of remuneration.

c. Remuneration of Directors (Non-executive) other than MD, WTD and KMP:

Name of Director	Directors Identification Number (DIN)	Designation	Remuneration in the year 2018 (Rs. In Lakhs)	Remuneration in the year 2017 (Rs. In Lakhs)	% increase of remuneration in fiscal 2018 as compared to 2017	Ration of remuneration to MRE# excluding of MD and WTD	Ration of remuneration to MRE# including MD and WTD
Tanmay Sangal*	01297057	Director	30	6.30# 4.20##	185.71%	31.01	30.99
Vinayak Sangal*	06833351	Director	30	NIL\$	100%	31.01	30.99
Prem Sethi	07146425	Director	NIL	NA	NA	NA	NA
Geeta Gupta	00095939	Director	NIL	NA	NA	NA	NA

Note:

The details in the above table are on accrual basis. For the purpose of comparison for both the

financial year 2018 and financial year 2017 are given for the full year. Accordingly, the purpose increase and ration of remuneration.

\*Mr. Tanmay Sangal and Mr. Vinayak Sangal, Director (Non-Executive Director) of the company. They are receiving salary in the capacity of employee not in capacity of director since 2017.

#Mr. Tanmay Sangal received salary in the capacity of director till December, 2016.

##Mr. Tanmay Sangal is receiving salary in the capacity of president marketing since January, 2017.

\$Mr. Vinayak Sangal is receiving salary since April, 2017 in the capacity of president operation of the company, not director.

d. Information as per Rule 5(2) of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Top 10 employee in terms of remuneration draw during the year:

Employee Name	Designation	Educational Qualification	Experience (in years)	Remuneration in 2018 (in Lakhs)	Previous employment and designation	Date of Commencement of employment	Date of Birth/Age as on 01.01.18	No of share held	Relationship with Director
Tanmay Sangal	President Marketing	MBA	9	30	Dellote/ Business Valuation Analysis	01/01/2017	16/10/1985/ 33	38200	Son of Mr. Himanshu Sangal, MD
Vinayak sangal	President Marketing	B.tech., MBA	3.5	30	Godrej boyce manufacturing co. ltd./ Purchasing Manager	01/04/2017	21/11/1991/ 27	80	Son of Mr. Amit Sangal, WTD/CF O
Praveen Agarwal	VP Plant	B.E., P.G.	36	11.92	Ruchi Paper Mill/GM	03/04/2017	15/05/1960 /58	NA	NA
Arvind Sharma	GM Plant	B.O.E.	16	10.10	Shree Lakshmi Cotsyn Ltd./ DGM Power Plant	03/09/2016	01/07/1979/ 39	NA	NA
Ishita Niyogi	President Export	MBA	9	4	Google/ Account Manager	01/11/2017	05/10/1986/ 32	120	Wife of Mr. Tanmay Sangal
Sanjay Kumar Agarwal	GM Finance	M.Com, L.L.B., CA	34	6.60	Anand Triplex Board Ltd./GM Finance	01/08/2009	01/07/1966/ 52	60	NA
Rakesh Paspola	Sales Manager	B.A.	25	6.23	NA	01/06/2014	20/06/1968 /50	NA	NA
M.C. Rana	Production Manager	B.sc., B.E.	29	6	NA	01/01/2017	01/07/1959 /59	NA	NA
M.L. Gupta	Accounts Manager	M.A.	40	5.09	NA	20/09/2012	30/03/1955 /63	NA	NA
Kesho Singh	Electric Manager	M.Tech.	35	5.64	NA	01/07/2008	12/01/1959 /59	40	NA

e. The percentage increase in the median remuneration of employee in the financial year : 06.50%

f. The number of permanent employees on the rolls of company: 204 for the year 2017-2018.

The number of permanent employees on the rolls of company: 215 for the year 2016-2017.

g. The explanation on the relationship between average increase in remuneration of KMP and Company performance. The Company's PAT has increase from Rs. 170.91 lacs (previous year) to Rs.260.16 lacs (current year) while the increase in the median remuneration was 06.50% and increase in the overall managerial remuneration was 185.71%. The Profit after Tax (PAT) of the company of the current year is Rs. 261.61 lakh and remuneration of Key Managerial Personal (KMP) and Director is Rs. 123.38 lakh (47.16% of PAT) of the company. However, the company is paying fixed remuneration to the individuals based on the responsibility and position, the Company is paying remuneration of the Key Managerial Person (KMP) as per skills and experience. Increment in Managerial remuneration of the Key Managerial Persons (KMP) and MD and WTD as per Managerial Remuneration Policy.

h. Key parameter for any variable component of remuneration availed by the director – Variance in managerial remuneration as per Managerial Remuneration Policy.

i. We affirm that the remuneration paid to the Directors, Key Managerial Personnel and employees is as per the remuneration policy of the Company.

- j. 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 Lakh)
31.03.2017	1307260	107.15	13.07	8.20	1400.73
31.03.2018	1307260	93.35	19.90	4.69	1220.33
Increase/Decrease	-	(13.80)	06.83	(3.51)	(180.40)
% of Increase/Decrease	-	(12.88%)	52.26%	(42.80%)	(12.88%)

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 31<sup>st</sup> March, 2018, the market quotation of the Company's share price (closing price) was Rs. 93.35.

g. 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, one Whole Time Director cum Chief Financial Officer (CFO), two non-executive directors and two Independent Directors. Increment in the remuneration of the Executive Director for the respective period as per Managerial Policy and mention in here in below.

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

Name	Remuneration of KMP and Directors for the period 2017-2018 (Rs. In Lakhs)	Performance of the Company PAT as on 31st March 2018 (Rs. In Lakh)
Himanshu Sangal, Managing Director	60	260.16
Amit Sangal, Whole Time Director cum CFO	60	260.16
Tanmay Sangal, Director*	30	260.16
Vinayak Sangal, Director*	30	260.16
Shivam Sharma, Company Secretary	3.38	260.16

Note: Mr. Tanmay Sangal held the designation of President Marketing and Mr. Vinayak Sangal held the designation of President Operation and they received the remuneration in the capacity of the President Marketing and President Operation of the company (referred to AOC-2) not as director of the company.

(x) The key parameters for any variable component of remuneration availed by the directors: There is no variable component in the remuneration of Executive Directors of the Company.

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

(xii) The ratio of the remuneration of the highest paid director to that of the employee who are not directors but receive remuneration in excess of the highest paid director during the year: NA

Place :Mawana  
Date : 30/05/2018

By Order of the Board of Directors  
FOR Sangal Papers Ltd.  
CIN : L21015UP1980PLC005138

Himanshu Sangal  
Chairman & Managing Director

Reg. Office : 22 KM, Meerut - Mawana Road, (DIN – 00091324)  
Mawana – 250 401, Distt. Meerut (U.P.)  
PH- 01233- 271515, 274324  
E- Mail : [sangalinvestors1980@gmail.com](mailto:sangalinvestors1980@gmail.com)



**“Annexure I” Form No. AOC-2**

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

**1. Details of contracts or arrangements or transactions not at arm's length basis:** Sangal Papers Limited (the Company) has not entered into any contract/arrangement/transaction with its related parties which is not in ordinary course of business or at arm's length during FY 2017-18. The Company has laid down policies and processes/procedures so as to ensure compliance to the subject section in the Companies Act, 2013 and the corresponding Rules. In addition, the process goes through internal and external checking, followed by quarterly reporting to the Audit Committee.

(a) Name(s) of the related party and nature of relationship: Not Applicable

(b) Nature of contracts/arrangements/transactions: Not Applicable

(c) Duration of the contracts / arrangements/transactions: Not Applicable

(d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable

(e) Justification for entering into such contracts or arrangements or transactions: Not Applicable

(f) Date(s) of approval by the Board: Not Applicable

(g) Amount paid as advances, if any: Not Applicable

(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: Not Applicable

**2. Details of material contracts or arrangement or transactions at arm's length basis:**

SL. NO.	Name of Related Party	nature of relationship	Nature of contracts/ transaction	Duration of contract/ transactions	Salient terms of the contracts or transactions including value (Rs. In Lakhs)	Amount paid as advances, if any
1.	<b>Mr. Tanmay Sangal*</b> (DIN No.: 01397057)	Director	Salary for holding office or place of profit	Regular Service	30	NIL
2.	<b>Mr. Vinayak Sangal*</b> (DIN No.: 06833351)	Director	Salary for holding office or place of profit	Regular Service	30	NIL
3.	<b>Mrs. Ishita Niyogi#</b>	Wife of Mr. Tanmay Sangal, Director	Salary for holding office or place of profit	Regular Service	4	NIL

Note:

\*Mr. Tanmay Sangal and Mr. Vinayak Sangal both are director of the company but they are receiving the remuneration in the capacity of employee of the company.

#Mrs. Ishita Niyogi, providing services to the company since 1<sup>st</sup> November, 2017 and receiving the remuneration in the capacity of employee of the company.

**Place: Mawana**  
**Date: 30/05/2018**

**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: [sangalinvestors1980@gmail.com](mailto:sangalinvestors1980@gmail.com)**

**Himanshu Sangal**  
**Chairman & Managing Director**  
**(DIN – 00091324)**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH 2018**

**[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 **31<sup>st</sup> March 2018** 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 31<sup>st</sup> March, 2018 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, 1996 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, 1992 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (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 and The Securities and Exchange Board of India (Shares Based Employees Benefits) Regulations 2014;
  - (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
  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
  27. Competition Act, 2002
  28. Goods and Services Act, 2016 and Rules thereunder,
  29. Services Tax Act, Chapter V of Finance Act, 1994,

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.

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 duly constituted with adequate/reasonable balance of Executive Directors, Non-Executive Directors, Independent Directors and Women 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.

All decisions at Board meeting were taken unanimously.

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.

I Further Report that during the audit period there were following specific events/ actions having a major bearing on the Company's affairs in pursuance of above referred laws, rules, regulations and guidelines etc.

During the year the Company has approached the National Company Law Tribunal (NCLT) for approval of its scheme of Amalgamation of Shree Ganesh Credits Private Limited (SGCPL) and Prerna Chits Private Limited (PCPL) (both transferor companies) with Sangal Papers Limited (the transferee Company).

Place : Meerut

D.K Gupta & Co.  
(Company Secretaries)

Date : 30<sup>th</sup> May 2018

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 A' and forms an integral part of this report.

**'ANNEXURE - A'**

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 facts 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

D.K Gupta & Co.  
(Company Secretaries)

Date : 30<sup>th</sup> May 2018

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

**MGT-9 ,ANNEXURE 'B' TO BOARDS' REPORT**

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

**EXTRACT OF ANNUAL RETURN AS ON FINANCIAL YEAR ENDED MARCH 31, 2018.**

**1 REGISTRATION & OTHER DETAILS:**

i	CIN	L21015UP1980PLC005138
ii	Registration Date	25-11-1980
iii	Name of the Company	SANGAL PAPERS LIMITED
iv	Category of the Company	Company Limited by Shares
v	Address of the Registered office & contact details	
	Address :	Village Bhainsa, 22 KM, Meerut-Mawana Road,
	Town / City :	Mawana/Meerut
	State :	Uttar Pradesh
	Country Name :	India
	Telephone (with STD Code)	01233-271515
	Fax Number :	
	Email Address :	sangalinvestors1980@gmail.com
vi	Website, if any :	www.sangalpapers.com
vii	Whether listed company	Yes (BSE)
	<b>Name and Address of Registrar &amp; Transfer Agents (RTA):-</b>	
	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
	NA				
	NA				



#### 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	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	486640	80	486720	37.23 %	486800	0	486800	37.23 %	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						
<b>(2) Foreign</b>									
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%
<b>Total Shareholding of Promoter (A)</b>	<b>486640</b>	<b>80</b>	<b>486720</b>	<b>37.23%</b>	<b>486800</b>	<b>0</b>	<b>486800</b>	<b>37.23%</b>	<b>0%</b>
<b>B. Public Shareholdin</b>									
<b>1. Institutions</b>	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%	0	0	0	0%	0%
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%
<b>Sub-total (B)(1):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0%</b>
<b>2. Non - Institutions</b>									
a) Bodies Corp.	10540	23194	33734	2.58%	24724	10540	35264	2.70%	4.54%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	518780	171900	690600	52.83%	190578	497540	688118	52.64%	(0.36)%
ii) Individual shareholders holding nominal share capital excess of Rs. 1 lakh	89373	0	89373	6.84%	92891	0	92891	7.11%	03.94%
c) Others (specify) Clearing Members	4269	0	4269	0.33%	1837	0	1837	0.14%	(56.97)%

d) Any other Specify NRI/OCB (repeat and non-repeat)	2484	0	2484	0.19%	2350	0	2350	0.18%	(05.39%)
<b>Sub-total (B)(2):-</b>	625446	195094	820460	62.76%	287656	497540	785196	60.06%	(0.19%)
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	625446	195094	820460	62.76%	312380	508080	820460	62.76%	<b>(0.00%)</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	<b>1112166</b>	<b>195174</b>	<b>1307260</b>	<b>100%</b>	<b>799180</b>	<b>508080</b>	<b>1307260</b>	<b>100%</b>	<b>0.00%</b>

**ii. Shareholding of Promoters**

Sl. No.	Shareholder's Name							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	112540	8.61%	8.41%	112540	8.61%	0.00%	0.00%
2	CHARU SANGAL	93360	7.14%	6.88%	93360	7.14%	0.00%	0.00%
3	AMIT SANGAL	120960	9.25%	0.00%	120960	9.25%	7.65%	0.00%
4	HIMANSHU SANGAL	107660	8.24%	0.00%	107660	8.24%	7.65%	0.00%
5	AMIT KUMAR & SONS HUF	7080	.54%	0.00%	7080	0.54%	0.00%	0.00%
6	HIMANSHU SANGAL & SONS HUF	6800	.52%	0.00%	6800	0.52%	0.00%	0.00%
7	TANMAY SANGAL	38200	2.91%	0.00%	38200	2.91%	0.00%	0.00%
8	ISHITA NIYOGI	120	0.01%	0.00%	120	0.01%	0.00%	0.00%
9	VINAYAK SANGAL	0	0.00%	0.00%	80	0.00%	0.00%	0.00%
	<b>TOTAL</b>	<b>486720</b>	<b>37.23%</b>	<b>15.30%</b>	<b>486800</b>	<b>37.23</b>	<b>15.30</b>	<b>0.00%</b>

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

Particulars	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
Mrs.Renu Sangal	112540	8.61%	112540	8.61%
<b>At the end of the year</b>	<b>112540</b>	<b>8.61%</b>	<b>112540</b>	<b>8.61%</b>
Mrs. Charu Sangal	93360	7.14%	93360	7.14%
<b>At the End of the year</b>	<b>93360</b>	<b>7.14%</b>	<b>93360</b>	<b>7.14%</b>
Mr.Amit Sangal	120960	9.25%	120960	9.25%
<b>At the end of the year</b>	<b>120960</b>	<b>9.25%</b>	<b>120960</b>	<b>9.25%</b>
Mr. Himanshu Sangal	107660	8.24%	107660	2.24%
<b>At the End of the year</b>	<b>107660</b>	<b>8.24%</b>	<b>107660</b>	<b>8.24%</b>
Mrs. Ishita Niyogi	120	0.01%	120	0.00%
<b>At the End of the year</b>	<b>120</b>	<b>0.01%</b>	<b>120</b>	<b>0.01%</b>
Mr. Tanmay Sangal	38200	2.92%	38200	2.92%
<b>At the end of the year</b>	<b>38200</b>	<b>2.92%</b>	<b>38200</b>	<b>2.92%</b>

Mr. Vinayak Sanga	0	0%	0	0%
<b>At the end of the year</b>	<b>80</b>	<b>0.01%</b>	<b>80</b>	<b>0.01%</b>
Amit Sangal and Sons HUF	7080	0.54%	7080	0.54%
<b>At the end of the year</b>	<b>7080</b>	<b>0.54%</b>	<b>7080</b>	<b>0.54%</b>
Himanshu Sangal and Sons HUF	6800	0.52%	6800	0.52%
<b>At the end of the year</b>	<b>6800</b>	<b>0.52%</b>	<b>6800</b>	<b>0.52%</b>

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

SR.	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
1	R N Rubesh	21544	1.648	21544	1.648
2	Rathinasamy Narayanasamy Rubesh	20854	1.587	20854	1.587
3	VGS Share Services Private Limited	19819	1.516	19819	1.516
4	Rajendra Dhirajlal Gandhi (HUF)	17000	1.300	17000	1.300
5	N Lalitha	16775	1.283	16775	1.283
6	Deepak Arora	13200	1.010	13200	1.010
7	Madhuben Dhirajlal Gandhi	9000	0.688	9000	0.688
8	Chatura M Rao	1479	0.113	8400	0.643
9	Vikas Jain & Family	7682	0.588	7682	0.588
10	Karan Sundeep Karan	1635	0.125	6573	0.503

*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		107660	8.24%	107660	8.24%
Changes During the Year					
<b>Increase</b>					
<b>Date</b>	<b>Reason for Increase</b>				
0	0	0	0	0	0
0	0	0	0	0	0
<b>Decrease</b>					
<b>Date</b>	<b>Reason for Decrease</b>				
0	0	0	0	0	0
0	0	0	0	0	0
At the End of the year		107660	8.24%	107660	8.24%

S. No.: 2 Mr. Amit Sangal (Whole Time Director cum CFO)		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		120960	9.25	120960	9.25
Changes During the Year					
<b>Increase</b>					
<b>Date</b>	<b>Reason for Increase</b>				
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<b>Decrease</b>					
<b>Date</b>	<b>Reason for Decrease</b>				
0	0	0	0	0	0
0	0	0	0	0	0
At the End of the year		120960	9.25%	120960	9.25%

S. No.: 3 Mr. Tanmay 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		38200	2.92%	38200	2.92%
Changes During the Year					
<b>Increase</b>					
<b>Date</b>	<b>Reason for Increase</b>				
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<b>Decrease</b>					
<b>Date</b>	<b>Reason for Decrease</b>				
0	0	0	0	0	0
0	0	0	0	0	0
At the End of the year		38200	2.92%	38200	2.92%

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					
<b>Increase</b>					
<b>Date</b>	<b>Reason for Increase</b>				
15-05-2017	Share Purchase	-	-	80	0.01%
0	0	-	-	-	-
0	0	-	-	-	-
0	0	-	-	-	-
<b>Decrease</b>					
<b>Date</b>	<b>Reason for Decrease</b>				
0	0	-	-	-	-
0	0	-	-	-	-
At the End of the year		80	0.01%	80	0.01%

S. No.: 5 Mr. Prem Sethi (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					
<b>Increase</b>					
<b>Date</b>	<b>Reason for Increase</b>				
0	0	-	-	-	-
0	0	-	-	-	-
0	0	-	-	-	-
0	0	-	-	-	-
<b>Decrease</b>					
<b>Date</b>	<b>Reason for Decrease</b>				
0	0	-	-	-	-
0	0	-	-	-	-
At the End of the year		-	-	-	-

S. No.: 6 Mrs. Geeta Gupta (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					
<b>Increase</b>					
<b>Date</b>	<b>Reason for Increase</b>				
0	0	-	-	-	-
0	0	-	-	-	-
0	0	-	-	-	-
0	0	-	-	-	-
<b>Decrease</b>					
<b>Date</b>	<b>Reason for Decrease</b>				
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 (Rs. in Lakhs)

Indebtedness at the beginning of the financial year	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtness
i) Principal Amount	1247.01	484.38	0	1731.39
ii) Interest due but not paid	2.45	0	0	2.45
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>1249.46</b>	<b>484.38</b>	<b>0</b>	<b>1733.84</b>
Change in Indebtedness during the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness
* Addition	221.62	0	0	221.62
* Reduction	0	(71.36)	0	(71.36)
<b>Net Change</b>	<b>221.62</b>	<b>(71.36)</b>	<b>0</b>	<b>150.26</b>

Indebtedness at the end of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness
i) Principal Amount	1469.37	413.02	0	1882.39
ii) Interest due but not paid	1.71	0	0	1.71
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>1471.08</b>	<b>413.02</b>	<b>0</b>	<b>1884.10</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director and Whole Time Director (Rs. In Lakhs):

Sr. No.	Particulars of Remuneration	Remuneration to MD and WTD		Total Amount
		Managing Director	Whole Time Director/CFO	
		Himanshu Sangal	Amit Sangal	
1.	Gross salary:	60	60	120
	(a) Salary as per provisions contained in section 17 (I) of the Income-tax Act, 1961			
	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)	60	60	120
	Ceiling as per the Act			

### B. Remuneration to Key Managerial Personnel other than Managing Director and, Whole Time Director (Rs. In Lakhs):

Sr. No.	Particulars of Remuneration	Remuneration to KMP	Total Amount
		Company Secretary cum Compliance Officer	
		Shivam Sharma	
1.	Gross salary: (a) Salary as per provisions contained in section 17 (I) of the Income-tax Act, 1961	3.38	3.38
	b) Value of perquisites u/s 17 (2) Income-tax Act, 1961	0	0
	c) Profits in lieu of salary under section 17(3) Income-tax Act 1961	0	0
2.	Stock Option	0	0
3.	Sweat Equity	0	0
4.	Commission	0	0
	- as% of specify	0	0
	- others, please specify	0	0
5.	Others, please specify	0	0
	Total (A)	3.38	3.38
	Ceiling as per the Act		

### C. Remuneration to Directors other than Managing Director, Whole Time Director and KMP (Rs. In Lakhs):

Sr. No.	Particulars of Remuneration	Remuneration to Directors				Total Amount
		Director	Director	Director	Director	
		Tanmay Sangal*	Vinayak Sangal*	Prem Sethi	Geeta Gupta	
1.	Gross salary:	30	30	0	0	60
	(a) Salary as per provisions contained in section 17 (I) of the Income-tax Act, 1961					
	b) Value of perquisites u/s 17 (2) Income-tax Act, 1961	0	0	0	0	0
	c) Profits in lieu of salary under section 17(3)	0	0	0	0	0

	Income-tax Act 1961					
2.	Stock Option	0	0	0	0	0
3.	Sweat Equity	0	0	0	0	0
4.	Commission	0	0	0	0	0
	- as% of specify	0	0	0	0	0
	- others, please specify	0	0	0	0	0
5.	Others, please specify	0	0	0	0	0
	Total (A)	30	30	0	0	60
	Ceiling as per the Act					

Note: \*Mr. Tanmay Sangal is receiving remuneration as President Marketing and Mr. Vinayak Sangal is receiving remuneration as President Operations not as Director of the company.

#### **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)
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#### **A. COMPANY**

Penalty	0	0	0	0	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

Place : Mawana  
Date : 30/05/2018

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 : [sangalinvestors1980@gmail.com](mailto:sangalinvestors1980@gmail.com)

**This report on Corporate Governance forms part of the Directors Report for the financial year ended 31<sup>st</sup> March, 2018.**

## **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 Chapter IV read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. The Chapter IV read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and other related policy adopted by the company has 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- Two Executive Directors and Four Non-Executive Directors, of whom two are Independent Directors. The current strength of the Board includes one Woman Independent Director.

Composition of the Board of Directors as on 31<sup>st</sup> March 2018.

Name of Director	Category of Directors	Subject to retirement by rotation	No. of Directorship in other Company (include private limited company)	Number of Committee positions held in other public companies	
				Chairman	Member
Mr. Himanshu Sangal	Managing Director/ Promoter/ Executive	NO	NIL	NA	NA
Mr. Amit Sangal	Whole Time Director /CFO/ Promoter/ Executive	NO	TWO(2)	NA	NA
Mr. Tanmay Sangal	Director/ Promoter/ Non-Executive	Yes	NIL	NA	NA
Mr. Vinayak Sangal	Director/ Promoter/ Non-Executive	Yes	NIL	NA	NA
Mr. Prem Sethi	Independent Director/ Non-Executive	NO	NIL	NA	NA
Mrs. Geeta Gupta	Independent Director/ Non-Executive/ Women Director	NO	NIL	NA	NA



Pursuant to the applicable provisions of Companies Act, 2013 and The Chapter IV read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, 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.

**Lead independent Director:** Mr. Prem Sethi, Independent Director of the company and he is lead independent director of the company. He is Chairman of Audit Committee, Stakeholder Relationship Committee and Nomination & Remuneration Committee. The role of the lead independent director is to provide leadership to the independent director and ensure the boards efficiency to maintain best quality governance in the company.

## (ii) BOARD MEETINGS DETAIL

The total number of Board Meetings held during the financial year ended as on 31<sup>st</sup> March 2018 is Nine (9). The details are as follows:

30/05/2017, 03/07/2017, 14/08/2017, 14/09/2017, 08/11/2017, 14/11/2017, 14/12/2017, 14/02/2018, 31/03/2018.

### (iii) Attendance of Directors at the Board Meetings:

Name of the Director	Designation/ Category	Board Meeting Held During the Year	Board Meeting attended during the year	Whether attended last AGM
Himanshu Sangal	Managing Director /Promoter/Executive Director	9	9	Yes
Amit Sangal	Whole Time Director cum CFO/ Promoter/ Executive Director	9	9	Yes
Tanmay Sangal	Director/Promoter/ Non-Executive Director	9	9	Yes
Vinayak Sangal	Director/Promoter/ Non-Executive Director	9	9	Yes
Prem Sethi	Independent Director/ Non-Executive Director	9	9	Yes
Mrs. Geeta Gupta	Independent Director/ Non-Executive Director	9	9	Yes

## 3. COMMITTEES OF THE BOARD

### 1. Audit Committee

#### i) Terms of Reference :

Apart from all the matters provided in Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 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. The audit committee charter containing terms and condition is available on our website ([www.sangalpapers.com](http://www.sangalpapers.com)).

## ii) Composition :

The Audit Committee consists of Three Directors, Mr. Prem Sethi, Mrs. Geeta Gupta and Mr. Himanshu Sangal. Shri Prem Sethi has been designated and elected as Chairman of the Committee and Mr. Himanshu Sangal and Mrs. Geeta Gupta designated as member of the Committee and Committee met Six (6) time on such dates 30/05/2017, 14/08/2017, 14/09/2017, 14/11/2017, 14/12/2017, 14/02/2018 during the financial year ended March 31, 2018. 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	Chairperson	06	06
Geeta Gupta	Member	06	06
Himanshu Sangal	Member	06	06

## 2. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee presently consists of Four (4) Directors out Two (2) are Independent Directors, One (1) Director is Executive Director and One (1) Director is Non-Executive Director:-

Name of member	Designation	No. of Meeting Held	No. Of Meeting Attend
Mr. Prem Sethi	Chairperson	5	5
Mrs. Geeta Gupta	Member	5	5
Mr. Himanshu Sangal	Member	5	5
Mr. Tanmay Sangal	Member	5	5

The Committee meets as often as necessary depending on the share transfer applications received. There is no pending share transfer as on date where the documents are clear in all respects, During the financial year 2017-2018, The Stakeholders Relationship Committee met Five (5) time on 30/05/2017, 14/08/2017, 14/09/2017, 14/11/2017, 14/02/2018 during the financial year 2017-2018. The Stakeholders Relationship committee charter containing terms and condition is available on our website ([www.sangalpapers.com](http://www.sangalpapers.com)).

## 3. NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration committee inter alia include Succession planning for Board of Directors and Senior Management Employees, identifying and selection of candidates for appointment of Directors/Independent Directors based on certain laid down criteria, identifying potential individuals for appointment of Key Managerial Personnel and other senior managerial position and review the performance of the Board of Directors and Senior Management personnel including Key Managerial personnel based on certain criteria approved by the Board. During the year before expiration of terms of the independent directors of the company, the Nomination and Remuneration committee under review recommended reappointment of independent director of Mr. Prem Sethi and Mrs. Geeta Gupta and also not liable to retire by rotation.

The Nomination and Remuneration Committee presently consists of Three (3) Directors out Two (2) are Independent Directors and One (1) Directors is Non-Executive Director. Such as, 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 31.03.2018. 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 non-executive directors except the promoter group directors, who attended the Board Directors meetings held during the year. No shares of the Company are held by independent directors. The Committee met during the year Five (5) Times as on 30/05/2017, 14/08/2017, 14/09/2017, 14/11/2017, 14/02/2018, Chairperson and all members was present. The Nomination and Remuneration Committee charter containing terms and condition is available on our website ([www.sangalpapers.com](http://www.sangalpapers.com)).

**Payment to Managing Director and Whole Time Director/CFO:**

Name of the Director	Designation	Remuneration (Rs. In Lakhs)
Himanshu Sangal	Managing Director	60
Amit Sangal	Whole Time Director/CFO	60

**Payment to Director (other than Managing Director and Whole Time Director/CFO):**

Name of the Member	Designation	Remuneration (Rs. In Lakhs)
Tanmay Sangal	Director	30
Vinayak Sangal	Director	30
Prem Sethi	Director	NIL
Geeta Gupta	Director	NIL

\*Mr. Tanmay Sangal and Mr. Vinayak Sangal appointed as non-executive director received monthly managerial remuneration in the capacity of President Marketing and President Operation of the company respectively.

**PAYMENT SETTING FEES TO NON-EXECUTIVE DIRECTORS:**

Name of the Member	Designation	Setting Fees (per Meeting)
Mr. Prem Sethi	Director	Rs. 2,000/-
Mrs. Geeta Gupta	Director	Rs. 2,000/-

The Company is paying setting fees only to independent directors not to others.

**4. BOARD MEMBERS PERFORMANCE EVALUATION**

Pursuant to the provision of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual evaluation of its own performance, as well as the performance of individual director and evaluation of the committees constituted under the Companies Act, 2013. 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 judgment, 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.

**5. Remuneration Policy:**

Policy relating to the Remuneration for the Executive Director, KMP and Senior Management Personnel, Remuneration Policy is also posted on website ([www.sangalpapers.com](http://www.sangalpapers.com)) of the company.

i. General: a) The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board

for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

b) The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act.

c) Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director.

d) Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

ii. Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:

a) Fixed pay: The Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

b) Minimum Remuneration: If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

c) Provisions for excess remuneration: If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

iii. Remuneration to Non- Executive / Independent Director:

a) Remuneration / Commission: The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Act.

b) Sitting Fees: The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

c) Commission: Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

d) Stock Options: An Independent Director shall not be entitled to any stock option of the Company.

## 6. 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
2016-2017	29/09/2017	11.00 A.M.	Vill. Bhainsa, 22km., Mawana Road, Meerut	Two (2)
2015-2016	30/09/2016	11.00 A.M.	Vill. Bhainsa, 22km., Mawana Road, Meerut	NIL
2014-2015	30/09/2015	11.00 A.M.	Vill. Bhainsa, 22km., Mawana Road, Meerut	Two (2)

**i) An Extra Ordinary General Meeting held on the order of National Company Law Tribunal (NCLT), Allahabad, during the Financial Year 2017-18.**

Financial Year	Date	Time	Venue	No. of Special Resolution Passed
2017-2018	23/09/2017	11.00 A.M.	Vill. Bhainsa, 22km., Mawana Road, Meerut	One (1)

**ii) Postal Ballot :**

For the year ended as on 31<sup>st</sup> March, 2018, The Company held an Extra Ordinary General Meeting on 23/09/2017 at 11.00 a.m. on the order of National Company Law Tribunal, Allahabad for passing a special resolution at the registered office of the company.

Details are:

Particulars	Voting by no. of Members	No. of share cast valid votes	% of vote caste	Vote cast in Favour or Against
Postal Ballot	4	160	0.01%	Favour

**7. SUCCESSION POLICY:**

The Nomination and Remuneration Committee works with the Board of Directors of the Company on the leadership succession plan and prepare contingency plans for succession in case of any exigency.

**8. RISK MANAGEMENT POLICY:**

Pursuant to the Section 134(3) of Companies Act, 2013, 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 in line with legal requirements and SEBI guidelines.
- i) Reviewing risks and initiating mitigation actions,

**9. FAMILIARIZATION PROGRAM AND INDEPENDENT DIRECTORS MEETING:**

As per Company annual strategy and planning, a Familiarization program of the independent directors of the company conducted by the company during the financial year on March 31<sup>st</sup> 2018. All new Independent Director of the company introduce to the Board attend an orientation program.

During the year under review, the Independent Directors met on March 31<sup>st</sup> 2018 inter alia, to discuss:

- 1. Evaluation of the performance of Non Independent Directors and the Board of Directors as a Whole;
- 2. Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non Executive Directors.
- 3. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties. All the independent Directors were present at the meeting.

**10. SHAREHOLDERS:**

**(a) MEANS OF COMMUNICATION WITH SHAREHOLDERS:**

The quarterly, half yearly and annually results are communicated to the BSE limited, where the company's share 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 news papers of Financial Express (English, All edition) and Aawam-e-hind (Hindi, Meerut edition). 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](http://www.sangalpapers.com).

As per SEBI guideline the Company has maintained website namely [www.sangalpapers.com](http://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 grievance etc. the

information provided on the website is being updated regularly.

- (i) In line with the existing provisions of the SEBI (LODR) Company has created a separate e-mail address viz. [sangalinvestors1980@gmail.com](mailto:sangalinvestors1980@gmail.com) receive complaints and grievances of the investors.

**(ii) Share Transfers Agents:**

M/s. Mas Services Limited, T-34, 2<sup>nd</sup> Floor Okhla Industrial Area, Phase-II, New Delhi-110020  
E-mail: [sm@masserv.com](mailto:sm@masserv.com), mas\_serv@yahoo.com , Phone No.: 011- 26387281-82-83.

**(iii) Share Transfer System:**

All physical share transfers are effected within 15 days of lodgment, subject to the documents being in order. The Board has delegated the authority for approval of transfer, transmission etc. to a committee comprising of two Non Executive Directors and one executive director. A summary of transfer/transmission of shares so approved by the committee is placed before the Board.

## **11. 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 Chapter IV of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 of the said company with stock exchanges.

## **12. CEO/CFO CERTIFICATION**

The CMD and CFO have issued certificate pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 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 :**

<b>Date</b>	<b>29<sup>th</sup> September, 2018</b>
<b>Time</b>	<b>11.00 A.M.</b>
<b>Place</b>	<b>Vill. Bhainsa, 22 KM, Meerut - Mawana Road, U.P. - 250401</b>

### **Financial Year**

The Financial Year of the Company is from 1<sup>st</sup> April 2018 to 31<sup>st</sup> March 2019.

### **Financial Calendar (tentative dates)**

First quarter results (June 30)	By mid August 2018
Second quarter results (September 30)	By mid November 2018
Third quarter results (December 31)	By mid February 2019
Fourth quarter & annual audited results of the current Financial Year (March 31)	By end of May 2019

**•Listing in Stock Exchange and Stock Code:**

**Name of Stock Exchange:** Bombay Stock Exchange (BSE) (516096)

**Registrar and Share Transfer Agent:** MAS SERVICES LTD., T-34, II<sup>nd</sup> Floor, Okhla Indl. Area, Phase II, New Delhi. Phone No. : 011 - 26387281 - 82 - 83

Mail ID : [sm@masserv.com](mailto:sm@masserv.com), [mas\\_serv@yahoo.com](mailto: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 31<sup>st</sup> 2018 was as follows :

Month	High	Low
April 2017	123.05	101.8
May 2017	119.95	98.8
June 2017	93.9	76.7
July 2017	96.95	80.3
August 2017	112.35	86
September 2017	94.7	72.3
October 2017	88.05	74.05
November 2017	103.15	83
December 2017	132	91
January 2018	196.95	112.65
February 2018	152.6	113.25
March 2018	139.8	93.35

- Distribution of shareholding as on March 31, 2018.**

Size of Shareholding	No. of shareholder	Percentage (%)	No. Of Share	Percentage (%)
1 to 5000	8877	98.69	546913	41.84
5001 to 10000	68	0.76	52633	4.03
10001 to 20000	20	0.22	24292	1.86
20001 to 30000	5	0.06	12061	0.92
30001 to 40000	4	0.04	14188	1.09
40001 to 50000	3	0.03	13188	1.01
50001 to 100000	8	0.09	58555	4.48
100001 to above	10	0.11	585430	44.78
<b>Total</b>	<b>8995</b>	<b>100.00</b>	<b>1307260</b>	<b>100.00</b>

- Shareholding Pattern:**

Sr. No.	Category	No. of Share	% of Shareholding
1.	Promoters	486800	37.24%
2.	Other then promoters (Individuals)	781009	59.74%
3.	Corporate bodies	35264	02.70%
4.	Financial Institutions/Bank and Mutual Funds	0	00.00%
6.	Venture capital Fund	0	00.00%
7.	NRI's and OBC	2350	00.18%
8.	Clearing Members	1837	00.14%
	<b>Total</b>	<b>1307260</b>	<b>100.00%</b>

- Share held in physical and Dematerialized From:**

As on March 31, 2018,

TOTAL SHARE HOLDERS IN NSDL	679	TOTAL SHARES IN NSDL	191480
TOTAL SHARE HOLDERS IN CDSL	509	TOTAL SHARES IN CDSL	607620
TOTAL SHARE HOLDERS IN PHY	7814	TOTAL SHARES IN PHY	508160
<b>TOTAL</b>	<b>9,002</b>		<b>1,307,260</b>

Note: 7 (Seven) shareholders are common in demat and physical.

- Outstanding GDR's/ADR's/Warrant's/Convertible instruments and their impact on equity.**  
NIL.

- Book Closure:**

The register of Members and share Transfer books of the company shall remain closed from **September 23, 2018 to September 29, 2018 (both days inclusive).**

**DISCLOSURE:**

**Disclosures on materially significant Related Party Transactions (RPT) that may have potential conflict with the interests of company at large.**

BSE complies with the disclosure requirements as prescribed in Regulation 23 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Indian Accounting Standards (IND AS) applicable to listed companies relating to Related Party Transactions (RPT). Details of material RPT are informed to the Board on a yearly basis, AOC-2 alongwith financial results. Details of the Policy on dealing with related party transactions is available on the website [www.sangalpapers.com](http://www.sangalpapers.com).

**Details of non-compliance by the company, penalties, strictures imposed by SEBI or any statutory authority, on any matter related to the capital markets during the last three years:**

The Company has complied with the requirements of the Stock exchange, SEBI and other statutory authority on all matters related to capital markets during the last three years. There were no penalties imposed nor any stricture issued on the company by the Stock exchange, SEBI or any statutory authority, on any matter related to capital markets during the year 2017-18.

**Details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel has been denied access to the audit committee;**

Details of the policy on whistle blower is available on the website and the link for the same is [www.sangalpapers.com](http://www.sangalpapers.com). The Company confirms that no personnel has been denied access to the audit committee.

**Compliance with the conditions of Corporate Governance:**

The Company has mutatis mutandis complied with the conditions of corporate governance as stipulated in Listing Agreement as well as SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

**Policy for determining 'material' subsidiaries: NA**

**DECLARATION ON CODE OF CONDUCT AND CODE OF ETHICS**

The board has laid down the standard procedure of business code of conduct and code of ethics 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 and Code of Ethics for all Board members of the Company and such policies are on the Company website ([www.sangalpapers.com](http://www.sangalpapers.com)). All Board Members have affirmed compliance with the code of conduct for the financial year 2017-18,

Place : Mawana  
Date : 30/05/2018

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 : [sangalinvestors1980@gmail.com](mailto:sangalinvestors1980@gmail.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 2017-18 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  
**Managing Director**  
(DIN No.: 00091324)  
Place : Mawana  
Date : 30/05/2018

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

## **AUDITOR'S 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 31<sup>st</sup>, 2018 stipulated in Chapter IV of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 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 Chapter IV of SEBI( Listing Obligations & Disclosure Requirements) Regulations,2015.

For Raj Sandhya & Co.,  
Chartered Accountants,  
Firm Regn. No. 002011C,

Dated: 30.05.2018  
Place: Muzaffarnagar

Raj Kumar Sharma,  
Partner  
Membership No.: 077650

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to the Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 Your Directors have pleasure in presenting the management discussion and analysis report for the year ended on March 31, 2018.

Sangal Papers Limited (hereinafter called “The Company”) incorporated in the year 1980 and having registered office at Uttar Pradesh. The company is engaging in manufacturing of News Print paper and other various verity color paper. We manufacture the paper on demand of the customers. Our objective is to be globally brand in paper with saving more and more environment.

The management discuss the various aspect and come out this summary:

### **a) INDUSTRY STRUCTURE AND DEVELOPMENT:**

Paper is the cultural barometer of the nation. We need paper every day for widening the frontier of our knowledge. The new millennium is going to be the millennium of the knowledge. Pulp and paper constitute one of the most important segments of India's industrial economy and is treated as a basic sector. As per IPMA's (Indian Paper Mills Association) estimates, this industry contributes approximately Rs 4,500 crore to the exchequer and provides employment to over 5 lakh people across approximately 750 paper mills. The broad characteristics of the industry are that it is capital, energy and water intensive and highly fragmented (small units account for ~60% of the industry size). Globally over 400 million tonnes of paper and paper products are consumed. The world's three largest paper producing countries are China, the United States, and Japan (these three countries account for approximately half of the world's total paper production), while India accounts for a small but growing share of the global market. The global paper and pulp mills industry has contracted slightly over the past five years, primarily due to the shift to digital media and paperless communication across most developed economies. However, demand in emerging markets has partially offset the decline by driving increased demand for paper used in packaging materials. The Indian Paper & Paperboard industry is one of the oldest organised manufacturing industries in India and the first paper mill was started in 1812 in Serampore, West Bengal. The industry accounts for approximately 4% of the world's production of paper. IPMA (Indian Paper Mills Association) estimates the industry turnover at approximately Rs 50,000 crore which year contribution of Rs 4,500 crore to the exchequer while providing employment to over 5 lakh people across approximately 750 paper mills.

During the financial year 2017-2018 the paper and paper product industry in india growing was satisfactory, the Sangal Papers Limited (“The Company”) has a growth of 12.41%\* (approx) in turnover and 52.22%\* in profit after tax (PAT) (\*details as per financials of the company) during the financial year. Paper pervades all sectors of our activity from book to bullets and from morning newspaper to nuclear technology. Indian paper industry is highly fragmented with varying sizes ranging from 10 tpd to 1500 tpd. In global context, India is one of the fastest growing markets for paper and paper consumption in the country is estimated to touch 23.50 million tons by 2024-25. The newsprint sector in the india is governed by the Newsprint Control Order (NCO), 2004. At present there are more than 120 mills registered under the Schedule of the NCO.

### **b) Financial performance :**

#### **Funds (Equity):**

AS per present capital structure of the company i.e. we have authorized capital is Rs. 7,00,00,000/- divided into 70,00,000 equity share of Rs. 10/- each. The issued, subscribed and paid-up capital is Rs. 1,30,72,600/- divided into 13,07,260 equity share of Rs. 10/- each.

#### **Other Funds (Other equity):**

##### **1. Revaluation Reserve**

As per standalone balance sheet for the financial year ended 31<sup>st</sup> March, 2018, Revaluation Reserve as on 31<sup>st</sup> March, 2017 of Rs. 48.56 (Rupees in Lakhs) and on 31<sup>st</sup> March, 2018 of Rs. 48.56 (Rupees in Lakhs).

## **2. Retained Earnings**

As per standalone balance sheet for the financial year ended 31<sup>st</sup> March, 2018, the retained earnings as on 31<sup>st</sup> March, 2017 of Rs. 2,087.45 (Rupees in Lakhs) and on 31<sup>st</sup> March, 2018 of Rs. 2,347.62 (Rupees in Lakhs).

## **3. Defined Benefit Obligation Reserve**

As per standalone balance sheet for the financial year ended 31<sup>st</sup> March, 2018, the defined benefit obligation reserve as on 31<sup>st</sup> March, 2017 of Rs. (-5.63) (Rupees in Lakhs) and on 31<sup>st</sup> March, 2018 of Rs. (-4.18) (Rupees in Lakhs).

### **Revenue of Operations:**

#### **1. Sale of Product**

As per standalone balance sheet of the company that total revenue from operation during the relevant period as on 31<sup>st</sup> March, 2017 of Rs. 10,710.5 (Rupees in Lakhs) and as on 31<sup>st</sup> March, 2018 of Rs. 12,039.98 (Rupees in Lakhs), revenue of the company increase with 12.41% in the relevant period.

#### **2. Other Income**

As per standalone balance sheet of the company that total other income of the company as on 31<sup>st</sup> March, 2017 of Rs. 30.55 (Rupees in Lakhs) and as on 31<sup>st</sup> March, 2018 of Rs. 72.88 (Rupees in Lakhs), other income of the company increase with 135.55% in the relevant period.

### **Earning/Profit of the Company:**

As per standalone balance sheet of the company that total profit earn by the Company during the period April, 2017 to March, 2018.

#### **1. Profit before Tax**

As per standalone balance sheet of the company that Profit before Tax of the company for the financial year ended 31<sup>st</sup> March, 2017 of Rs. 170.91 (Rupees in Lakhs) and as on 31<sup>st</sup> March, 2018 of Rs. 260.16 (Rupees in Lakhs), Profit before Tax increase with 52.22%.

#### **2. Profit after Tax**

As per standalone balance sheet of the company that Profit after Tax of the company for the financial year ended 31<sup>st</sup> March, 2017 of Rs. 170.91 (Rupees in Lakhs) and as on 31<sup>st</sup> March, 2018 of Rs. 260.16 (Rupees in Lakhs), Profit before Tax increase with 52.22%.

#### **3. Earning per equity share**

As per standalone balance sheet of the company for the financial year ended 31<sup>st</sup> March, 2017, of Rs. 13.07 (Basic and Diluted) and as on 31<sup>st</sup> March, 2018 of Rs. 19.90 (Basic and Diluted). The Earning Per Share (EPS) of the company increase with 52.26%

The financial performance of the company during the year is satisfactory, which was mainly due to moderate price levels of Raw materials and other materials things throughout the year and better realizations for the company's products.

### **c) Opportunities, Threats and Concerns:**

The Company's products have been enjoying consistently good brand image and loyalty from the consumers for the past several years and the company is concerning on the sale of the product in india and abroad.

We manufacture paper on demand of the customer, One of our weak point is that our production and market size is negligible in paper industry. We are manufactures of News print and writing printing paper, The prices of News print paper decided by international market and publishers of Newsprint (Buyer), The prices of news print are decided by large manufacturer, on quarterly basic on the availability of indigenous as well as imported news print paper in the market.

In the reference of pricing of writing printing paper and other various verity of paper. Our company is very small company by size and value. We have to follow price decided by the customer and the market forces. We are only price takers and not setters. The price of paper is determined/decided by taking into

various factors like quantity, quality etc. We manufacture paper on customer demands, requirements and specifications thus, the price of this paper based on each order placed to us by the customers.

Current year sale (total revenue from operations) of product involve domestic sale and abroad sale of our product during the year ending 31<sup>st</sup> March, 2018 of Rs. 12,112.86 (Rupees in Lakhs) increased 12.77%. The company is also trying to using to full capacity of production for better and economical use of the resources. Raw material use by the company is one of the best quality of its category, the availability of raw material for production is depend on the availability in the market and as well as price consideration. The Company is also considering on the using of best technologies in the production for economical uses of the production capacity.

The Central Government or competent authority has banned on using of petcoke in Delhi and NCR, after this notification the company is not using petcoke for production in its company. The company is using other substitute of power for production in the company. Still company is facing many issues with raw material and other substance, to overcome the problem associate with production as shortage of raw material, labor etc. and other considerable other things, the company is making strategy for that. Upto previous year the News print was the major portion of the manufacture production but due to unavoidable market conditions and according to customers demands and other considerable matters, the company has made some changes in production strategy of the company and also increase the production of colored verity writing printing papers.

#### **d) Outlook and other concerns:**

This Section lists future based statement, it depend on the present and future Market and paper industry situations and also involvement of risk and uncertainties.

*For the Indian paper industry, strong economic growth has been accompanied by equally robust demand for paper. The demand drivers and growth triggers have come from a combination of factors such as rising income levels, growing per capita expenditure, rapid urbanization and a larger proportion of earning population which is expected to lead consumption and there is enormous potential for the paper industry in the country. CARE Ratings expects that the overall paper demand growing at a CAGR of 6.6% is likely to touch 18.5 million tonnes in 2018-19.*

*The individual segments are expected to grow as follows:*

***Printing and Writing segment demand is expected to grow at a CAGR of 4.2% and reach 5.3 million tonnes in FY19. The demand is expected to grow on account of an anticipated pick-up from the education sector with improving literacy rates and growing enrolment as well as increasing number of schools and colleges.***

Additionally, the Chinese Government has banned the import of several varieties of waste paper, which is the primary raw material for finished paper. Consequently, the production of finished paper is expected to be hampered in China. This in turn is expected to lead to some relief in raw material prices and improve realizations.

Our actual results could differ materially from those anticipated in these statements a result of certain factors. The company will try or make efforts to increase in the revenue and profit of the company in future. The company will also try to enter in new geographical area for capturing more market and increase in the percentage of participate in the national and international market. A large portion of the revenue is dependent on the top clients of the company and the loss of any one of major client cloud significantly impact of the business. We may be the subject of litigation which, if adversely determine could harm our business and operating result.

#### **e) Internal Financial Control and their adequacy:**

The Company identifies a risk based internal audit scope and assesses the inherent risk in the processes and activities of the department within the company and ensures that appropriate risk management limits, internal control mechanisms and mitigation strategies are in place. The Internal Auditors, via, their internal audit reports, make suggestion for better application of policies and rules relating to the deficiencies /non-compliance of various audit areas and give suggestions /recommendations and control directives like periodic reconciliation, proper authorizations /approvals, processing controls, segregations of duties, maker-checker approach, etc. so as to mitigate the deficiencies and make the process, procedure, systems and functions more robust, accountable, reliable and compliant. The suggestions made by the Internal Auditors and the compliances thereof are placed before the Audit

Committee. The Audit Committee of the company, the details of which have been provided in the Corporate Governance Report. The Committee reviews audit reports submitted by the Internal Auditors. Suggestions for improvement are considered and the Committee follows up on the implementation of corrective actions. The Committee also meets the Statutory Auditors to ascertain, inter alia, their views on the adequacy of internal control systems in the company.

**f) Human Resources Relationship:**

As per human resources relationship policy of the company recognizes the importance of human value and ensures that proper encouragement both moral and financial is extended to employees to motivate them and as well as we protects the right of the employee/workers and provide a comfortable environment to the employee/workers. The company is a paper manufacturing industry, We are maintaining a culture and custom for our employee to attract and retain the best talent. During the year under review, your Company enjoyed cordial relationship with workers and employees at all levels.

**HUMAN RESOURCES**

Employees of the company are essential assets of the company. Our company believes for welfare and development of the company. As at 31<sup>st</sup> march, 2018, the company employed 205 employees.

**RECRUITMENT**

Our company has recruitment policy and procedure. All the recruitment and vacancy filled by the company under this policy and procedure. The selection process based on candidate's qualification, experience and interview after that eligible candidate elected for the company. During the financial year 2018, 11 new employee joined and 21 employee left the company.

**TRAINING AND DEVELOPMENT**

Our company's continuous education program emphasize enhancing the relevance and effectiveness of learning. Under review, The Company is providing relevant training for skills and personality development to every employee (employee of 3rd or 4th level) of the company in every month and training providing to senior level employee (employee 2nd level) periodically or as per requirement and directors and top management's training conducting at least one time in a year.

**COMPENSATION**

We always to try to provide best competitive salaries and benefits to our employees as per our industries. We have also a variable compensation policy as per individual employee performance.

As per pay roll policy of the company as on March 31, 2018, the company has 215 employees/workers on pay roll at its manufacturing plants and administrative office. The company has provided many facilities to the staff & workers of the company for welfare. The company enjoyed excellent relationship with workers and staff during the last year.

**g) Segment:**

As per Ind AS 108 required to information in business report about reporting segment and related disclosures about product and services, geographic areas and major customers. Based on the management approach as defined in IND AS 108, the Chief Operation Decision Maker (CODM) evaluated the company's performance and allocates resources based on an analysis of single segment and geographic segment. Accordingly, the information has been presented both along business segment and geographic segment.

The Sangal Papers Limited engaged in single segment of business, our Business segment of the enterprises is Manufacturing activity, paper manufacturing is our primary business activity.

In geographic segment, the company is selling its paper in india and exporting to Sri Lanka, Singapore, Nepal, Iran and other countries.

In the significant clients, our company is paper manufacturing and selling the paper to all over india and export to many countries. Jagran Parakashan Limited

As per IND AS and as the standalone balance sheet of the company for the financial year ended 31<sup>st</sup> March, 2018, the total income of the company (including other income) of Rs. 12,112.86/- (Rs. in Lakh,

approx) (current year) and of Rs. 10,741.11/- (Rs. in Lakh, approx) (previous year) increased about 12.77% (approx) and total expenses of the respected year of Rs. 11,749.61/- (Rs. in Lakh, approx) (current year) and of Rs. 10,479.15/- (Rs. in Lakh, approx) (previous year) expenses increased about 12.12% (approx). Profit after Tax (PAT) of the company for the relevant period of Rs. 260.16/- (Rs. in Lakh, approx) (current year) and of Rs. 170.91/- (Rs. in Lakh, approx) (previous year), profit after tax increased about 52.22% (approx). The management of the company is expressing growth in the overall performance of the company during the financial year and performance is satisfactory during the concern period.

**h) Announcement:**

The statements in the “Management Discussion and Analysis Report” section describes the Company’s objectives, projections, estimates, expectations and predictions, which may be “forward looking statements” within the meaning of the applicable laws and regulations. The annual results can differ materially from those expressed or implied, depending upon the economic and climatic conditions, Government policies and other incidental factors.

**Place : Mawana**

**Date : 30/05/2018**

**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: [sangalinvestors1980@gmail.com](mailto:sangalinvestors1980@gmail.com)**

**Himanshu Sangal  
Chairman & Managing Director  
(DIN – 00091324)**

**Independent Auditor's Report  
To the Members of SANGAL PAPERS LIMITED, MEERUT**

**Report on the Financial Statements**

We have audited the accompanying financial statements of **SANGAL PAPERS LIMITED, MEERUT** ("the Company") which comprise the Balance sheet as at **31 March 2018**, the Statement of Profit and Loss including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity 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 of these Financial Statements that give a true and fair view of the Financial Position, Financial Performance including Other Comprehensive Income, Cash Flows and the Statement of Changes in Equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 of the Financial Statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as 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 misstatement.

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. 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 audit opinion on the Financial Statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of



affairs of the Company as at March 31, 2018, its Profit including Other Comprehensive Income, its Cash Flows and the Statement of Changes in Equity for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") 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, 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 it appears from our examination of those books;

c. The Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

d. In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

e. On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;

g. With respect to the other matters to be included in the 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 – Refer Note 33 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, 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

For Raj Sandhya & Co.,  
Chartered Accountants,  
Firm Regn. No. 002011C,

Raj Kumar Sharma,  
Partner  
Membership No.: 077650

Dated: 30.05.2018  
Place: Muzaffarnagar

## **ANNEXURE A TO THE AUDITORS' REPORT**

The annexure referred to in our report to the members of **SANGAL PAPERS LIMITED, MEERUT** ('the Company') for the year ended 31 March 2018. We report that:

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- (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, physical 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.
- (c) In our opinion and according to the information and explanations given to us, the title deeds of immovable properties are held in the name of the company.
- (ii) The inventory has been physical verified at reasonable intervals by the management during the year. 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, Limited Liability partnerships 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, the company has not given any loans or guarantees/made any investments within the meaning of Section 185 & 186 of the Companies Act, 2013.
- (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 given to us, the company is regular in depositing undisputed statutory dues including, provident fund employees' state insurance, income-tax, sales- 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 31.03.2018 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of income tax, value added tax, duty of customs, duty of excise 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 trade tax and service tax have not been deposited by the Company on account of disputes:

Name of the statute	Period to which the amount relates	Amount (In Rs.)	Forum where dispute is pending
Trade Tax	2001-2002	218454.00	Hon'ble High Court, Allahabad.
Trade Tax	2008-2009	725728.00	Joint Commissioner Appeal, U.P. Commercial Tax Department.

- (viii) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of loans or borrowing to financial institution, banks during the year.
- (ix) In our opinion and according to the information and explanations given to us, the company did not raise any money by way of initial public offer or further public offer (including debt instrument). The term loans were applied for the purpose for which those are raised.
- (x) According to information and explanation given to us, no material fraud by the Company or on the company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to information and explanation given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act; 2013.
- (xii) In our opinion, the Company is not a nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- (xiii) In our opinion and according to the information and explanation given to us, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations provided to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) of the Order are not applicable to the Company.
- (xv) According to the information and explanations provided by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations provided to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For Raj Sandhya & Co.,  
Chartered Accountants,  
Firm Regn. No. 002011C,

Raj Kumar Sharma,  
Partner  
Membership No.: 077650

Dated: 30.05.2018  
Place: Muzaffarnagar

## **ANNEXURE B TO THE AUDITORS' REPORT**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **SANGAL PAPERS LIMITED, MEERUT** ('the company') as of 31 March 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of the Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Raj Sandhya & Co.,  
Chartered Accountants,  
Firm Regn. No. 002011C,

Dated: 30.05.2018  
Place: Muzaffarnagar

Raj Kumar Sharma,  
Partner  
Membership No.: 077650

## 1. SIGNIFICANT ACCOUNTING POLICIES

### 1) Basis of preparation of financial statements

- i) The financial statements and cash flows of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under section 133 of Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, Company follows the Mercantile System of Accounting and recognizes Income and Expenditure on Accrual Basis otherwise specifically stated. The Accounts are being prepared as a going concern on the historical cost basis. Accounting Policies not referred to otherwise are consistent with 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 thereto. 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 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) Revenue Recognition

I **Sales of Goods** : Revenue from sale of goods is recognized :-

- i. When the significant risks and rewards of ownership have been transferred to buyer and the company retains no effective control of the goods transferred to a degree usually associated with ownership.
- ii. No significant uncertainty exist regarding the amount of consideration that will be derived from the sale of goods.

II **Interest Income** : Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

III **Insurance and other claims** : Revenue in respect of claims is recognized when no significant uncertainty exists with regard to the amount to be realized and the ultimate collection thereof.

### 5) Goods and Service Tax (GST) & Excise Duty

Excise Duty has been accounted for on the basis of both payment made in respect goods cleared as also provision made for the goods lying in the bonded warehouses. Amount of Excise Duty deducted from sale is relatable to the sale made during the year and the amount recognized separately in the statement of profit & loss is relatable to difference between closing stock and opening stock. Amount of Cenvat credits in respect of material consumed is deducted from cost of material.

Subsequent to the introduction of Goods and Service Tax (GST) w.e.f. 01.07.2017, GST has been accounted for at the time of supply of goods and service hence no provision has been made for the goods lying in the bonded warehouses. Amount of Input tax 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 is provided to the extent of depreciable amount 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 as per the actuarial valuation.

10) Borrowing cost

Borrowing cost Rs. 489673.00 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 nor disclosed in the financial statement.

**Sangal Papers Limited, Balance Sheet as at 31 March, 2018.**  
(Amounts in INR Lakhs, unless otherwise stated)

	Notes	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	3	2,492.03	2,073.79	2,115.27
Capital work in progress	3	0.00	197.82	7.87
Other non-current assets	4	22.00	29.59	26.30
<b>Total non-current assets</b>		<b>2,514.03</b>	<b>2,301.20</b>	<b>2,149.44</b>
<b>Current assets</b>				
Inventories	5	1,405.00	983.30	1,361.37
<b>Financial assets</b>				
Trade receivables	6	2,180.95	1,821.23	2,014.30
Cash and cash equivalents	7	27.04	116.88	67.97
Others	8	-	1.88	1.52
Other current assets	9	170.94	116.54	72.64
<b>Total current assets</b>		<b>3,783.93</b>	<b>3,039.83</b>	<b>3,517.80</b>
<b>Total assets</b>		<b>6,297.96</b>	<b>5,341.03</b>	<b>5,667.24</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Equity share capital	10	130.73	130.73	130.73
Other equity				
Revaluation Reserve	11.1	48.56	48.56	48.56
Retained earnings	11.2	2,347.62	2,087.45	1,916.54
Defined Benefit Obligation Reserve	11.3	(4.18)	(5.63)	(4.57)
<b>Total equity</b>		<b>2,522.73</b>	<b>2,261.11</b>	<b>2,091.26</b>
<b>Non-current liabilities</b>				
Financial liabilities				
Long-term borrowings	12	551.25	622.78	659.92
Long-Term Provisions	13	56.39	50.15	38.84
Deferred tax liabilities (net)	14	374.87	360.56	347.52
Others	15	183.50	63.50	9.00
<b>Total non-current liabilities</b>		<b>1,166.01</b>	<b>1,096.99</b>	<b>1,055.28</b>
<b>Current liabilities</b>				
Financial liabilities				
Short-term borrowings	16	1,331.14	1,108.61	1,475.66
Trade payables				
Others	16.1	908.72	538.46	874.46
Other current financial liabilities	17	174.88	273.53	137.93
Other current liabilities	18	173.02	43.80	16.55
Short term Provisions	19	21.46	18.53	16.10
<b>Total current liabilities</b>		<b>2,609.22</b>	<b>1,982.93</b>	<b>2,520.70</b>
<b>Total liabilities</b>		<b>3,775.23</b>	<b>3,079.92</b>	<b>3,575.98</b>
<b>Total equity and liabilities</b>		<b>6,297.96</b>	<b>5,341.03</b>	<b>5,667.24</b>



**For Raj Sandhya & Co.**  
ICAI Firm Registration No.: 002011C  
Chartered Accountants

**For and on behalf of the Sangal Papers Limited**

Raj Kumar Sharma  
Partner  
Membership No.: 077650

Managing Director  
(Himanshu Sangal)  
DIN: 00091324

Director  
(Tanmay Sangal)  
DIN: 01297057

Place: Muzaffarnagar  
Date: 30.05.2018

Executive Director & CFO  
(Amit Sangal)  
DIN: 00091486

Company Secretary  
(Shivam Sharma)  
PAN: GACPS4345Q

**Sangal Papers Limited Statement of Profit and Loss for the year ended 31 March 2018**  
(Amounts in INR Lakhs, unless otherwise stated)

	Notes	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Income:</b>			
Revenue from operations	20	12,039.98	10,710.56
Other income	21	72.88	30.55
<b>Total Income</b>		<b>12,112.86</b>	<b>10,741.11</b>
<b>Expenses:</b>			
Cost of material and components consumed	22	10,285.90	9,125.27
Purchase of Stock-in-trade	23	5.19	-
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	(106.95)	(78.28)
Excise Duty		75.11	287.31
Employee benefits expense	25	607.72	378.22
Depreciation and amortization expense	3	100.75	93.28
Finance costs	26	163.28	214.02
Other expenses	27	618.61	459.32
<b>Total expenses</b>		<b>11,749.61</b>	<b>10,479.15</b>
<b>Profit before exceptional items</b>		<b>363.25</b>	<b>261.97</b>
<b>Exceptional items</b>		<b>-</b>	<b>-</b>
<b>Profit before tax</b>		<b>363.25</b>	<b>261.97</b>
<b>Tax expense</b>			
Current tax		82.84	73.60
MAT credit entitlement		-	0.50
Deferred tax		13.60	13.56
Income tax relating to earlier year		6.65	3.40
<b>Profit for the year</b>		<b>260.16</b>	<b>170.91</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Re-measurement gains/(losses) on defined benefit plan		2.16	(1.58)
Income tax effect		(0.71)	0.52
<b>Other Comprehensive income</b>		<b>1.45</b>	<b>(1.06)</b>
<b>Total Comprehensive income</b>		<b>261.61</b>	<b>169.85</b>
<b>Earnings per equity share of face value of ` 10 each :</b>			
Basic (in `)		19.90	13.07
Diluted (in `)		19.90	13.07

Summary of significant accounting policies 2  
The accompanying notes are an integral part of the financial statements

As per our report of even date

**For Raj Sandhya & Co.**  
ICAI Firm Registration No.: 002011C  
Chartered Accountants

**For and on behalf of the Sangal Papers Limited**

Raj Kumar Sharma  
Partner  
Membership No.: 077650

Managing Director  
(Himanshu Sangal)  
DIN: 00091324

Director  
(Tanmay Sangal)  
DIN: 01297057

Place: Muzaffarnagar  
Date: 30.05.2018

Executive Director & CFO  
(Amit Sangal)  
DIN: 00091486

Company Secretary  
(Shivam Sharma)  
PAN: GACPS4345Q

**Sangal Papers Limited**  
**Statement of Changes in Equity for the year ended 31 March, 2018**  
(Amounts in INR Lakhs, unless otherwise stated)

Particulars	Attributable to owners of Sangal Papers Limited				Total Equity
	Equity share capital	Reserves & Surpluses		Items of OCI	
		Revaluation Reserve	Retained Earnings	Defined benefit obligation reserve	
	(refer note 10)	(refer note 11.1)	(refer note 11.2)	(refer note 11.3)	
<b>At 1 April 2016</b>	<b>130.73</b>	<b>48.56</b>	<b>1,916.54</b>	<b>(4.57)</b>	<b>2,091.26</b>
Profit/(loss) for the year	-	-	170.91	-	170.91
Other comprehensive income	-	-	-	(1.06)	(1.06)
<b>Total Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>170.91</b>	<b>(5.63)</b>	<b>165.29</b>
<b>At 31 March 2017</b>	<b>130.73</b>	<b>48.56</b>	<b>2,087.46</b>	<b>(5.63)</b>	<b>2,261.12</b>
Profit/(loss) for the year	-	-	260.16	-	260.16
Other comprehensive income	-	-	-	1.45	1.45
<b>Total Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>260.16</b>	<b>1.45</b>	<b>261.62</b>
<b>At 31 March 2018</b>	<b>130.73</b>	<b>48.56</b>	<b>2,347.62</b>	<b>(4.18)</b>	<b>2,522.74</b>

Summary of significant  
accounting policies

2

The accompanying notes are an integral part of the financial statements  
As per our report of even date

**For Raj Sandhya & Co.**  
ICAI Firm Registration No.: 002011C  
Chartered Accountants

**For and on behalf of the Sangal Papers Limited**

Raj Kumar Sharma  
Partner  
Membership No.: 077650

Managing Director  
(Himanshu Sangal)  
DIN: 00091324

Director  
(Tanmay Sangal)  
DIN: 01297057

Place: Muzaffarnagar  
Date: 30.05.2018

Executive Director & CFO  
(Amit Sangal)  
DIN: 00091486

Company Secretary  
(Shivam Sharma)  
PAN: GACPS4345Q

# Statement of Cash Flows for the year ended 31 March 2018

(Amounts in INR, unless otherwise stated)

Particulars	Year ended For the year ended 31 March 2018	Year ended For the year ended 31 March 2017
<b>Profit before tax</b>	363.25	261.97
Adjustments for:		
Depreciation and amortisation	100.75	93.28
loss on disposal of assets	0.59	1.59
Interest income	(5.63)	(0.56)
Interest expenses	159.37	208.25
<b>Operating profit before working capital changes</b>	<b>618.33</b>	<b>564.54</b>
<b>Movement in working capital</b>		
(Increase)/decrease in trade receivables	(359.72)	193.07
(Increase)/decrease in inventories	(421.70)	378.06
(Increase)/decrease in other current financial assets	(54.40)	(43.90)
(Increase)/decrease in other current assets	-	(0.50)
(Increase)/decrease in other non-current assets	7.59	(3.29)
Increase/(decrease) in trade payables	370.26	(336.00)
Increase/(decrease) in other current financial liabilities	(97.90)	135.24
Increase/(decrease) in other non current financial liabilities	120.00	54.50
Increase/(decrease) in other current liabilities	129.23	27.25
Increase/(decrease) in long term provisions	6.24	11.31
Increase/(decrease) in short term provisions	5.42	(1.13)
<b>Cash generated from/(used in) operations</b>	<b>323.35</b>	<b>979.15</b>
Direct taxes paid (net of refunds)	(89.82)	(75.00)
<b>Net cash generated from/(used in) operating activities</b>	<b>233.54</b>	<b>904.16</b>
<b>Cash flow from investing activities</b>		
Purchase of fixed asset including CWIP and capital advances	(323.96)	(253.77)
Proceeds from disposal of assets	2.20	10.43
Interest received	7.52	0.19
<b>Net cash (used in)/generated from investing activities</b>	<b>(314.24)</b>	<b>(243.15)</b>
<b>Cash flow from financing activities</b>		
Repayment of long-term borrowings	(71.53)	(37.14)
Proceeds from short-term borrowings	222.53	(367.04)
Interest paid	(160.12)	(207.92)
<b>Net cash (used in)/generated from financing activities</b>	<b>(9.13)</b>	<b>(612.10)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(89.83)</b>	<b>48.91</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>116.88</b>	<b>67.97</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>27.05</b>	<b>116.88</b>
<b>Components of cash and cash equivalents</b>		
Cash and cheques on hand	9.12	23.01
Balances with banks:		
- On current accounts	17.93	93.87
<b>Total cash and cash equivalents (refer note 7)</b>	<b>27.05</b>	<b>116.88</b>

Notes:

The cash flow statement has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows".

As per our report of even date

**For Raj Sandhya & Co.**

ICAI Firm Registration No.: 002011C

Chartered Accountants

**For and on behalf of the Sangal Papers Limited**

Raj Kumar Sharma

Partner

Membership No.: 077650

Managing Director

(Himanshu Sangal)

DIN: 00091324

Director

(Tanmay Sangal)

DIN: 01297057

Place: Muzaffarnagar

Date: 30.05.2018

Executive Director & CFO

(Amit Sangal)

DIN: 00091486

Company Secretary

(Shivam Sharma)

PAN: GACPS4345Q

## **Sangal Papers Limited**

(Amounts in INR Lakhs, unless otherwise stated)

### **Background**

Sangal Papers Limited is a Company domiciled in India, incorporated on 22 November 1980 with its registered office situated at Village Bhainsa, 22 km Mawana Road Meerut U.P, the Company has been incorporated under Indian Companies Act and its equity shares are listed on the Bombay Stock Exchange (BSE).

#### **Note 1: Significant Accounting Policies**

This note provides a list of the significant accounting policies adopted in the preparation of these standalone financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

**(a) Basis of preparation**

**(i) Compliance with Ind AS**

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statement up to the year ended 31st March 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting standards) Rules, 2006 (as amended) and other relevant provisions of the Act.

These Financial statements are the first financial statements of the Company under Ind AS, Refer **Note 37** for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial Statements.

**(ii) Historical Cost Convention**

The financial statement have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities are measured at fair value; and
- defined benefit plans and their liabilities are measured at fair value.

**(b) Use of Estimates**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities as at the date of the financial statements and the reported amount of revenues and expenses during the reporting year. The difference between the actual results and estimates are recognised in the year in which the results are known/materialize.

All Assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalent, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities

**(c) Segment Reporting**

The Company is engaged in the business of Paper Manufacturing (refer note-1) Considering the nature of company's business and operations, there are no separate reportable segments (business and/ or geographical) in accordance with the requirement of Ind AS 108 'Operating segment' and hence, there are no additional disclosures to be provided other than those already provided in the financial statements.

**(d) Foreign Currency Transactions and Translations**

Transactions in foreign currencies are initially recorded by the company's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

**(e) Financial instruments - initial recognition, subsequent measurement and impairment**

A financial instrument is any contract that gives use to a financial asset of one entity and a financial liability or

equity instrument of another entity.

### **Financial Assets**

Financial assets are measured at amortised cost or fair value through other comprehensive income or fair value through profit or loss depending on its business model for managing those financial assets and the assets contractual cash flow characteristics.

Subsequent measurements of financial assets are dependent on initial categorisation. For impairment purposes significant financial assets are tested on an individual basis, other financial assets are assessed collectively that share similar credit risk characteristics.

### **Derecognition of financial assets**

A financial asset is derecognised only when the Company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the group has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

### **Financial Liabilities**

At initial recognition, all financial liabilities other than fair valued through profit and loss are recognised initially at fair value less transaction costs that are attributable to the issue of financial liability. Transaction costs of financial liability carried at fair value through profit or loss is expensed in profit or loss.

### **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. The Company has not designated any financial liabilities upon initial measurement recognition at fair value through profit or loss. Financial liabilities at fair value through profit or loss are at each reporting date at fair value with all the changes recognized in the Statement of Profit and Loss.

### **Financial liabilities measured at amortised cost**

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method ('EIR') except for those designated in an effective hedging relationship. The carrying value of borrowings that are designated as hedged items in fair value hedges that would otherwise be carried at amortised cost are adjusted to record changes in fair values attributable to the risks that are hedged in effective hedging relationship. Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the Statement of Profit and Loss.

After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the year of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

'Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting year.

### **De-recognition of financial liability**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

### **Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realise the



asset and settle the liability simultaneously.

Subsequent recoveries of amounts previously written off are credited to other Income.

**(f) Trade and other payables**

A payable is classified as 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting year. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

**(g) Cash Flow statements**

Cash flows are reported using the Indirect Method, where by profit/(loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the company are segregate based on the available information.

**(h) Cash and Cash Equivalents**

Cash and cash equivalents comprise cash and cash on deposit with banks and corporations. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

**(i) Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

par value of the equity share is recorded as share capital and the amount received in excess of the par value is classified as share premium.

**(j) Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Company's activities as described below:

Dividend income is recognized when the right to receive payment is established.

Interest income is recognised using the effective Interest method.

**(k) Provisions, contingent liabilities and assets**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Contingent assets are disclosed where an inflow of an economic benefit is probable.

**(l) Earning Per Share**

Basic and diluted earnings per share are calculated by dividing the net profit or loss for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

**(m) Taxation**

Provision for tax consists of current tax and deferred tax. Current tax provision is computed for current income based on the tax liability after considering allowances and exemptions. Deferred tax assets and liabilities are computed on the basis of timing differences at the Balance Sheet date between the carrying amount of assets

and liabilities and their respective tax basis. Deferred tax assets are recognized based on Management estimates of available future taxable income and assessing its certainty.

**(i) Current Income Tax**

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in India Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities

**(ii) Deferred Tax**

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period.

Ind AS 12, "Income Taxes" requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12, has resulted in recognition of deferred tax on new temporary differences, which was not required under Indian GAAP, if applicable. In addition, the various transitional adjustments lead to additional temporary differences. According to the accounting policies, the Company has to account for such differences. Tax impact on Deferred tax adjustments are recognized in reserves for opening balance sheet and statement of profit and loss in subsequent years.

**(n) Trade Receivables**

Trade Receivables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

**(o) Inventories (Raw material and stores, work in progress, traded and finished goods)**

Raw materials and stores, work in progress, traded and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials and traded goods comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of weighted average / first-in first-out basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**(p) Property, plant and equipment**

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The above cost of the assets includes the revaluation of assets carried out in the previous years' and the accumulated amount of revaluation forms part of the Other Equity in Shareholders' Funds with name of "Revaluation Reserve"

**Transition to**

**(i) Ind AS**

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

**(ii) Depreciation methods, estimated useful lives and residual value**

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of certain leased furniture, fittings and equipment, the shorter lease term

The useful lives have been determined as per those specified by Schedule II to the Companies Act; 2013. The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful

lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

**(q) Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are de-recognized in the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

**(r) Borrowing costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

**(s) Employee benefits**

**(i) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**(ii) Post-employment obligations**

The group operates the following post-employment schemes:

- (a) defined benefit plan viz. gratuity; and
- (b) defined contribution plans such as provident fund.

**(a) Defined benefit plan**

The liability or asset recognised in the balance sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The benefits which are denominated in currency other than INR, the cash flows are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

**(b) Defined contribution plans**

The group pays provident fund contributions to publicly administered provident funds as per local regulations. The group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

**(t) Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

**(u) Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

**(v) Recent accounting pronouncements**

Appendix B to Ind AS 21, foreign currency transaction and advance consideration : On 28 March 2018, the Ministry of Corporate Affairs ("the MCA") notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21 Foreign currency transactions and advance consideration, which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in foreign currency.

The amendment come into force from 1 April 2018. The amendment will have no impact on the Company.

Ind AS 115, Revenue from Contract with Customers : On March 2018, the MCA has notified the Ind AS 115, Revenue from Contract with Customers. The core principal of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

This standard permits two possible method of transition:

**Retrospective approach**

Under the approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8, Accounting policies , Change in Accounting, Estimates and Errors.

Retrospectively with cumulative effect on initially applying the standard recognized at the date of initial application (cumulative catch-up approach)

The effective date for adoption of Ind AS 115 is financial periods beginning on to after 1 April 2018.

The Company will adopt the standard on 1 April 2018 by using the cumulative catch-up transition method and accordingly, comparatives for the year ended 31 March 2018 will not be retrospectively adjusted. The Company is evaluating the impact of Ind AS 115.

**Note 2: CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

The company makes estimates and judgments that affect the reporting amounts of assets and liabilities within the next year. Estimates and judgments are continually evaluated and are based on historical experience and other factor, including expectations of future events that are believed to be reasonable under the circumstance.

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of

items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Estimation of current tax expense and payable – **Note 14**

Estimation of defined benefit obligation – **Note 25**

Recognition of deferred tax liabilities – **Note 14**

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the group and that are believed to be reasonable under the circumstances.

# Sangal Papers Limited

(Amounts in INR Lakhs, unless otherwise stated)

## 3 Property, plant & equipment

	Land & Site Development	Buildings	Buildings Others	Co-generation System	Plant & Machinery	Office Furniture & Equipment	Computer	Vehicles	Total	Capital Work in Progress
Gross carrying value as of April 01, 2016	218.16	483.89	33.47	1,049.94	2,488.22	17.56	3.67	151.76	4,446.67	7.87
Additions during the year	-	9.42	-	-	41.69	2.94	0.60	9.18	63.84	189.94
Deletions during the year	-	-	-	-	8.82	-	-	4.61	13.43	-
Gross carrying value as of March 31, 2017	218.16	493.31	33.47	1,049.94	2,521.09	20.50	4.27	156.33	4,497.08	197.82
Additions during the year	36.28	83.82	69.50	-	323.46	0.70	0.90	7.11	521.77	-
Deletions during the year	-	-	-	-	-	-	-	9.58	9.58	197.82
Gross carrying value as of March 31, 2018	254.44	577.13	102.97	1,049.94	2,844.55	21.20	5.17	153.86	5,009.27	0.00
Accumulated Depreciation as of April 01 2016	-	206.61	0.07	376.65	1,695.74	14.16	2.40	35.78	2,331.41	-
Depreciation	-	14.20	0.79	19.37	34.86	1.09	0.78	22.18	93.28	-
Accumulated depreciation on deletions	-	-	-	-	-	-	-	1.41	1.41	-
Accumulated Depreciation as of March 31, 2017	-	220.81	0.86	396.02	1,730.60	15.24	3.18	56.55	2,423.29	-
Depreciation	-	14.72	0.80	19.37	41.67	1.45	0.71	22.04	100.75	-
Accumulated Depreciation on deletions	-	-	-	-	-	-	-	6.80	6.80	-
Accumulated Depreciation as of March 31, 2018	-	235.53	1.66	415.39	1,772.27	16.70	3.89	71.79	2,517.23	-
Carrying value as of April 1st, 2016	218.16	277.28	33.40	673.29	792.48	3.40	1.27	115.98	2,115.27	7.87
Carrying value as of March 31, 2017	218.16	272.50	32.61	653.92	790.49	5.26	1.09	99.78	2,073.79	197.82
Carrying value as of March 31, 2018	254.44	341.60	101.31	634.55	1,072.28	4.50	1.28	82.07	2,492.03	0.00

Note:

1 Capital work in progress includes a part of Finance Cost added in capital work in progress amounting to Rs. 5.02 Lakhs for the year ended 31 March 2018 and Rs. 4.90 Lakhs for year ended 31 March 2017

2 Term loans from SBI (previously with Axis Bank) are secured by way of equitable mortgage of land & building and hypothecation of Plant & Machinery and personal guarantee by Directors of the Company - Refer Note-12

**Sangal Papers Limited,**

(Amounts in INR Lakhs, unless otherwise stated)

<b>4 Other assets</b>	<b>As at 31 March 2018</b>	<b>As at 31 March 2017</b>	<b>As at 01 April 2016</b>
<b>Non-current (Unsecured, considered good unless otherwise stated)</b>			
Capital advances	-	5.92	-
Balances with Government authorities	13.17	22.84	25.47
Security deposits	8.83	0.83	0.83
<b>Total</b>	<b>22.00</b>	<b>29.59</b>	<b>26.30</b>

<b>5 Inventories</b>	<b>As at 31 March 2018</b>	<b>As at 31 March 2017</b>	<b>As at 01 April 2016</b>
Raw Materials	645.11	270.90	835.22
Raw Materials in transit	4.44	-	-
Work-in-process	63.07	61.31	25.14
Finished Goods	292.22	187.02	144.92
Stores and Spare parts	165.68	237.03	172.63
Others*	234.48	227.04	183.46
	<b>1,405.00</b>	<b>983.30</b>	<b>1,361.37</b>

\*Others include Chemicals, Packing Material &amp; Fuel

<b>6 Trade receivables</b>	<b>As at 31 March 2018</b>	<b>As at 31 March 2017</b>	<b>As at 01 April 2016</b>
<b>Current</b>			
Unsecured			
Considered good	1,877.30	1,517.07	1,914.85
Considered doubtful	303.65	304.16	99.45
Less: Provision for Doubtful Debts	-	-	-
<b>Total</b>	<b>2,180.95</b>	<b>1,821.23</b>	<b>2,014.30</b>

No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, director or a member.

Trade receivables are non-interest bearing and are generally on terms of 30-90 days.

<b>7 Cash and cash equivalents</b>	<b>As at 31 March 2018</b>	<b>As at 31 March 2017</b>	<b>As at 01 April 2016</b>
Cash on hand	4.94	8.44	9.47
Cheques on hand	4.17	14.57	20.76
Balance with bank*	17.93	93.87	37.74
	<b>27.04</b>	<b>116.88</b>	<b>67.97</b>

\* Out of the above amounts, Rs. 5.25, Rs. 3.05 & Rs. 3.05 lakhs were held as margin money/securiy deposits against Letter of Credit.

for the year ended 31 March 2018, 31March 2017 & period beginning 1 April 2016 respectively.

8	Financial assets	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
	<b>Current (unsecured, considered good unless stated otherwise)</b>			
	<b>Others</b>			
	Interest accrued on fixed deposits	-	1.88	1.52
	<b>Total</b>	<b>-</b>	<b>1.88</b>	<b>1.52</b>

9	Current (Unsecured, considered good unless otherwise stated)	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
	MAT credit entitlement	-	-	0.50
	Advances to suppliers	71.95	49.95	39.15
	Advance income tax (net of income tax provisions)	-	6.68	8.08
	Balances with Government authorities	76.16	1.74	3.52
	Others	22.83	58.17	21.39
	<b>Total</b>	<b>170.94</b>	<b>116.54</b>	<b>72.64</b>

## 10 Share capital

### Authorised share capital Equity shares of INR 10 each

<b>As at 1 April 2016</b>
Increase during the year
<b>As at 31 March 2017</b>
Increase during the year
<b>As at 31 March 2018</b>

Number of shares (lakhs)	Amount
70.00	700
-	-
70.00	700
-	-
<b>70.00</b>	<b>700</b>

### Issued share capital

#### Equity shares of INR 10 each issued, subscribed and fully paid up

<b>As at 1 April 2016</b>
Shares issued during the year
<b>As at 31 March 2017</b>
Shares issued during the year
<b>As at 31 March 2018</b>

Number of shares (lakhs)	Amount
13.07	130.73
-	-
13.07	130.73
-	-
<b>13.07</b>	<b>130.73</b>

### Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. The Company will declare and pay dividends in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.



**10 B Details of shareholders holding more than 5% shares in the Company**

Name of the shareholder	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	Number (lakhs)	% Holding	Number	% Holding	Number (lakhs)	% Holding
<b>Equity shares of INR 10 each</b>						
Shri Himanshu Sangal	1.08	8.24%	1.08	8.24%	1.08	8.24%
Shri Amit Sangal	1.21	9.25%	1.21	9.25%	1.21	9.25%
Smt. Charu Sangal	0.93	7.14%	0.93	7.14%	0.93	7.14%
Smt. Renu Sangal	1.13	8.61%	1.13	8.61%	1.13	8.61%

As per records of the Company, including its register of shareholders/members the above shareholding represents both legal and beneficial ownerships of shares.

**11 Other equity**
**As at 31 March 2018**
**11.1 Revaluation Reserve**
**As at 1 April 2016**
**48.56**

Addition/Reduction during the year

-

**As at 31 March 2017**
**48.56**

Addition/Reduction during the year

-

**As at 31 March 2018**
**48.56**
**11.2 Retained Earnings**
**Statement of Profit & Loss**
**As at 1 April 2016**
**1,916.54**

Profit for the year

170.91

**As at 31 March 2017**
**2,087.45**

Profit for the year

260.16

**As at 31 March 2018**
**2,347.62**
**11.3 Defined benefit obligation reserve**
**As at 1 April 2016**
**(4.57)**

Gain/loss for the year

(1.06)

**As at 31 March 2017**
**(5.63)**

Gain/loss for the year

1.45

**As at 31 March 2018**
**(4.18)**
**12 Long-term borrowings**
**As at 31  
March 2018**
**As at 31  
March 2017**
**As at 01 April  
2016**
**(Secured)**

Term loans from banks

138.23

133.09

128.36

Vehicle Loan from bank

-

5.31

12.36

**(a)**
**138.23**
**138.40**
**140.72**
**Non Current (Unsecured)**

From Related Parties		413.02	484.38	519.20
	(b)	<u>413.02</u>	<u>484.38</u>	<u>519.20</u>
<b>Total long-term borrowings</b>	<b>(a+b)</b>	<u><b>551.25</b></u>	<u><b>622.78</b></u>	<u><b>659.92</b></u>

**Notes:**

Details of terms of repayment and security provided in respect of the secured long-term borrowings:

**Term Loan from Banks**

The Company had taken loans from Axis Bank in previous years which were taken over by State Bank of India w.e.f. 9 November 2017 with the same maturity dates as of the existing loans with Axis Bank.

**Security:**

Term loans from SBI(previously with Axis Bank) are secured by way of equitable mortgage of land & building and hypothecation of Plant & Machinery and personal guarantee by Directors of the Company. Following are the details of loans.

**Other information:**

**From State Bank of India (w.e.f 9 Nov 2017) (Original loan Amount Rs. 1,35,000,00)**

At the rate of 1.05% above MCLR rate. i.e 7.95% p.a. (Previous year 3.40% above base rate p.a.). Repayable in 60 Monthly installments of Rs. 2,25,000 each starting from April 2013.

**From State Bank of India (w.e.f 9 Nov 2017) (Original loan Amount Rs. 1,95,000,00)**

At the rate of 1.05% above MCLR rate. i.e. 7.95% p.a. (Previous year 3.40% above base rate p.a.). Repayable in 60 Monthly installments of Rs.325000 each starting from Jan 2015.

**From State Bank of India (w.e.f 9 Nov 2017) (Original loan Amount Rs. 1,95,00,000)**

At the rate of 1.05% above MCLR rate. i.e. 7.95% p.a. (Previous year 2.40% above base rate p.a.) Repayable in 53 Monthly installments of Rs.360000 each and Final Installment of Rs. 420000 starting from June 2017.

**Vehicle Loan**

**From Volkswagen Finance Pvt. Ltd. (Original Loan Amount 35,00,000)**

**Security:**

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

**Other information:**

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.

**Loans from Related Parties:**

The loans taken from related parties are non interest bearing in nature and are payable in future.

**13 Long-Term Provisions**

	<u>As at 31 March 2018</u>	<u>As at 31 March 2017</u>	<u>As at 01 April 2016</u>
Provision for gratuity	56.39	50.15	38.84
<b>Total</b>	<u><b>56.39</b></u>	<u><b>50.15</b></u>	<u><b>38.84</b></u>

## Sangal Papers Limited

(Amounts in INR Lakhs, unless otherwise stated)

### 14 Deferred Tax Liabilities (net)

		<u>As at 31 March 2018</u>	<u>As at 31 March 2017</u>	<u>As at 01 April 2016</u>
<b>Deferred Tax Liabilities</b>				
Property, plant & equipment: Impact of differences between tax depreciation charged as per Financial Reporting	(a)	400.91	384.43	366.69
<b>Deferred Tax Assets</b>				
Impact of Gratuity expenditure charged to the statement of profit & loss in current year but allowed for tax purposes on payment basis	(b)	26.04	23.87	19.17
<b>Total</b>	<b>(a-b)</b>	<u><b>374.87</b></u>	<u><b>360.56</b></u>	<u><b>347.52</b></u>

### Income Tax

The major components of income tax expense for the years ended March 31, 2018 and March 31, 2017 are:

#### Statement of profit and loss:

##### Profit or loss section

	<u>As at 31 March 2018</u>	<u>As at 31 March 2017</u>
<b>Current income tax:</b>		
Current income tax charge	82.84	73.60
Adjustments in respect of current income tax of previous year	6.64	3.90
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	13.60	13.56
<b>Income tax expense reported in the statement of profit or loss</b>	<u><b>103.09</b></u>	<u><b>91.06</b></u>

##### OCI section

Deferred tax related to items recognised in OCI during in the year:

	<u>As at 31 March 2018</u>	<u>As at 31 March 2017</u>
Net loss/(gain) on remeasurements of defined benefit plans	-0.71	0.52
<b>Income tax charged to OCI</b>	<u><b>-0.71</b></u>	<u><b>0.52</b></u>

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2018 and March 31, 2017:

	<u>As at 31 March 2018</u>	<u>As at 31 March 2017</u>
Accounting profit before tax from continuing operations	363.25	261.97
At India's statutory income tax rate of 33.063% (31 March 2017: 33.063%)	120.10	86.61
Adjustments in respect of current income tax of earlier years	6.65	3.40

MAT credit entitlement	-	0.50
Deferred tax expenses reported in the statement of profit and loss*	13.60	13.56
<b>Non deductible expenses for tax purposes:</b>		
Depreciation expense (net)	(35.99)	(11.34)
Charity & Donation	0.37	0.15
Loss on Sale of Fixed Assets	0.19	0.53
Gratuity	2.88	3.83
Other non deductible expenses	(4.71)	(6.17)
<b>At the effective income tax rate</b>	<b>103.09</b>	<b>91.06</b>
Income tax expense reported in the statement of profit and loss	82.84	73.60
Deferred tax expenses reported in the statement of profit and loss	13.60	13.56
Current income tax of earlier years	6.65	3.40
MAT credit entitlement	-	0.50
	<b>103.10</b>	<b>91.06</b>

## 15 Other Non- Current Liabilities

	<b>As at 31 March 2018</b>	<b>As at 31 March 2017</b>	<b>As at 01 April 2016</b>
Advances from Suppliers	183.50	63.50	9.00
<b>Total</b>	<b>183.50</b>	<b>63.50</b>	<b>9.00</b>

## 16 Short term borrowings

	<b>As at 31 March 2018</b>	<b>As at 31 March 2017</b>	<b>As at 01 April 2016</b>
Working capital loan from bank*	1,331.14	1,108.61	1,475.66
<b>Total</b>	<b>1,331.14</b>	<b>1,108.61</b>	<b>1,475.66</b>

\*The above loan is secured by primarily through a hypothecation on Present & Future Stock and Receivables of the Company and certain Immovable Property such as Factory Land & Building at Village Bhainsa, Pargana Hastinapur, Tehsil Mawana Distt. Meerut as a collateral.

## 16.1 Trade payables

	<b>As at 31 March 2018</b>	<b>As at 31 March 2017</b>	<b>As at 01 April 2016</b>
<b>Current</b>			
Trade Payable Related parties	-	-	-
Trade Payable	908.72	538.46	874.46
<b>Total</b>	<b>908.72</b>	<b>538.46</b>	<b>874.46</b>

As at March 31, 2018, March 31, 2017 and March 31, 2016, there were no outstanding dues to micro and small enterprises. There were no interests due or outstanding on the same.

Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled on 90-day terms

## 17 Other current financial liabilities

	<b>As at 31 March 2018</b>	<b>As at 31 March 2017</b>	<b>As at 01 April 2016</b>
Current maturities of long term debt	90.04	110.63	75.64

Salaries & wages payable	65.82	59.60	38.92
Interest accrued and due on borrowings	1.71	2.45	2.13
Audit fee payable	0.90	1.05	0.79
Cheque issued but not presented	16.41	97.45	20.45
Freight & cartage on sales payable	-	2.35	-
<b>Total</b>	<b>174.88</b>	<b>273.53</b>	<b>137.93</b>

#### 18 Other current liabilities

	<b>As at 31 March 2018</b>	<b>As at 31 March 2017</b>	<b>As at 01 April 2016</b>
Advance from customers	151.68	26.87	9.78
Other payables			
Power & Electricity	8.43	-	-
Withholding taxes and others	8.65	6.93	3.05
GST Payable	0.39	-	-
Service tax payable	-	0.36	0.18
CST payable	0.04	0.98	0.01
ESI Payable	0.70	2.91	-
VAT	-	0.32	0.01
Entry Tax on Sale	-	2.19	1.64
Provident fund payable (Employer's Contributions)	3.13	3.24	1.88
<b>Total</b>	<b>173.02</b>	<b>43.80</b>	<b>16.55</b>

#### 19 Short term Provisions

	<b>As at 31 March 2018</b>	<b>As at 31 March 2017</b>	<b>As at 01 April 2016</b>
Provision for gratuity	16.10	13.63	13.27
Water cess	3.70	2.90	2.83
Income Tax	1.66	2.00	-
<b>Total</b>	<b>21.46</b>	<b>18.53</b>	<b>16.10</b>

#### 20 Revenue from operations

	<b>For the year ended 31 March 2018</b>	<b>For the year ended 31 March 2017</b>
<b>Sale of products</b>		
<b>Manufacturing</b>		
Domestic	10,556.99	9,866.41
Export	1,477.11	844.15
<b>Trading</b>		
Domestic	5.88	-
<b>Total</b>	<b>12,039.98</b>	<b>10,710.56</b>

#### 21 Other income

	<b>For the year ended 31 March 2018</b>	<b>For the year ended 31 March 2017</b>
Interest income		

- on fixed deposit with banks	5.63	0.56
Duty draw back	18.30	11.51
Sale of Scrap	10.05	5.91
Miscellaneous Income	38.90	12.57
<b>Total</b>	<b>72.88</b>	<b>30.55</b>

**22 Cost of raw material and components consumed**

	<b>For the year ended 31 March 2018</b>	<b>For the year ended 31 March 2017</b>
Cost of raw materials (Waste Paper)	7,034.06	6,431.30
Other components consumed		
Chemicals	796.74	742.43
Packing material	168.31	159.51
Stores & spares	473.64	314.81
Power & fuel	1,765.68	1,436.75
Repairs - plant & machinery	47.47	40.47
<b>Total</b>	<b>10,285.90</b>	<b>9,125.27</b>

**23 Purchase of Stock-in-trade**

	<b>For the year ended 31 March 2018</b>	<b>For the year ended 31 March 2017</b>
Purchase of Stock-in-trade	5.19	-
<b>Total</b>	<b>5.19</b>	<b>-</b>

**24 (Increase)/decrease in inventories of finished goods, work-in-progress and traded goods**

	<b>For the year ended 31 March 2018</b>	<b>For the year ended 31 March 2017</b>
<b>Opening stock</b>		
Finished goods	187.02	144.92
Stock in process	61.32	25.14
<b>Total (a)</b>	<b>248.34</b>	<b>170.06</b>
<b>Closing stock</b>		
Finished goods	292.22	187.02
Stock in process	63.07	61.32
<b>Total (b)</b>	<b>355.29</b>	<b>248.34</b>
<b>Total (a) - (b)</b>	<b>(106.95)</b>	<b>(78.28)</b>

**25 Employee benefits expense**

	For the year ended 31 March 2018	For the year ended 31 March 2017
Salaries, wages and bonus	548.03	330.78
Contribution to provident and other funds	23.55	15.85
Gratuity expense	10.86	9.99
Security service charges	21.07	18.76
Staff & labour welfare	4.21	2.84
<b>Total</b>	<b>607.72</b>	<b>378.22</b>

**26 Finance costs**

	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest expense on:		
- term loans	28.64	24.74
- bank borrowings & others	130.73	183.51
Bank charges	8.92	10.66
<b>Total</b>	<b>168.29</b>	<b>218.92</b>
<b>Less: Amount included in capital work in progress</b>	<b>(5.01)</b>	<b>(4.90)</b>
	<b>163.28</b>	<b>214.02</b>

**27 Other expenses**

	For the year ended 31 March 2018	For the year ended 31 March 2017
Printing & stationery	5.58	4.63
Communication expenses	12.94	13.53
Traveling & conveyance	17.79	25.07
Insurance charges	21.22	26.00
Legal & professional charges	22.27	16.88
Rates & taxes	21.27	21.09
Bad debts	-	4.66
Loss on sale of fixed assets	0.59	1.59
Business promotion expenses	34.59	38.94
Freight outward & loading charges	333.36	144.03
Commission on sales	113.58	129.62
Vehicle running & maintenance	18.74	18.44
General expenses	15.68	13.69
<b>Total</b>	<b>617.61</b>	<b>458.17</b>

**Payment to Auditors**

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>As auditor:</b>		
Audit fee	0.75	0.75
Tax audit fee	0.25	0.25
Service tax	-	0.15
<b>Total</b>	<b>1.00</b>	<b>1.15</b>

## 28 Earnings per share (EPS)

The following reflects the profit and loss share data used for the basic and diluted EPS computations:

	<b>For the year ended 31 March 2018</b>	<b>For the year ended 31 March 2017</b>
Net profit/(loss) for calculation of basic EPS	260.16	170.91
Weighted average number of equity shares for calculating basic EPS	13.07	13.07
Basic earnings/(loss) per share	19.90	13.07
Net profit/(loss) for calculation of diluted EPS	260.16	170.91
Weighted average number of equity shares for calculating diluted EPS	13.07	13.07
Diluted earnings/(loss) per share	19.90	13.07
	<b>No. of shares</b>	<b>No. of shares</b>
Weighted average number of equity shares in calculating basic EPS	13.07	13.07
<b>Effect of dilution</b>	-	-
<b>Weighted average number of equity shares in calculating diluted EPS</b>	<b>13.07</b>	<b>13.07</b>

BLANK SPACE



## 29 Gratuity and other post-employment benefit plans

Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due. The Company has no obligation, other than the contribution payable to the provident fund.

The Company has a defined gratuity plan wherein gratuity is computed as 15 days salary, for every completed year of service or part thereof in excess of 6 months and is payable on retirement/termination/resignation. The benefit vests on the employees after completion of 5 years of service. The gratuity liability has not been externally funded. The Company makes provision of such gratuity liability in the books of accounts on the basis of actuarial valuation as per the projected unit credit method.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the unfunded status and amounts recognized in the balance sheet for the gratuity.

### Statement of profit and Loss

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Net employees benefit expense recognised in employee cost</b>		
Current service cost	11.81	6.57
Interest cost on benefit obligation	4.71	4.10
<b>Net benefit expense recognised in profit &amp; loss</b>	<b>16.52</b>	<b>10.67</b>

### Balance sheet

	As at 31 March 2018	As at 31 March 2017
<b>Benefit asset/(liability)</b>		
Present value of unfunded obligation	(72.49)	(63.78)
Fair value of plan assets	-	-
<b>Net liability</b>	<b>(72.49)</b>	<b>(63.78)</b>

### Changes in the present value of the defined benefit obligation

	For the year ended 31 March 2018	For the year ended 31 March 2017
Opening defined benefit obligation	63.78	52.21
Current service cost	11.81	6.57
Interest cost	4.71	4.10
Benefit paid	(5.66)	(0.68)
Actuarial (gains)/ losses on obligation	(2.16)	1.58
<b>Closing defined benefit obligation</b>	<b>72.49</b>	<b>63.78</b>

### Closing defined benefit obligation

Since the entire amount of plan obligation is unfunded therefore changes in fair value of plan assets, categories of plan assets as a percentage of the fair value of total plan assets and Company's expected contribution to the plan assets for the next year as not given

### The principal assumptions used in determining gratuity obligation

	For the year ended 31 March 2018	For the year ended 31 March 2017
Discount rate	7.39%	7.86%
Salary Escalation	7.00%	6.00%
Rate of Employee turnover	2.00%	2.00%

The estimates of future salary considered in actuarial valuation take account of inflation, total amount of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The Company regularly assesses these assumptions with the projected long-term plans and prevalent industry standards. The impact of sensitivity due to changes in the significant actuarial assumptions on the defined benefit obligation is given in the table below.

Particulars	Change in assumptions	For the year ended 31 March 2018	For the year ended 31 March 2017
Defined benefit obligation based on current assumptions		72.49	63.78
Discount rate	+1%	(5.40)	(4.48)
	-1%	6.35	5.22
Salary escalation	+1%	6.34	5.19
	-1%	(5.48)	(4.53)
Employee Turnover	+1%	(0.07)	(0.07)
	-1%	0.03	0.06

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

**Sangal Papers Limited**

(Amounts in INR Lakhs, unless otherwise stated)

**Defined contribution plan**

Contribution to provident fund &amp; other fund charged to statement of profit &amp; loss

For the year ended 31 March 2018	For the year ended 31 March 2017
23.55	15.85
23.55	15.85

**Projected plan cash flows:**

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date

**Maturity Profile**

Within next 12 months  
Between 2 and 5 years  
Between 5 and 10 years  
Beyond 10 years

For the year ended 31 March 2018	For the year ended 31 March 2017
16.10	13.63
15.27	14.40
29.32	25.89
111.94	81.95

**Risk analysis**

The Company is exposed to a number of risks in the defined benefit plans. Most significant risks pertaining to defined benefit plans and management estimation of the impact of these risks are as follows

**Inflation risk**

Currently the Company has not funded the defined benefit plans. Therefore, the Company, will have to bear the entire increases in liability on account of inflation

**Longevity risk/life expectancy**

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability.

**Salary growth risk**

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participant will increase the plan liability

**30 Financial instruments-fair values and accounting classification**

Set out below, are the fair values of the financial instruments of the Company, including their accounting classification;

Financial Assets	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	Amortised Cost	FVTPL	Amortised Cost	FVTPL	Amortised Cost	FVTPL
Trade receivables	2,180.95	-	1,821.23	-	2,014.30	-
Cash and cash equivalents	27.04	-	116.88	-	67.97	-
Interest on Fixed Deposit	-	-	1.88	-	1.52	-
<b>Total</b>	<b>2,207.99</b>	<b>-</b>	<b>1,939.99</b>	<b>-</b>	<b>2,083.79</b>	<b>-</b>
<b>Financial Liabilities</b>						
Term Loans (Secured)	138.23	-	138.40	-	140.72	-
Loans from related parties (Unsecured)	413.02	-	484.38	-	519.20	-
Short-term borrowings	1,331.14	-	1,108.61	-	1,475.66	-
Trade payables	908.72	-	538.46	-	874.46	-
Current maturities of long term debt	90.04	-	110.63	-	75.64	-
Salaries & wages payable	65.82	-	59.60	-	38.92	-
Interest accrued and due on borrowings	1.71	-	2.45	-	2.13	-
Audit fee payable	0.90	-	1.05	-	0.79	-
Cheque Issued but not presented	16.41	-	97.45	-	20.45	-
Freight & cartage on sales payable	-	-	2.35	-	-	-
<b>Total</b>	<b>2,965.99</b>	<b>-</b>	<b>2,543.38</b>	<b>-</b>	<b>3,147.97</b>	<b>-</b>

**Financial Instruments-Fair value hierarchy**

The company categorizes financial assets and financial liabilities measured at fair value into one of three level depending on the ability to observe inputs employed in their measurement which are described as follows:

- Level 1 Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 Inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the financial asset or financial liabilities.
- Level 3 Inputs are unobservable input for the assets or liability reflecting the significant modifications to observable related market data or Company's assumptions about pricing by market participants.

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(Amounts in INR Lakhs, unless otherwise stated)

The following table provides the fair value measurement hierarchy to the financial assets and financial liabilities of the Company :-

**Quantitative disclosure fair value measurement hierarchy for assets/liabilities as at period end**

Particulars	Level of the Fair Value	As at 31 March 2018		As at 31 March 2018		As at 01 April 2016	
		Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial assets not measured at fair value</b>							
<b>Measured at amortised cost</b>							
<b>Financial assets (current)</b>							
Trade Receivable	Level 3	2,180.95	2,180.95	1,821.23	1,821.23	2,014.30	2,014.30
Cash and cash equivalents	Level 3	27.04	27.04	116.88	116.88	67.97	67.97
<b>Financial assets (current): others</b>							
Interest accrued on fixed deposit	Level 3	-	-	1.88	1.88	1.52	1.52
<b>Total</b>		-	-	1.88	1.88	1.52	1.52
<b>Financial liabilities not measured at fair value</b>							
<b>Measured at amortised cost</b>							
Term Loans (Secured)	Level 3	138.23	138.23	138.40	138.40	140.72	140.72
Loans from related parties (Unsecured)	Level 3	413.02	413.02	484.38	484.38	519.20	519.20
<b>Total</b>		551.25	551.25	622.78	622.78	659.92	659.92
<b>Short term borrowings</b>	Level 3	1,331.14	1,331.14	1,108.61	1,108.61	1,475.66	1,475.66
<b>Trade payables</b>	Level 3	908.72	908.72	538.46	538.46	874.46	874.46
<b>Financial liabilities (Current) Others</b>							
Current maturities of long term debt	Level 3	90.04	90.04	110.63	110.63	75.64	75.64
Salaries & wages payable	Level 3	65.82	65.82	59.60	59.60	38.92	38.92
Interest accrued and due on borrowings	Level 3	1.71	1.71	2.45	2.45	2.13	2.13
Audit fee payable	Level 3	0.90	0.90	1.05	1.05	0.79	0.79
Cheque Issued but not presented	Level 3	16.41	16.41	97.46	97.46	20.45	20.45
Freight & cartage on sales payable	Level 3	-	-	2.35	2.35	-	-
<b>Total</b>		174.89	174.88	273.54	273.54	137.93	137.93

**Notes:**

- Fair valuation of current financial liabilities is considered as approximate to respective carrying amount due to the short term maturities of their instrument
- Trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, other financial assets, trade payables and other financial liabilities have fair value that approximate to their carrying amounts due to their short-term nature.
- There are no transfer between Level 1, Level 2, and Level 3 during the year ended 31 March 2018 and 31 March 2017.

**31 Financial Risk Management objectives and policies**
**Financial risk factors**

The company's activities expose it to a variety of financial risks; market risk (including currency risks, interest rate risks and price risk), credit risk and liquidity risk. This note presents information about the company's exposure to each of the said risks, the company's objectives, policies and processes for measuring risks and the company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The board of director has overall responsibility for the establishment and oversight of the company's risk management framework. The company's risk management policies are established to identify and analyse the risks faced by the company to set appropriate measures and controls and to monitor risks and adherence to limits. Risks management policies and systems are reviewed regularly to reflect changes in market conditions and in the company's activities.

The company's exposure to the various types of risks associated to its activity and financial instruments is detailed below:

**Credit risk**

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of a customer on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Financial instrument that are subject to concentration of credit risk principally consist of trade receivables, cash and cash equivalents, bank deposits and other financial assets. None of the financial instrument of the Company result in material concentration of credit risk.

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(Amounts in INR Lakhs, unless otherwise stated)

**Provision for expected credit losses**

Recognition of provision of expected credit losses provision is done on the basis of:

Trade receivables:	Lifetime expected credit losses
Other assets:	12 months expected credit

**For the year ended 31 March 2018**

Particulars	Estimated gross carrying	Expected credit loss	expected credit losses	Carrying amount net of impairment provision
Trade Receivables	2,180.95	-	-	2,180.95
Cash and cash equivalents	27.04	-	-	27.04

**For the year ended 31 March 2017**

Particulars	Estimated gross carrying	Expected credit loss	expected credit losses	Carrying amount net of impairment provision
Trade Receivables	1,821.23	-	-	1,821.23
Cash and cash equivalents	116.88	-	-	116.88
other financial assets	1.88	-	-	1.88

**For the year ended 31 March 2016**

Particulars	Estimated gross carrying	Expected credit loss	expected credit losses	Carrying amount net of impairment provision
Trade Receivables	2,014.30	-	-	2,014.30
Cash and cash equivalents	67.97	-	-	67.97
Other financial assets	1.52	-	-	1.52

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(Amounts in INR Lakhs, unless otherwise stated)

**Liquidity risk**

Liquidity risk is the risk that the company will encounter in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The approach of the company to manage liquidity is to ensure, as far as possible, that these will have sufficient liquidity to meet their respective liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risk damage to their reputation.

The table below summarises the maturity profile of financial liabilities of company based on contractual undiscounted payments:

For the year ended 31 March 2018	On demand	Within 1 year	1 to 5 years	> 5 years	Total
<b>Borrowings</b>					
Term Loans (Secured)		90.04	138.23	-	228.27
Loans from related parties (Unsecured)		-	-	413.02	413.02
<b>Short term borrowings</b>					
Working capital loan from bank		1,331.14	-	-	1,331.14
<b>Other financial liabilities</b>					
Current maturities of long term borrowings'		90.04	138.23		228.27
Interest accrued and due on borrowings		1.71	-		1.71
<b>Trade payables</b>					
Trade payables		908.72	-		908.72

For the year ended 31 March 2017	On demand	Within 1 year	1 to 5 years	> 5 years	Total
<b>Borrowings</b>					
Term Loans (Secured)		110.63	138.40	-	249.03
Loans from related parties (Unsecured)		-	-	484.38	484.38
<b>Short term borrowings</b>					
Working capital loan from bank		1,108.61	-	-	1,108.61
<b>Other financial liabilities</b>					
Current maturities of long term borrowings'		110.63	138.40		249.03
Interest accrued and due on borrowings		2.45	-		2.45
<b>Trade payables</b>					
Trade payables		538.46	-		538.46

As on 1 April 2016	On demand	Within 1 year	1 to 5 years	> 5 years	Total
<b>Borrowings</b>					
Term Loans (Secured)		75.64	140.72	-	216.36
Loans from related parties (Unsecured)		-	-	519.20	519.20
<b>Short term borrowings</b>					
Working capital loan from bank		1,475.66	-	-	1,475.66
<b>Other financial liabilities</b>					
Current maturities of long term borrowings'		75.64	140.72		216.36
Interest accrued and due on borrowings		2.13	-		2.13
<b>Trade payables</b>					
Trade payables		874.46	-		874.46

**32 Market Risk**

Market risk is the risk that the Company's assets and liabilities will be exposed to due to a change in market prices such as foreign exchange rates and interest rates that determine the valuation of these financial instruments. Financial instruments affected by market risk include receivables, payables, and loans and borrowings.

**(a) Foreign currency risk exposure:**

The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions.

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
	USD	USD	USD
<b>Financial Assets</b>			
Trade Receivables	2.19	0.72	(0.06)
<b>Net Exposure to foreign currency risk (assets)</b>	2.19	0.72	(0.06)
<b>Financial Liabilities</b>			
Trade Payables	0.25	-	0.27
<b>Net Exposure to foreign currency risk (liability)</b>	0.25	-	0.27

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(Amounts in INR Lakhs, unless otherwise stated)

**(C) Sensitivity**

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and the impact on other components of equity arises from foreign forward exchange contracts, foreign exchange option contracts designated as cash flow hedges.

	Impact on Profit after Tax		
	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>USD Sensitivity</b>			
INR/USD -Increase by .5% (31 March 2017-.5%)	(0.06)	(0.02)	0.01
INR/USD -Decrease by .5% (31 March 2016-.5%)	0.06	0.02	(0.01)

**(b) Interest rate risk exposure:**

The exposure of the group's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
<b>Variable Rate Borrowings</b>			
Term loan from Banks	138.23	138.40	140.72
<b>Total</b>	<b>138.23</b>	<b>138.40</b>	<b>140.72</b>

**(b) Sensitivity**

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. Other components of equity change as a result of an increase/decrease in the fair value of the cash flow hedges related to borrowings.

Particular	Impact on profit after tax	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest rates – increase by 50 basis points*	1.80	1.56
Interest rates – decrease by 50 basis points*	(1.80)	(1.56)
<b>Total</b>		

\* Holding all other variable constant

**33 Contingent Liabilities and Commitments (to the extent not provided for)**

Contingent Liabilities	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Trade tax	9.44	17.04	17.04
<b>Commitment</b>			
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	Nil	Nil	Nil

**34 Details of dues to Micro, Small and Medium Enterprises as defined under the MSME Act, 2006**

The bifurcation of the total outstanding dues of small scale industrial undertaking and other than small scale industrial undertakings 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.

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### 35 Related Party Disclosure

#### Related Parties names and relationship

Name of Party	Principal Place of Operation	Principal Activities	Relation
Shri Himanshu Sangal	India	Investing	Key Management Personnel
Shri Amit Sangal	India	Investing	Key Management Personnel
Shri Tanmay Sangal (S/o Shri Himanshu Sangal)	India	Investing	Relative of Key Management Personnel
Shri Vinayak Sangal (S/o Shri Amit Sangal)	India	Investing	Relative of Key Management Personnel
Prerna Chits (P) Limited	India	Investing	Relative of Key Management Personnel
Shri Ganesh Credits (P) Limited	India	Investing	Relative of Key Management Personnel

#### Related parties transaction and balance

Name of the Related Parties and Relationship	Key Management personnel		Companies Controlled by Directors / Relatives	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
<b>Unsecured borrowings</b>				
Unsecured Loans repayment	75.30	45.46	0.20	-
Unsecured Loans taken	4.14	4.25	-	6.40
Outstanding Payable as on 31.03.2018	183.79	254.96	229.23	229.43
Remuneration to:-				
Shri Himanshu Sangal, Managing Director	60.00	21.00	-	-
Shri Amit Sangal, Executive Director	60.00	21.00	-	-
Shri Tanmay Sangal, Whole Time Director	30.00	6.30	-	-
Shri Vinayak Sangal	30.00	-	-	-
Smt. Ishita Niyogi	4.00	-	-	-
Outstanding Payable as on 31.03.2018				
Shri Himanshu Sangal	-	-	-	-
Shri Tanmay Sangal	-	-	-	-
Shri Vinayak Sangal	-	-	-	-

### 36 Segment Reporting

There are no separate reportable segments (business and/or geographical) in accordance with the requirements of Indian Accounting Standard -108 (Segment Reporting).

### 37 First time adoption of Ind AS

With effect from april 1, 2016, the Company is required to prepare its financial statement under the indian accounting standards ('Ind AS') prescribed under section 133 of Compliances act 2013 read together with rule of the Companies (Indian Accounting standard ) Rules, 2015 and accordingly the financial statement released as per Indian AS for the year ended 31 March 2016

These Financial statements, for the year ended 31 March 2017, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standard notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Comapnies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2018, together with the comparative period data as at and for the year ended 31 March 2017 as described in the summary of significant accounting policies. In preparing theses financial statements, the Company's opening balance sheet was prepared as at 1 April 2016, the Company's date of transition of Ind AS. this note explains exemptions availed by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2016 and the financial statements as at 31 March 2017 and for the year ended 31 March 2018.

#### (i) Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

#### Reconciliation of Equity as at 1 April 2016

	IGAAP as at 1 April 2016	Adjustments	Ind AS as at 1 April 2016
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2,115.27	-	2,115.27
Capital Work in Progress	7.87	-	7.87
Other non-current assets	26.30	-	26.30
	<b>2,149.44</b>	<b>-</b>	<b>2,149.44</b>
<b>Current assets</b>			
Inventories	1,361.37	-	1,361.37
Financial assets	-	-	-
Trade receivables	2,014.30	-	2,014.30
Cash and cash equivalent	67.97	-	67.97
Others	1.52	-	1.52
Other Current Assets	72.64	-	72.64
	<b>3,517.80</b>	<b>-</b>	<b>3,517.80</b>
<b>Total assets</b>	<b>5,667.24</b>	<b>-</b>	<b>5,667.24</b>

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(Amounts in INR Lakhs, unless otherwise stated)

**Equity and liabilities****Equity**

Equity share capital	130.73		130.73
Other equity	-		-
Revaluation Reserve	48.56		48.56
Defined Benefit Obligation Reserve	-	(4.57)	(4.57)
Retained earnings	1,909.71	6.83	1,916.54
	-		-
<b>Total equity</b>	<b>2,089.00</b>	<b>2.26</b>	<b>2,091.26</b>

**Non-current liabilities****Financial liabilities**

Long term borrowings	659.92		659.92
Deferred tax liabilities (net)	349.78	(2.26)	347.52
Long term provisions	38.84		38.84
Other non-current liabilities	9.00		9.00
	<b>1,057.54</b>	<b>(2.26)</b>	<b>1,055.28</b>

**Current liabilities****Financial liabilities**

Short-term borrowings	1,475.66		1,475.66
Trade payables	874.46		874.46
Other current financial liabilities	137.93		137.93
Short term provisions	16.10		16.10
Other Current Liabilities	16.55		16.55
	<b>2,520.70</b>	<b>-</b>	<b>2,520.70</b>

**Total liabilities**

<b>3,578.24</b>	<b>(2.26)</b>	<b>3,575.98</b>
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**Total Equity And Liabilities**

<b>5,667.24</b>	<b>0.00</b>	<b>5,667.24</b>
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\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this

**(ii) Reconciliations between previous GAAP and Ind AS**

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

**Reconciliation of Equity as at 1 April 2017**

	IGAAP as at 1 April 2017	Adjustments	Ind AS as at 1 April 2017
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2,073.79		2,073.79
Capital Work in Progress	197.82		197.82
Other non-current assets	29.59		29.59
	<b>2,301.20</b>	<b>-</b>	<b>2,301.20</b>
<b>Current assets</b>			
Inventories	983.30		983.30
Financial assets	-		-
Trade receivables	1,821.23		1,821.23
Cash and cash equivalent	116.88		116.88
Others	1.88		1.88
Other Current Assets	116.54		116.54
	<b>3,039.83</b>	<b>-</b>	<b>3,039.83</b>
<b>Total assets</b>	<b>5,341.03</b>	<b>-</b>	<b>5,341.03</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	130.73		130.73
Other equity	-		-
Revaluation Reserve	48.56		48.56
Defined Benefit Obligation Reserve	-	(5.63)	(5.63)
Retained earnings	2,079.05	8.40	2,087.45
	<b>2,258.33</b>	<b>2.78</b>	<b>2,261.11</b>
<b>Non-current liabilities</b>			
Financial liabilities			
Long term borrowings	622.78		622.78
Deferred tax liabilities (net)	363.34	(2.78)	360.56
Long term provisions	50.15		50.15
Other non-current liabilities	63.50		63.50
	<b>1,099.77</b>	<b>(2.78)</b>	<b>1,096.99</b>



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(Amounts in INR Lakhs, unless otherwise stated)

**Current liabilities**
**Financial liabilities**

Short-term borrowings	1,108.61		1,108.61
Trade payables	538.46		538.46
Other current financial liabilities	273.53		273.53
Other Current Liabilities	43.80		43.80
Short term provisions	18.53		18.53
	<b>1,982.93</b>	<b>-</b>	<b>1,982.93</b>

**Total liabilities**

<b>3,082.70</b>	<b>(2.78)</b>	<b>3,079.92</b>
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**Total Equity And Liabilities**

<b>5,341.03</b>	<b>(0.00)</b>	<b>5,341.03</b>
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\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this

**(iii) Reconciliation of Profit or Loss for the year ended 31 March 2017**

	IGAAP For the year ended 31 March 2017	Adjustments	Ind AS For the year ended 31 March 2017
<b>Income:</b>			
Revenue from operations	10,710.56	-	10,710.56
Other income	30.55	-	30.55
<b>Total income</b>	<b>10,741.11</b>	<b>-</b>	<b>10,741.11</b>
<b>Expenses:</b>			
Cost of material and components consumed	9,125.27	-	9,125.27
Purchase of Stock-in-trade	-	-	-
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(78.28)	-	(78.28)
Excise Duty	287.31	-	287.31
Employee benefits expense	379.80	(1.58)	378.22
Depreciation and amortization expense	93.28	-	93.28
Finance costs	214.51	-	214.51
Other expenses	459.32	-	459.32
<b>Total expenses</b>	<b>10,481.21</b>	<b>(1.58)</b>	<b>10,479.63</b>
<b>Profit/(loss) before exceptional items and tax from continuing operations</b>	<b>259.90</b>	<b>1.58</b>	<b>261.48</b>
<b>Tax Expenses</b>	<b>91.05</b>	<b>-</b>	<b>-</b>
<b>Profit/ (loss) for the year from Continuing Operations</b>	<b>169.34</b>	<b>1.58</b>	<b>261.97</b>
<b>Other Comprehensive Income/ (loss)</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Re-measurement gains/(losses) on defined benefit plan	-	1.58	1.58
Income tax effect	-	(0.52)	(0.52)
	-	-	-
<b>Other Comprehensive income/ (loss) for the year, net of tax</b>	<b>-</b>	<b>1.06</b>	<b>1.06</b>
<b>Total Comprehensive income/ (loss) for the year, net of tax</b>	<b>169.34</b>	<b>0.52</b>	<b>260.91</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this

**Exemption applied:**

Ind As 101 allows first-time adopters certain mandatory and voluntary exemption from the the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

**1. Mandatory exemptions:**
**a) Estimates**

The estimates at 1 April 2016 and at 31 March 2017 are consistent with those made for the same dates in accordance with Indian GAAP ( after adjustments to reflect any differences in accounting policies) apart from the followings items where application of indian GAAP did not require estimation;

Impairment of the financial assets based on expected credit loss model.

The estimates used by the Company to present theses amounts in accordance with Ind AS reflect conditions at 1 April 2016, the date of transition to Ind AS and as of 31 March 2017.

**b) Derecognition of financial assets:**

The company has applied the de-recognition requirements in Ind AS 109 prospectively for transaction occurring on or after the day of transition to Ind AS.

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(Amounts in INR Lakhs, unless otherwise stated)

**c) Classification and measurement of financial assets:**

I. Financial instruments: (Loan to employees, Security deposits received and Security deposits paid):

Financial assets like loan to employees, security deposits received and security deposits paid, has been classified and measured at amortised cost on the basis of the facts and circumstances that exists at the date of transitions to Ind AS. Since, it is impracticable for the Company to apply retrospectively the effective interest method in Ind AS 109, the fair value of the financial asset or the financial liability at the date of transition to Ind AS by applying amortised cost method, has been considered as the new gross carrying amount of the financial asset or the financial liability at the date of transition to Ind AS.

II. Financial instruments : ( Equity shares (other than investment in subsidiary, associates and JVs):

The Company has designated unquoted and quoted equity instruments held at 1 April 2015 as fair value through OCI investments.

**2 Optional exemptions ;****a) Deemed cost-previous GAAP carrying amount : (PPE and intangible)**

Since there is no change in the functional currency, the Company has elected to continue with the carrying value for all of property, plant and equipment and intangible Assets, as recognised in its Indian GAAP financial as deemed cost at the transition date.

**38 Capital management****(a) Risk management**

The Company's objectives when managing capital are to Safeguard their ability to continue as a going concern, so that they can continue to provide return for shareholders and benefits for other stakeholders, and Maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Company monitors capital on the basis of the followings gearing ratio:

Net debt (total borrowings net of cash and cash equivalents)

divided by

Total 'equity' (as shown in the balance sheet, including non-controlling interests)

The company's gearing ratio were as follows:

Particular	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Net debt	524.21	505.90	591.95
Total equity	2522.71	2261.10	2091.25
<b>Net debt to equity ratio</b>	<b>21%</b>	<b>22%</b>	<b>28%</b>

In order to achieve this overall objective, the Company's capital management amongst other things, aims to ensure that it meets financial covenants attached to the interest bearing loans and borrowing that define capital structure requirement. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings.

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

Summary of significant accounting policies

2

The accompanying notes are an integral part of the financial statements

As per our report of even date

**For Raj Sandhya & Co.**

ICAI Firm Registration No.: 002011C

Chartered Accountants

**For and on behalf of the Sangal Papers Limited**

Raj Kumar Sharma

Partner

Membership No.: 077650

Managing Director

(Himanshu Sangal)

DIN- 00091324

Director

(Tanmay Sangal)

DIN- 01297057

Place: Muzaffarnagar

Date: 30.05.2018

Executive Director &amp; Chief Financial Officer

(Amit Sangal)

DIN: 00091486

Company Secretary

(Shivam Sharma)

PAN : GACPS4345Q

**FORM NO. MGT -11**

(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, E mail : [sangalinvestors1980@gmail.com](mailto:sangalinvestors1980@gmail.com)  
Village Bhainsa, 22 Km Mawana Road, Meerut, U.P – 250401  
Thirty Eighth (38<sup>th</sup>) Annual General Meeting- 29<sup>th</sup> September, 2018**

**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 Thirty Eighth (38<sup>th</sup>) Annual General Meeting of the Company, to be held on the Saturday, 29<sup>th</sup> day of September, 2018 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.:**

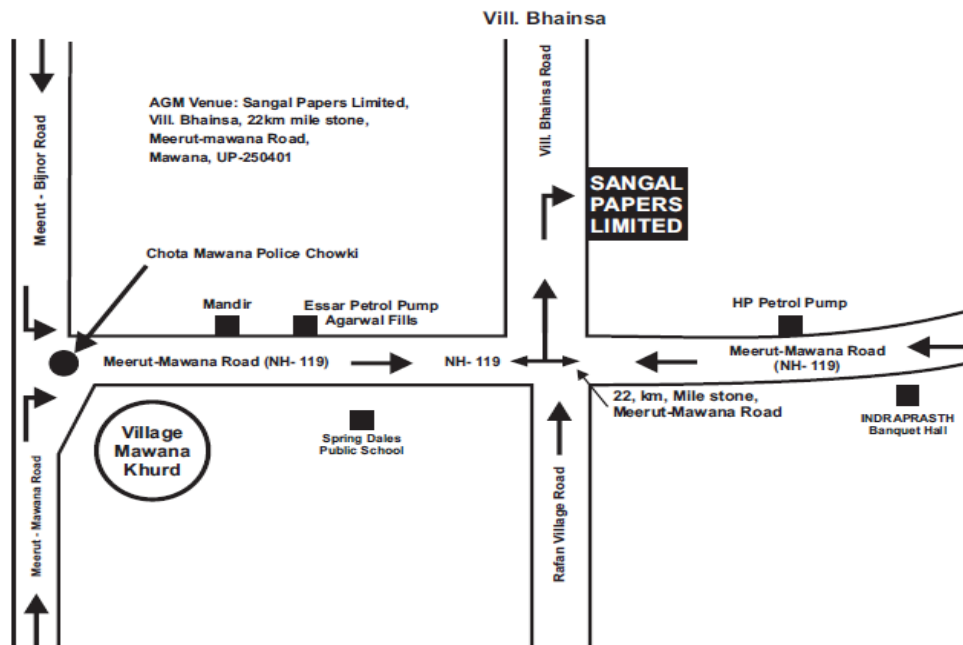
- 1. To adoption of Accounts and Reports,**
- 2. To appoint Director in place of Mr. Vinayak Sangal (DIN-06833351), Who retires by rotation and being being eligible offers himself for re-appointment,**
- 3. To appoint Director in place of Mr. Tanmay Sangal (DIN-01297057), Who retires by rotation and being being eligible offers himself for re-appointment,**
- 4. To ratification of the 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,**
- 5. Re-Appointment of Mr. Prem Sethi (DIN: 07146425), as non-executive independent director,**
- 6. Re-Appointment of Mrs. Geeta Gupta (DIN: 00095939), as non-executive independent director,**
- 7. To ratification of Remuneration of Cost Auditor's of the Company.**

Affix Revenue  
stamp of Rs. 1/-

Signed this \_\_\_\_\_ day \_\_\_\_\_ 2018  
Signature of Shareholder

Signature of Proxy holder

**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.)

**SANGAL PAPERS LTD.**  
**Regd. Office : Village Bhainsa, 22 Km**  
**Mawana Road, Meerut, U.P. – 250401**  
**CIN : L21015UP1980PLC005138**  
**E mail ID : [sangalinvestors1980@gmail.com](mailto:sangalinvestors1980@gmail.com)**

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**ELECTRONIC VOTING PARTICULARS**

EVEN (E-Voting Event Number)	USER ID	PASSWORD/PIN	NO. OF SHARES

The e-voting facility will be available during the following voting period:

Commencement of e-voting	From 09.00 a.m. (IST) on September 26, 2018
End of e-voting	Upto 05.00 p.m. (IST) on September 28, 2018

- The cut-off date (i.e. the record date) for the purpose of e-voting is 22<sup>nd</sup> September, 2018.
- Please refer to the attached AGM Notice for instructions on E-Voting.

----- TEAR HERE -----

**SANGAL PAPERS LTD.**  
**Regd. Office : Village Bhainsa, 22 Km**  
**Mawana Road, Meerut, U.P – 250401**  
**CIN : L21015UP1980PLC005138**  
**E mail ID : [sangalinvestors1980@gmail.com](mailto:sangalinvestors1980@gmail.com)**

**ATTENDANCE SLIP**

Regd. Folio No. /DP ID – Client ID :

Name & Address of First/ Sole Shareholder :

No. of Shares held :

I hereby record my presence at the Thirty Eighth (38<sup>th</sup>) Annual General Meeting of the Company to be held on Saturday, the 29<sup>th</sup> day of September, 2018 at 11.00 A.M at registered office of the company i.e. Village Bhainsa, 22 Km Mawana Road, Meerut, U.P – 250401.

Signature of the Member/ Proxy

**Note:** 1. Only Member/Proxy can attend the meeting. No minors would be allowed at the meeting.  
2. Member/Proxy wish to attend the meeting must bring this attendance slip to the meeting and handover at the entrance duly filled in and signed.

The procedure and instructions for e-voting as given in the Notice of the Thirty Eighth (38<sup>th</sup>) Annual General Meeting are again reproduced hereunder for easy reference:

**I In case of Members receiving e-mail from NSDL (For those members whose e-mail addresses are registered with Company/Depositories):**

- a. Open e-mail and open PDF file viz. "SPL-remote e-Voting.pdf" with your client ID or Folio No. as password containing your user IDs and password for remote e-voting. Please note that the password is an initial password.
- b. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>.
- c. Click on Shareholder-Login.
- d. Put user ID and password as initial password noted in step (a) above. Click Login.
- e. 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.
- f. Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- g. Select "EVEN 108843" of "Sangal Papers Ltd."
- h. Now you are ready for remote e-voting as Cast Vote page opens.
- i. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- j. Upon confirmation, the message "Vote cast successfully" will be displayed.
- k. Once you have voted on the resolution, you will not be allowed to modify your vote.
- l. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [sm@masserv.com](mailto:sm@masserv.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

**II. In case of Members receiving Physical copy of Notice of Thirty Eighth (38<sup>th</sup>) Annual General Meeting (for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy).**

- a. Initial password is provided in the box overleaf.
- b. Please follow all steps from Sl. No. (b) to Sl. No. (l) above, to cast vote.
  - A. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
  - B. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
  - C. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
  - D. The voting rights of 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 22<sup>nd</sup> September, 2018.
  - E. Any person, who acquires shares and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 22<sup>nd</sup> September, 2018, will be provided the notice through mail or by post after the cut-off date. Such members may also obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or RTA, MAS Services Limited.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
  - F. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
  - G. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
  - H. Shri Dinesh Kumar Gupta, Practicing Company Secretary (Membership No. FCS-5226 & CP No.: 3599), Proprietor, M/s. D.K. Gupta & Co., Company Secretaries has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
  - I. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
  - J. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
  - K. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.sangalpapers.com](http://www.sangalpapers.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing and communicated to the BSE Limited, Mumbai.