



39th ANNUAL REPORT 2018-19

Printed on Sangal's own paper

SANGAL PAPERS LIMITED
CIN: L21015UP1980PLC005138

BOARD OF DIRECTORS

Mr. Himanshu Sangal	Managing Director
Mr. Amit Sangal	Whole Time Director/CFO
Mr. Tanmay Sangal	Director/President Mktg
Mr. Vinayak Sangal	Director/President Opr.
Mr. Prem Sethi	Ind. Director/Chairman
Mrs. Geeta Gupta	Ind. Director
Mr. Shivam Sharma	Company Secretary cum Compliance Officer

NOMINATION AND REMUNERATION COMMITTEE

Mrs. Geeta Gupta	Chairperson
Mr. Prem Sethi	Member
Mr. Vinayak Sangal	Member

BANKER:

STATE BANK OF INDIA (SBI),
SME Branch, Ganga Plaza,
Begum Bridge, Meerut

39th ANNUAL GENERAL MEETING

Date: 28th Day of September, 2019
Day: Saturday
Time: 11.00 A.M.
Place: Vill Bhainsa, 22km stone,
Meerut-Mawana road, Mawana
Meerut, UP- 250401

AUDITOR:

M/s RAJ SANDHYA & Co., Chartered Accountants
572/7, Bhartia Colony, Kukra Road,
Muzaffarnagar, UP

SECRETARIAL AUDITOR:

D.K. GUPTA (D.K. Gupta & Co.),
Practising Company Secretary,
164, Behind Baijal Bhawan, Civil Lines, Meerut, UP

REGISTERED OFFICE:

Sangal Papers Limited,
Vill, Bhainsa, 22km stone, Meerut-Mawana road,
Mawana, Meerut, UP- 250401
E-mail : sangalinvestors1980@gmail.com,
Website : www.sangalpapers.com

AUDIT COMMITTEE

Mrs. Geeta Gupta	Chairperson
Mr. Prem Sethi	Member
Mr. Himanshu Sangal	Member

STAKEHOLDER RELATIONSHIP COMMITTEE

Mrs. Geeta Gupta	Chairperson
Mr. Prem Sethi	Member
Mr. Himanshu Sangal	Member

**CORPORATE SOCIAL RESPONSIBILITY
COMMITTEE (CSR)**

Mrs. Geeta Gupta	Chairperson
Mr. Himanshu Sangal	Member
Mr. Amit Sangal	Member

**REGISTRAR & SHARE TRANSFER AGENT:
MAS SERVICES LTD.,**

T- 34, 2nd Floor, Okhla Industrial Area,
Phase-II, New Delhi – 110 020

E-mail: sm@masserv.com,
info@masserv.com

Website: www.masserv.om

Phone No.: 011-26387281- 82-83

LISTED ON:

BSE

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A message from

Mr. Himanshu Sangal, Managing Director of the Company

Our company *i.e.*, Sangal Papers Limited (1980) is a Public Limited Company and listed with BSE (Bombay Stock Exchange). Our company has continuously adjusted our policies and strategies to handle with changing situations and paper industrial developments in both domestic and international markets. We are striving to maintain our existence in Newsprint Paper, Writing Printing Paper and Karft Paper industry in India. Our company has a competitive advantage in terms of our production quantity and various verity of paper, in which we could have better option product structures than other rivals.

In addition, Our company also paying an important role in monitoring effects to environment and quality of life of people in nearby community. This action will further support our sustainable growth in the future and create long term value to shareholders.

Further, our company keeps concern to bring products of the company into new Indian and International markets where we could have better competitive advantages.

Our Company's polices are designed to provide a clear understanding of company's core values and the standards that govern our business. It also provides guidelines for navigating successfully through ethical challenges. In our competitive global environment, we sometimes encounter situations that test our judgment and integrity. When this happens, the policy and our ideals helps us respond in ways that are true way and comply with both the spirit and letter of the law. It lays the groundwork for how we treat our customers, investors, suppliers and each other.

The financial year 2018-2019 was fruitful to Our company. In this the financial year 2018-2019 our company's performance was satisfactory in all aspects. In this financial year, turnover of the company was more than ₹ 140 crore and Profit Before Tax (PBT) was more than ₹ 7 crore.

We believe that how we achieve our goals is just as important as the ultimate achievement of success. The ethical course of action is always the right course of action. Company's vision and mission is our road map to a successful future, providing guidance on the standards of ethics, personal integrity and compliance that are the foundation of successful business in all aspect.

Sincerely,
Himanshu Sangal
Managing Director
DIN: 00091324

Date: 30/05/2019
Place: Meerut

SANGAL PAPERS LIMITED (CIN : L21015UP1980PLC005138)
Registered Office: Vill. Bhainsa, 22- Km., Meerut-Mawana Road,
Mawana- 250 401, Distt. – Meerut (U.P.)

E-Mail ID: sangalinvestors1980@gmail.com, Website: www.sangalpapers.com

PH. No. : 01233-271515

NOTICE TO MEMBERS

Notice is hereby given under the provision of section 101 of the Companies Act 2013 that Thirty Ninth (39th) Annual General Meeting of the SANGAL PAPERS LIMITED ("The Company") will be held on Saturday, **28th day of September, 2019 at 11:00 A.M.** at the registered office of the Company at Village Bhainsa, 22 Km 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 31st March 2019, 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 31.03.2019 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 (42nd) 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. **REVISION IN THE MANAGERIAL REMUNERATION PAYABLE TO SHRI HIMANSHU SANGAL (DIN: 00091324) THE MANAGING DIRECTOR OF THE COMPANY:**

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 Section 197 and 198 read with Part II of Section I and Section II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, if any), applicable clauses of the Articles of Association of the Company, consent of the members of the Company be and is hereby accorded to increase the monthly remuneration of Shri Himanshu Sangal (DIN- 00091324) the Managing Director of the Company upto ₹ 14,00,000/- (Rupees Fourteen

Lakhs Only) per month on the terms and conditions including remuneration as mentioned below :
Salary & Perquisites: Basic Salary: ₹ 14,00,000/- (Rupees Fourteen Lacs Only) per month w.e.f. April 01, 2019.

Other benefits like Gratuity, Provident Fund, Leave etc., and other terms and conditions as subject to agreement with the said director, other terms and conditions:

1. No setting fees will be paid to the Managing Director for attending meeting of the Board of Directors or any committee thereof.
2. The terms and conditions of appointment of Managing Director may be altered and varied from time to time by the Board in such manner as may be mutually agreed, subject to such approvals as may be required under the provisions of Companies Act, 2013.

6. REVISION IN THE MANAGERIAL REMUNERATION PAYABLE TO SHRI AMIT SANGAL (DIN- 00091486) THE WHOLE TIME DIRECTOR CUM CFO OF THE COMPANY:

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 Section 197 and 198 read with Part II of Section I and Section II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, if any), applicable clauses of the Articles of Association of the Company, the consent of the members of the company be and is hereby accorded to increase the monthly remuneration of Shri Amit Sangal (DIN- 00091486) the Whole Time Director of the Company upto ₹ 14,00,000/- (Rupees Fourteen Lakhs Only) per month on the terms and conditions including remuneration as mentioned below:

Salary & Perquisites: Basic Salary: ₹ 14,00,000/- (Rupees Fourteen Lacs Only) per month w.e.f. April 01, 2019.

Other benefits like Gratuity, Provident Fund, Leave etc., and other terms and conditions as subject to agreement with the said director, other terms and conditions:

1. No setting fees will be paid to the Whole Time Director cum CFO (Finance) cum CFO for attending meeting of the Board of Directors or any committee thereof.
2. The terms and conditions of appointment of Whole Time Director may be altered and varied from time to time by the Board in such manner as may be mutually agreed, subject to such approvals as may be required under the provisions of Companies Act, 2013.

7. INCREASE IN REMUNERATION OF SHRI TANMAY SANGAL, PRESIDENT MARKETING:

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 188(1), 188(1)(f) of the Companies Act, 2013 read with Companies (Meeting of Board and Its Powers) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 including statutory modification or re-enactment thereof for the time being in force, Consent of the members of the Company be and is hereby accorded to increase the monthly remuneration of Shri Tanmay Sangal Son of Shri Himanshu Sangal, the Managing Director of the Company, holding office or place of profit as President Marketing of the Company upto ₹ 5,00,000/- (Rupees Five Lacs Only) per month w.e.f. 01/10/2019 on the terms and conditions including remuneration as mentioned below:

1. **Salary:** upto ₹ 5,00,000/- (Rupees Five Lakhs Only) per month w.e.f. 01/10/2019.
2. **Perquisites:** He shall be entitled to medical reimbursement, club fees, personal accident insurance, company maintained car, telephone and such other perquisites in accordance with

the Company's rules, the monetary value of such perquisites to be determined in accordance with the Income Tax Rules, 1962.

RESOLVED FURTHER THAT for the purpose of giving effect to the foregoing resolution, Mr. Himanshu Sangal, Managing Director of the Company be and is hereby authorized to do all such acts, deeds, matters and things, as may be considered necessary, proper or desirable in the said regard including filling of returns with any authority."

8. INCREASE IN REMUNERATION OF SHRI VINAYAK SANGAL, PRESIDENT OPERATION:

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 188(1), 188(1)(f) of the Companies Act, 2013 read with Companies (Meeting of Board and Its Powers) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 including statutory modification or re-enactment thereof for the time being enforce, Consent of the members of the company be and is hereby accorded to increase the monthly remuneration of Shri Vinayak Sangal Son of Shri Amit Sangal, Whole Time Director of the Company, holding office or place of profit as President Operation of the Company upto ₹ 5,00,000/- (Rupees Five Lakhs Only) per month w.e.f. 01/10/2019 on the terms and conditions including remuneration as mentioned below:

1. **Salary:** upto ₹ 5,00,000/- (Rupees Five Lakhs Only) per month w.e.f. 01/10/2019
2. **Perquisites:** He shall be entitled to medical reimbursement, club fees, personal accident insurance, company maintained car, telephone and such other perquisites in accordance with the company's rules, the monetary value of such perquisites to be determined in accordance with the Income Tax Rules, 1962.

RESOLVED FURTHER THAT for the purpose of giving effect to the foregoing Resolution, Mr. Himanshu Sangal, Managing Director of the Company be and is hereby authorized to do all such acts, deeds, matters and things, as may be considered necessary, proper or desirable in the said regard including filling of returns with any authority."

9. RATIFICATION OF REMUNERATION OF COST AUDITORS

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 consent of the members of the company be and is hereby accorded to the ratification of payment of 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), who has been 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, 2020."

RESOLVED FURTHER THAT the Board be and is hereby authorized 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."

For and on behalf of the Board of Directors,

Sd/-

Shivam Sharma

Company Secretary cum Compliance Officer

Date: 14/08/2019

Place: Meerut

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 there under, 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 22nd September 2019 to 28th September 2019 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**.
8. Relevant documents referred to in the accompanying notice and the explanatory statement, the Statutory Registers, the Audited Financial Statement, the Director's Report and the Auditor's Report will remain open for inspection at the registered office of the company on all working days between 09:30 A.M. to 5:30 P.M. excluding Sundays and public holidays upto the date of the AGM. The Audited Financial Statements, the Director's Report and the Auditor's Report will be placed on the company's website on: **www.sangalpapers.com**.
9. Members may also note that the notice of the thirty ninth (39th) Annual General Meeting, Attendance Slip, Proxy Form, Route Map, Ballot Paper and the Annual Report for the year ended 2019 will also be available on the company's website **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 e-mail ID: **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. Mr. Tanmay Sangal and Mr. Vinayak Sangal are seeking re-appointment with increment in remuneration. Mr. Himanshu Sangal and Mr. Amit Sangal are seeking for revision in managerial remuneration at 39th Annual General Meeting of the Company to be held on Saturday, 28th Day of September, 2019 and provide Annexure A of this notice.
12. **The Notice of Annual General Meeting may be assessed on company website www.sangalpapers.com and Stock Exchange website 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 Ninth (39th) 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) The voting period begins on 25th September, 2019 at 09:00 A.M. and ends on 27th September, 2019 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 21st day of September, 2019 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** 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- 111033" 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** or **sangalinvestors1980@gmail.com** with a copy marked to **evoting@nsdl.co.in**.
In case a member receives physical copy of the Notice of AGM [for members whose e-mail IDs are not registered with the Company/Depository Participants(s) or requesting physical copy:
(a) 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 _____ .
(b) 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** 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 e-mail IDs: **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 e-mail ID: **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** 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 21st September 2019.
 - 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 alongwith the report of the Scrutinizer shall be placed on the website of the Company **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.

For and on behalf of the Board of Directors,

Sd/-

Shivam Sharma

Company Secretary cum Compliance Officer

Date: 14/08/2019

Place: Meerut

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

Mr. Himanshu Sangal the founder promoter and member of Board of Directors of the Company since incorporation and has been instrumental in the growth of the company. Mr. Himanshu Sangal has been working as the Managing Director of the Company since incorporation. In recognition of his contribution as well as to derive benefit from his rich and varied experience, the Nomination and Remuneration Committee, in its meeting held on May 30, 2019 recommended and the Board of Directors, in its meeting held on May 30, 2019, approved the payment of remuneration of ₹ 14,00,000/- (Rupees Fourteen Lakhs Only) per month in terms of provisions of Section 197 and 198 read with Part II of Section I and Section II of Schedule V of the Companies Act, 2013.

Payment of remuneration to a managerial person during the financial year is within limit as prescribed under Section 197 and 198 read with Part II of Section I and Section II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013.

Considering the rich experience role and the important contributions made by Mr. Himanshu Sangal over the last years in varied capacities for the growth of the company and also taking into account payment of managerial remuneration in similar sized industries in India, the Nomination and Remuneration Committee and the Board of Directors unanimously approved the maximum limit of monthly remuneration of Mr. Himanshu Sangal (DIN- 00091324) upto ₹ 14,00,000/- (Rupees Fourteen Lakhs Only) per month, on the terms and conditions including remuneration as per the resolution. The terms of remuneration contained in the resolution may also be treated as an Abstract/compliance under the provisions of the Companies Act, 2013.

- Brief profile of Mr. Himanshu Sangal is annexed to the notice.
- The statement containing additional information as required under Schedule V to the Act are annexed to the notice.
- The Board recommends the resolution set out in Item No. 5 of the accompanying notice to be adopted as special resolution.
- Mr. Amit Sangal, Mr. Tanmay Sangal and Mr. Vinayak Sangal the directors of the company are interested in the proposed resolution only to the extent that appointee is relative of above three directors.

Resolution at Item No.: 6 AS SPECIAL RESOLUTION:

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

- Mr. Amit Sangal is the founder promoter and member of Board of Directors of the Company since incorporation and has been instrumental in the growth of the company. Mr. Amit Sangal has been working as the Whole Time Director cum CFO of the Company since incorporation and looking into financial matters of the Company. In recognition of his contribution as well as to derive benefit from his rich and varied experience, the Nomination and Remuneration Committee, in its meeting held on May 30, 2019 recommended and the Board of Directors, in its

meeting held on May 30, 2019, approved the payment of remuneration of ₹ 14,00,000/- (Rupees Fourteen Lakhs Only) per month in terms of provisions of Section 197 and 198 read with Part II of Section I and Section II of Schedule V of the Companies Act, 2013.

Payment of remuneration to a managerial person during the financial year is within limit as prescribed under Section 197 and 198 read with Part II of Section I and Section II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013.

Considering the rich experience, role and the important contributions made by Mr. Amit Sangal over the past years in varied capacities for the growth of the company and also taking into account payment of managerial remuneration in similar sized industries in India, the Nomination and Remuneration Committee and the Board of Directors unanimously approved the maximum limit of monthly remuneration of Mr. Amit Sangal (DIN- 00091486) upto ₹ 14,00,000/- (Rupees Fourteen Lakhs Only) per month, on the terms and conditions including remuneration as per the resolution. The terms of remuneration contained in the resolution may also be treated as an Abstract/compliance under the provisions of the Companies Act, 2013.

Brief profile of Mr. Amit Sangal is annexed to the notice.

The statement containing additional information as required under Schedule V to the Act are annexed to the notice.

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

Mr. Himanshu Sangal, Mr. Tanmay Sangal and Mr. Vinayak Sangal the directors of the company are interested in the proposed resolution only to the extent that appointee is relative of above three directors.

Resolution at Item No.: 7 & 8 AS SPECIAL RESOLUTION:

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

The provisions of section 188(1) of the Companies Act, 2013 Act that govern the Related Party Transactions require a company to obtain prior approval of the Board of Directors and in certain cases approval of the shareholders also required.

Section 188(1)(f) of the Companies Act, 2013 provides for the related party's appointment to any office or place of profit. The Board of Directors of the Company on the recommendation of the Nomination and Remuneration Committee, at their meeting held on 30th May 2019 had consented for increase of remuneration payable to Shri Tanmay Sangal, President Marketing and Shri Vinayak Sangal, President Operations (related parties holding office or place of profit) w.e.f. 1st day of October 2019, subject to approval of the shareholders by way of an Special Resolution.

The details of the increased remuneration are given below. As per section 188(1)(f) of the Companies Act, 2013, your directors recommends the special resolutions for your approval.

Mr. Himanshu Sangal, Managing Director and Mr. Amit Sangal, Whole Time Director cum CFO, being relative are deemed to be interested or concerned in the respective offices.

Related Party Transaction-(Remuneration to related parties holding office or place of profit)

Name of related party	Name of the director or KMP who is related.	Nature of relationship	Transaction defined U/S 188(1)(f) of the Companies Act, 2013 i.e., related party holding office or place of profit	
			Designation	Monthly remuneration payable w.e.f. 01/10/2019
Mr. Tanmay Sangal	Shri Himanshu Sangal	Son of Shri Himanshu Sangal	President (Marketing)	Basic salary increased from ₹ 2.50 lakhs (Rupees Two Lakh Fifty Thousand Only) per month to ₹ 5.00 lakhs (Rupees Five Lakhs Only) per month
Mr. Vinayak Sangal	Shri Amit Sangal	Son of Shri Amit Sangal	President (Operations)	Basic salary increased from ₹ 2.50 lakhs (Rupees Two Lakh Fifty Thousand Only) per month to ₹ 5.00 Lakhs (Rupees Five Lakhs Only) per month

Resolution at Item No. : 9

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 remuneration of ₹ 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. 9 of the notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2020.

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. 9 of this Notice for your approval.

Annexure A

Required details of the Directors seeking re-appointment, increasing in the managerial remuneration and remuneration in the forthcoming Annual General Meeting (In pursuance of Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015).

Name of the Director	Vinayak Sangal (DIN- 06833351)	Tanmay Sangal (DIN- 01297057)	Himanshu Sangal (DIN 0091324)	Amit Sangal (DIN- 00091486)
Date of Birth	21/11/1991	16/10/1985	22/10/1955	13/01/1965
Item Number	2	3	5	6
Date of Appointment	01/03/2014	30/11/2003	25/11/1980	27/09/1996
Relationship of Directors	Relative (Son of Mr. Amit Sangal)	Relative (Son of Mr. Himanshu Sangal)		
Experience in Specific functional area	Operations, Raw Material and production Management Experience.	International Business, Marketing, Finance and Wide Business Administration Experience.	Operation, production, administrative management	Finance, sale, operation, raw material management
Qualification	B. Tech. (Mechanical), MBA (Operation)	MBA (Finance)	Graduate, LL.b.	Graduate in commerce
Board Membership of Companies as on 31 st March, 2019	1. Sangal Papers Limited,	1. Sangal Papers Limited	1. Sangal Papers Limited	1. Sangal Papers Limited 2. Shree Ganesh Credits Pvt. Ltd. 3. Prerna Chits pvt. Ltd.
Member of the Committee of the Board of Director as on 31 st March, 2019	Sangal Papers Ltd 1. Nomination and Remuneration Committee-Member	Sangal Papers Ltd. 1. Stakeholder Relationship Committee- Member	Sangal Papers Ltd. 1. Audit Committee 2. Stakeholder Relationship Committee 3. CSR Committee	Sangal Papers Ltd. 1. CSR Committee
Number of Shares Held on 31 st March, 2019	10489	43275	107940	121100

A Route map showing directions to reach the venue of the Thirty Ninth (39th) Annual General Meeting is given on next page of this notice of AGM as per the requirement of the Secretarial Standards-2 on "General Meeting" and SEBI (LODR) Regulation, 2015.

For and on behalf of the Board of Directors,

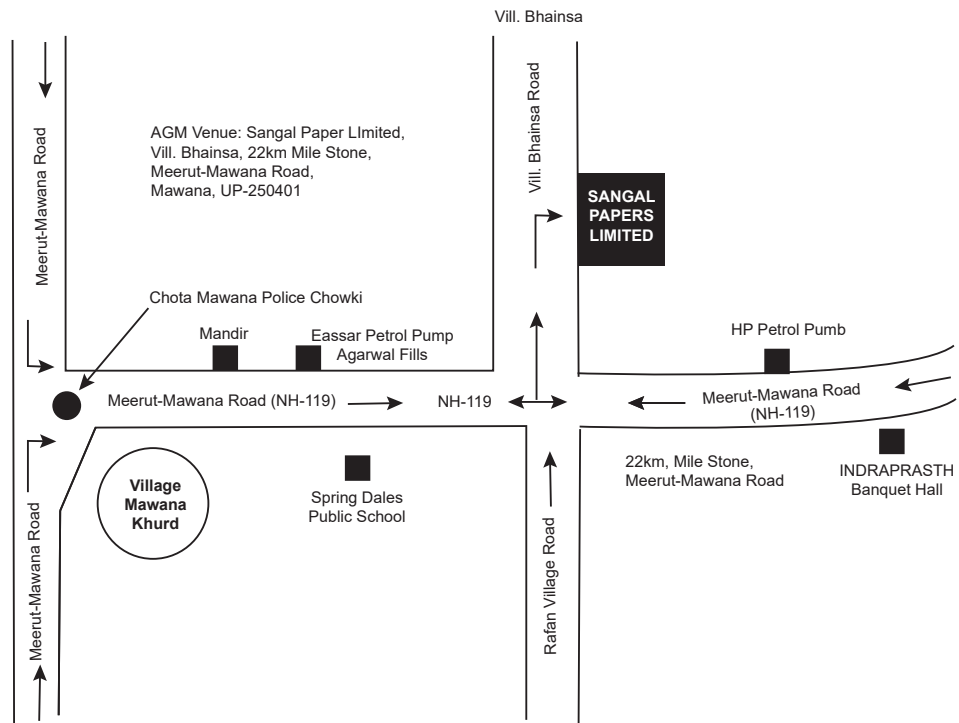
Sd/-

Shivam Sharma

Company Secretary cum Compliance Officer

Date: 14/08/2019

Place: Meerut



DIRECTORS' REPORT TO THE MEMBERS

To,

The Members,

We have pleasure in presenting Thirty Ninth (39th) 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 31st March, 2019.

COMPANY OVERVIEW

The Sangal Papers Limited (herein after called "The Company") was incorporated in the year 1980. The company is manufacturing Newsprint, Writing Printing Paper and others various quality papers on customers demand. The company was faced many ups and downs in its life. We pray for better and bright future of the company. Our strategic objectives are 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.

At present the company is facing avoidable and unavoidable challenges and threats. We are facing stiff competition in paper industry and 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 standalone financial highlights of our Company for the financial year ended March 31, 2019 are summarized as follows, details are based on:

Details of financials as per IND AS:

Particulars	Current financial year (2019)	Previous financial year (2018)
Revenue from Operations	14823.40	12050.03
Other Income	114.96	62.83
Total Income of the company	14938.36	12112.86
Profit before Depreciation, Finance Costs, Exceptional items and Tax Expense	1017.62	618.37
Less: Depreciation/ Amortisation/ Impairment	117.80	100.75
Profit before Finance Costs, Exceptional items and Tax Expense	899.82	517.62
Less: Finance Costs	167.22	154.36
Profit before Exceptional items and Tax Expense	732.6	363.26
Add/Less : Exceptional items	0	0
Profit before Tax Expense	732.6	363.26
Less: Tax Expense (Current & Deferred)	118.96	103.09
Profit for the year (1)	613.64	260.17
Other Comprehensive Income (2)	3.80	1.45
Total Comprehensive Income (1+2)	617.44	261.62
Balance of profit /loss for earlier years	2343.43	2081.82
Add: Revaluation Reserve	48.56	48.56
Balance carried forward	3009.43	2392

SHARE CAPITAL

The issued capital, subscribed capital and paid up equity share capital of the company as on March 31, 2019 was ₹ 1,30,72,600 (Rupees One Crore Thirty Lakhs Seventy Two Thousand Six Hundred Only) divided into 13,07,260 (Thirty Lakhs Seven Thousand Two Hundred Sixty) equity shares of ₹ 10/- each, fully paid up.

During the period under review, there is no change in the share capital of the company.

RESERVE

The Board of Directors of our company has decided not to transfer any to the reserve for the year under review.

DIVIDEND

The Board of Directors of our company, after considering holistically the relevant circumstances and keeping in view the company's dividend distribution policy, has decided that it would be prudent, not to recommend any dividend for future growth of the company for the year under review.

OPERATIONAL REVIEW

Our company is achieving its objectives and goals. Our company wants to be more economical and bring efficiency in the operations of the company. The company is moving fast to maximization the wealth of shareholders and stakeholders of the company.

The company is regularly exploring and critically appraising its domestic and international market, over last few years the company has moved 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 International standards in its products and always be trying to give sharpness to the company's marketing strategies. The company has diversified its product line, presently coloured 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 before was that Newsprint Paper, resulting Profit After Tax (PAT) increased by more than 135.86% (approx) as compared to last year.

The company has recorded a significant growth in all segments. During the year under review the company has achieved a turnover (Net) of ₹ **14,398.36/-(In lakhs)** as against previous figure of ₹ **12,112.86/-(In lakhs)** increase in sale 23.33% (approx).

During the year under review PBT (Profit Before Tax) was ₹ **732.6/-(In lakhs)** as compared to previous year figure of ₹ **363.26/-(In lakhs)**, posting an increase by **101.67 % (approx)** in PBT. Net profit and PAT (Profit After Tax and other comprehensive income) were ₹ **617.44/-(In lakhs)** as compared to previous year figure of ₹ **261.62/-(In lakhs)** reporting an increase of **136.01% (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, the company's net profit could not post the corresponding increase.

INSTALLED CAPACITY

The company's current installed capacity is 33000 MT per annum. during the year under review no increment installed production capacity of the company.

STATE OF THE COMPANY

The following statement on the affairs of the company under review:

1. The company engaged in single segment *i.e.*, company engaged in manufacturing of paper.
2. There is no changes in status of the company.

3. There is no changes in financial year of the company.
4. There is no such as Capital expenditure programmes which fallen effect on the financial position of the company.
5. There are no acquisition, merger, expansion, modernization and diversification during the year in the company under review.
6. There is no any other material event having an impact on the affairs of the company during the year under review.

CASH AND EQUIVALENTS

Cash and equivalents as on date 31st March, 2019 was ₹ **27.53/- (In lakhs)**. The company is continuing focus on judicious management of its working capital, receivables, inventories and other working capital parameters are 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 31/03/2019 was ₹ **46.95/-** per share and previous year was ₹ **19.91/-** per share. The company has reported an increment of **135.81%** in EPS for the said financial year.

CHANGES IN FUNCTIONAL STRUCTURE OF THE COMPANY

The company was working as a single unit, for availing the income tax benefit the company has divided into two units, one was paper manufacturing and second was power plant unit and both were working as under the name and style of Sangal Papers Limited. The Board of Directors of the company apprised that to achieved maximum productivity with minimum wasted effort or expense and to operate businesses efficiently to maximize profits of the company in a well-organized and competent way, for these purpose and availing Income Tax benefit under section 80- IA of the Income Tax Act, 1961, the Board decided that the power plant unit and paper unit will work as a separate unit from the company w.e.f. 1st April, 2018.

INSURANCE

The company's properties including building, plant and machinery, stocks, stores, etc., have been adequately insured against major risks like fire, earthquake, terrorism, burglary etc.

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

Our company enjoys credit rating from Brickwork Ratings. The Brickwork Ratings India Pvt. Ltd. has granting credit rating on 19/03/2019 to the company as **BWR BBB- (Pronounced as BWR Triple B Minus), Outlook: Stable (Reaffirm)** for Fund Based- Cash Credit and Term Loan (o/s) and **BWR A3 (Pronounced as BWR, A Three) (Reaffirm)** for Non-fund Based: Bank Guarantee and ILC/FLC.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The company has not given or granted 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 REPORT:

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 FINANCIAL 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 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

Pursuant to section 135 of the Companies Act, 2013 read with the companies (Corporate Social Responsibility Policy) Rules, 2014 including any amendments if any, your company at the Board Meeting held on 30th day of May, 2019 approved and adopted a policy on Corporate Social Responsibility (CSR) and the Policy was hosted on the website of the company. The net profit of your company during the financial year 2018-19 was more than ₹ 5 crore, on the recommendation of Corporate Social Responsibility Committee (CSR committee) and as part of CSR initiatives, the company will spent CSR amount during the financial year 2019-2020 on specified activities, undertaken projects in areas of promoting education, health care and sanitation, environmental sustainability and others as per deem fit by the CSR committee. These projects will be in accordance with Schedule VII of the Companies Act, 2013. The report on CSR activities is attached as **Annexure-I** to this.

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 here in below:

CONSERVATION OF ENERGY

The Paper manufacturing Industries are 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 equipment for reduce the consumption of energy and pollution at all its manufacturing facilities and registered office at Vill. Bhainsa 22 km, Meerut-Mawana road, Meerut, UP. The company is ensuring about that:

(A) ELECTRICAL ENERGY :

- (a) Provision of Energy Efficient Pumps for ETP/STP, Water Supply and Fire Systems.
- (b) Use of Energy Efficient LED Lighting for manufacturing and office.
- (c) Optimization of processes and operational control.

- (d) The manufacturing operations are conducted in the manner whereby optimum utilization and maximum possible savings of energy is achieved.
- (e) No specific investment has been made in reduction in energy consumption.
- (f) As the impact of measures taken for conservation and optimum utilization of energy are not quantitative, its impact on cost cannot be stated accurately.

(B) WATER :

- (a) Rain water harvesting with ground recharge.
- (b) Replacement of underground hydrant and water pipeline with above ground level pipeline to arrest water leakages.
- (c) Zero discharge of waste water.

TECHNOLOGY ABSORPTION

The 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 ecofriendly. 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

Imported raw materials during the year, detailed as per mentioned in notes of financials statements of the company.

B. EXPORTS

The company exports the paper to Gulf, European, Asian and other Countries all over the world, during the year export increased to ₹ 2078.72 (in lakhs) from ₹ 1477.11 (in lakhs) in the previous year. The company has reported an increment of 40.73% in export for the said financial year.

Details are provided under the Point 22 of "Notes to Financial Statements" for the financial year ended as on 31st March 2019.

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

Employee wealth is main key of success of an origination, it is our obligation provide more facilities to the employee. The company is a paper manufacturing industry, we are committed to 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.

CORPORATE GOVERNANCE REPORT

The Corporate Governance Report, which form an integral part of this Directors' report, is 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 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 : 06833351) Director (Non-Executive) retires by rotation and being eligible, offer himself for re-appointment. The Board of Directors be and is hereby recommended, Mr. Vinayak Sangal (DIN: 06833351) 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 recommended, Mr. Tanmay Sangal (DIN: 01297057) for re-appointment.

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 (President Marketing cum Director), Mr. Vinayak Sangal (President Operation cum Director), Mr. Prem Sethi (Independent Director) and Mrs. Geeta Gupta (Independent Director/ Woman Director) of the Company.

Pursuant to the Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board of Directors of the Company appointed Mr. Prem Sethi (Non-executive Director) as chairperson of the Board of Directors of the company in the Board Meeting held on 30/05/2019.

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, Nomination and Remuneration Committees and Stakeholder Relationship Committee. The Board specified the manner in which the evaluation has been carried out and 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. The Remuneration policy has posted on website of the Company at www.sangalpapers.com, you may find. The Directors' appointment and Remuneration Policy also 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 Mr. Prem Sethi (Independent Director) and Mrs. Geeta Gupta (Independent Director) 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.

Pursuant to the Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and based on the confirmation/affirmation received from Mr. Prem Sethi (Independent

Director) and Mrs. Geeta Gupta (Independent Director), that they were not aware of any circumstances that are contrary to the declarations submitted by Independent Directors, the Board acknowledges the veracity of such confirmation and takes on record the same.

FAMILIARIZATION PROGRAM AND INDEPENDENT DIRECTORS MEETING

During the relevant financial year, as per company policy the Independent Directors of the company has conducted a separate meeting of Independent Directors of the company on 30/03/2019. The meeting conducted for the purpose of evaluation of the Board of Directors as whole and individually and also conducted the familiarization program for Independent Directors to 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 company's website www.sangalpapers.com.

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 believes 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 2018-2019, Seven (7) Board of Directors Meetings, Four (4) Audit Committee Meetings, Four (4) Nomination and Remuneration Committee Meetings and Four (4) Stakeholder 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 the Board of Directors and the 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, all the recommendations of Audit Committee were reviews and approved by the Board of Directors, if any.

MATERIAL CHANGES AND COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have 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 to be followed by the company and that such internal financial control are adequate and are operating effectively;
- (f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively;

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). All the Related Party Transactions are placed before the audit committee for its review on quarterly basis. 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.

All transactions with related party falls under the scope of Related Party Transactions are complied with the provisions 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 II** 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 2018-2019.

CODE OF CONDUCT

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

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 (www.sangalpapers.com).

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 has been appointed as Statutory Auditors of the Company for a period Five (5) years at the annual general meeting held on 29th 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 2019-2020. 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 2020 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. D.K. Gupta Proprietor of M/s D. K. Gupta & Co., Practicing Company Secretary (Membership Number: 5226, Certificate of Practice Number: 3599), to undertake the Secretarial Audit of the company for the financial year 2019-2020. The Secretarial Audit Report is annexed herewith as part of Boards' report.

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, SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 and SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2019. Pursuant thereto, the company has formulated and adopted a new Code of practice for fair disclosure of unpublished price sensitive information and Code of Conduct. 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.

ANNUAL RETURN

Pursuant to the Section 134 (3) of the Companies Act, 2013, Annual Return with necessary annexure of the company for the year 2018-2019, also available on company's website www.sangalpapers.com.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return as provided under Section 92(3) of the Companies Act, 2013 in prescribed form MGT -9 is annexed herewith, also available on company's website www.sangalpapers.com/financials.

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 2018-2019.

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 -III".

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.

For and on behalf of the Board of Directors,

Sd/-

Sd/-

Date: 30/05/2019

Place: Meerut

Amit Sangal
Whole Time Director/CFO
DIN-00091486

Himanshu Sangal
Managing Director
DIN -00091324

ANNEXURE “I” TO BOARD’S REPORT

Annual Report on Corporate Social Responsibility (CSR) Activities

- (a) A brief outline of the Company’s CSR Policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs;

To actively contribute to the social and economic development of the communities and build a better sustainable way of life for weaker sections of society. The areas which are identified include Education, Health Care, Medical Care, Infrastructure Development and Social Change. The Company’s CSR policy is available on the Company’s website on the following URL <http://www.sangalpapers.com>.

- (b) The composition of CSR Committee;

Mrs. Geeta Gupta, (Independent Director) Chairperson;

Mr. Himanshu Sangal, (Managing Director) Member;

Mr. Amit Sangal, (Whole Time Director/CFO) Member;

- (c) Average Net Profits of the Company for last three financial years;

- (d) Prescribed CSR Expenditure (two percent of the amount as in Item c above);

- (e) Details of CSR Spent during the financial year;

Total Amount to be spent for the financial year : **NA** (Amount will be spent during the Financial Year 2019-2020)

Amount unspent, if any : **NA**

Manner in which the amount spent during the financial year : **NA**

- (f) Reasons for not spending the amount;

NA

Note :

Net profit of the company for the financial year ended 31st March, 2019 was more than ₹ 5 Crore, so that rules of CSR of the Companies Act, 2013 will be applicable on the company in the financial year 2019-2020 and the amount of CSR will be expended by the company during the financial year 2019-2020.

The CSR Committee confirms that the implementation and monitoring of the CSR policy is in compliance with the CSR objectives and Policy of the company.

Place: Meerut

Date: 30/05/2019

Sd/-

Geeta Gupta
Chairperson-CSR Committee

Sd/-

Himanshu Sangal
Managing Director

ANNEXURE “II” TO BOARD’S REPORT

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:

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 Financial year 2018-19. 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:

S. 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 (₹ In Lakhs)	Amount paid as advances, if any
1.	Mr. Tanmay Sangal* (DIN No.:01297057)	Son of MD (Mr. Himanshu Sangal)	Salary for holding office or place of profit	Regular service	30	NIL
2.	Mr. Vinayak Sangal* (DIN No.: 06833351)	Son of WTD (Mr. Amit Sangal)	Salary for holding office or place of profit	Regular service	30	NIL
3.	Mrs. Ishita Niyogi	Wife of Mr. Tanmay Sangal, Director	Salary for holding office or place of profit	Regular service	9.60	NIL

For and on behalf of the Board of Directors,

Date: 30/05/2019
Place: Meerut

Sd/-
Amit Sangal
Whole Time Director/CFO
DIN- 00091486

Sd/-
Himanshu Sangal
Managing Director
DIN – 00091324

ANNEXURE “III” 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 management of the company are on par with industries benchmarks. The Board of Directors and Nomination and Remuneration Committee continuously reviewing 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, Whole Time Director/Chief Financial Officer (CFO):

Name of director	Directors identification number (DIN)	Designation	Remuneration in the year 2019 (₹ In Lakhs)	Remuneration in the year 2018 (₹ In Lakhs)	% increase of remuneration in fiscal 2019 as compared to 2018*	The ratio of the remuneration of each director to the median of remuneration of employees of the company for the financial year 2018-2019
Himanshu Sangal	00091324	Managing Director	80	60	33.33%	83.37:1
Amit Sangal	00091486	Whole Time Director/CFO	80	60	33.33%	83.37:1

*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.
3. Remuneration calculation of MD and WTD/CFO as per Schedule V of Companies Act, 2013 and others applicable rules and regulation. If any.

b. Increase in remuneration of other Key Managerial Personnel (KMP):

Name of KMP	Title	Remuneration in the year 2019 (₹ In Lakhs)	Remuneration in the year 2018 (₹ In Lakhs)	% increase of remuneration in fiscal 2019 as compared to 2018*
Shivam Sharma	Company Secretary cum Compliance officer	3.91	3.38	15.68%

The details in the above table are on accrual basis. For the purpose of comparison for both the financial year 2019 and financial year 2018 are given for the full year.

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

Name of Director	Directors Identification Number (DIN)	Designation	Remuneration in the year 2019 (₹ In Lakhs)	Remuneration in the year 2018 (₹ In Lakhs)	% increase of remuneration in fiscal 2019 as compared to 2018	The ratio of the remuneration of each director to the median of remuneration of employees of the company for the financial year 2018-2019
Tanmay Sangal*	01297057	Director	NIL	NIL	NA	NA
Vinayak Sangal*	06833351	Director	NIL	NIL	NA	NA
Prem Sethi	07146425	Director	NIL	NIL	NA	NA
Geeta Gupta	00095939	Director	NIL	NIL	NA	NA

Note:

The details in the above table are on accrual basis, for the purpose of comparison for both the financial year 2019 and financial year 2018 are given for the full year.

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

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 2019 (in Lakhs)	Previous employment and designation	Date of Commencement of employment	Date of Birth/Age as on 01.01.19	No of share held	Relationship with Director
Tanmay Sangal	President Marketing	MBA	10	30	Dellite/ Business Valuation Analysis	01/01/2017	16/10/1985/34	43275	Son of Mr. Himanshu Sangal, MD
Vinayak Sangal	President Marketing	B.tech., MBA	4.5	30	Godrej boyce Manufacturing co. Ltd./ Purchasing Manager	01/04/2017	21/11/1991/28	10489	Son of Mr. Amit Sangal, WTD/ CFO
Praveen Agarwal	VP Plant	B.E., P.G.	37	12	Ruchi Paper Mill./GM	03/04/2017	15/05/1960/59	NA	NA
Arvind Sharma	GM Plant	B.O.E.	17	10.20	Shree Lakshmi Cotsyn Ltd./ DGM Power Plant	03/09/2016	01/07/1979/40	NA	NA

Ishita Niyogi	President Export	MBA	10	9.60	Google/ Account Manager	01/11/2017	05/10/1986/33	5034	Wife of Mr. Tanmay Sangal
Sanjay Kumar Agarwal	GM Finance	M.Com, L.L.B., CA	35	6.60	Anand Triplex Board Ltd./GM Finance	01/08/2009	01/07/1966/53	60	NA
Rakesh Paspola	Sales Manager	B.A.	25	6.64	NA	01/06/2014	20/06/1968/51	NA	NA
M.C. Rana	Production Manager	B.Sc., B.E.	30	6.30	NA	01/01/2017	01/07/1959/60	NA	NA
M.L. Gupta	Accounts Manager	M.A.	41	5.45	NA	20/09/2012	30/03/1955/64	NA	NA
Kesho Singh	Electric Manager	M.Tech.	36	5.90	NA	01/07/2008	12/01/1959/60	NA	NA

e. The percentage decrease/increase in the median remuneration of employee in the financial year: (0.81%).

Note : During the year median remuneration of employee decrease due to the number of employee of the financial year 2018-2019 is more than number of employee of the financial year 2017-2018.

f. The number of permanent employees on the rolls of company as on 31st March, 2019: 280 for the year 2018-2019.

The number of permanent employees on the rolls of company as on 31st March, 2018: 204 for the year 2017-2018.

g. Average percentage increase in the salaries of employees other than the managerial personnel in the financial year 2018-2019 was 7% (It is estimate basic) and increase in the managerial remuneration for the same financial year was 33.33%. However, the company is paying fixed remuneration to the individuals based on the responsibility and position, the Company is paying remuneration to the Key Managerial Persons (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 (₹ in Lakh)
31.03.2018	1307260	93.35	19.91	4.69	1220.33
31.03.2019	1307260	147.1	46.95	3.13	1922.98
Increase/Decrease	-	53.75	27.04	(1.56)	702.65
% of Increase/Decrease	-	57.58%	135.81%	(33.26)	57.58%

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 ₹ 10/- per equity share. As on 31st March, 2019 the market quotation of the company's share price (closing price) was ₹ 147.1.

- k. 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.

- l. Comparison of the each remuneration of the KMP against the performance of the company:

Name	Remuneration of KMP and directors for the period 2018-2019 (₹ In Lakhs)	Performance of the company PAT as on 31 st March 2019 (₹ In Lakh)
Himanshu Sangal Managing Director	80	613.64
Amit Sangal Whole Time Director cum CFO	80	613.64
Tanmay Sangal President Marketing/ Director	NIL	613.64
Vinayak Sangal President Operation/Director	NIL	613.64
Shivam Sharma Company Secretary	3.91	613.64

Note:

Mr. Tanmay Sangal, President Marketing and Mr. Vinayak Sangal, President Operation is receiving remuneration in the capacity Place of Profit, referred to AOC-2 for disclosure regarding this.

- m. 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.
- n. If remuneration is as per the remuneration policy of the Company: Yes
- o. 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

For and on behalf of the Board of Directors,

Sd/-

Amit Sangal

Whole Time Director/CFO

DIN- 00091486

Sd/-

Himanshu Sangal

Managing Director

DIN – 00091324

Date: 30/05/2019

Place: Meerut

Annexure B to Board Report

FORM NO. MR – 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH 2019

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

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

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

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by Sangal Papers Ltd. (‘the Company’) its officers, agents, and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has during the audit period covering the financial year ended on **31st March, 2019** complied with the statutory provision listed hereunder and also that the company has proper board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31st March, 2019 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 and as amended from time to time;
- 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 and 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 and 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 dropped the proposal of Amalgamation of Shree Ganesh Credits Private Limited (SGCPL) and Perna Chits Private Limited (PCPL), (both transferor companies) with Sangal Papers Limited (the transferee company).

Place : Meerut

**D.K Gupta & Co.
(Company Secretaries)**

Date :30th May 2019

**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

Date : 30th May 2019

**D.K Gupta & Co.
(Company Secretaries)**

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

D. K. GUPTA & CO.

{Company Secretaries}

Secretarial Compliance Report of Sangal Papers Limited
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH 2019
[Pursuant to SEBI Circular No. CIR/CFD/CMD1/27/2019 dated 8th Feb. 2019]

To
The Members,
Sangal Papers Limited
CIN: L21015UP1980PLC005138
Reg. Office: Village Bhainsa, 22 K. M. Mawana Road, Meerut- 250401 UP IN

I, Dinesh Kumar Gupta, Practicing Company Secretary (FCS No. 5226 and C. P. No. 3599)
have examined:

- (a) all the documents and records made available to us and explanation provided by Sangal Papers Limited ("the listed entity"),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification.

For the year ended on 31st March 2019 ("Review Period") in respect of compliance with the provisions of :

- a. the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- b. the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");



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e-mail dkgupta08@yahoo.co.in, ecorpservices@yahoo.co.in

D. K. GUPTA & CO.

(Company Secretaries)

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
(Not applicable to the company during the period under review)
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the company during the period under review)**
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the company during the period under review)**
- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; **(Not applicable to the company during the period under review)**
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

and based on the above examination, I hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-



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Ph: + 91-121-2663066, Mob: +91-9997773884, 9557089388

e-mail dk Gupta08@yahoo.co.in. ecorpservices@yahoo.co.in

D. K. GUPTA & CO.
(Company Secretaries)

Sl. No.	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
	NIL		

(b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my/our examination of those records.

(c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
	NIL			

(d) The listed entity has taken the following actions to comply with the observations made in previous reports:



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e-mail dkgupta08@yahoo.co.in, ecorpservices@yahoo.co.in

D. K. GUPTA & CO.

(Company Secretaries)

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended... (The years are to be mentioned)	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
	This is the first Annual Secretarial Compliance Report since the notification of requirement to submit the report. Hence, reporting on actions to comply with the observations made in the previous reports do not arise.			

Place : Meerut

Date : 30th May 2019



D. K Gupta & Co.
(Company Secretaries)

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

Address: 164, Civil Lines, Behind Baijal Bhawan, Meerut – 250001, Uttar Pradesh, India
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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, 2019

I. 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 :	
	E-mail Address :	sangalinvestors1980@gmail.com
vi	Website, if any :	www.sangalpapers.com
vii	Whether listed company	Yes (Listed on BSE)
Name and Address of Registrar & Transfer Agents (RTA):-		
	Name of RTA:	MAS SEVICES LIMITED
	Address :	T- 34, IInd Floor, Okhla Indl. Area Phase II
	Town / City	New Delhi
	State :	Delhi
	Pin Code :	110020
	Telephone :	011- 26387281
	Fax Number :	011- 26387384
	E-mail 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
	PAPER & PAPER PRODUCTS	1701, 1702	99.23%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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	
A. Promoters									
(1) Indian									
(a) Individual/ HUF	486800	0	486800	37.24 %	507758	0	507758	38.84%	1.60%
(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						
(2) Foreign									
(a) NRI - Individual/	0	0	0	0	0	0	0	0%	0%
(b) Other - Individual/	0	0	0	0	0	0	0	0%	0%
(c) Bodies Corp.	0	0	0	0	0	0	0	0%	0%
(d) Banks / FI	0	0	0	0	0	0	0	0%	0%
(e) Any Others	0	0	0	0	0	0	0	0%	0%
Total shareholding of promoter (A)	486800	0	486800	37.24 %	507758	0	507758	38.84%	1.60%
B. Public shareholding									
1. Institutions	0	0	0	0%	0	0	0	0%	0%
(a) Mutual Funds	0	0	0	0%	0	0	0	0%	0%
(b) Banks / FI	0	0	0	0%	0	0	0	0%	0%
(c) Central Govt.	0	0	0	0%	0	0	0	0%	0%
(d) State Govt. (S)	0	0	0	0%	0	0	0	0%	0%
(e) Venture Capital Funds	0	0	0	0%	0	0	0	0%	0%
(f) Insurance Companies	0	0	0	0%	0	0	0	0%	0%
(g) FIs	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%

Sub-total (B)(1):-	0	0	0	0%	0	0	0	0%	0%
2. Non-Institutions									
(a) Bodies Corp.	24724	10540	35264	2.70%	17399	4860	22259	1.70%	(0.99%)
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	190578	497540	688118	52.64%	210325	458520	668845	51.16%	(1.47)%
(ii) Individual shareholders holding nominal share capital excess of ₹ 1 lakh	92891	0	92891	7.11%	103869	0	103869	7.95%	0.84%
(c) Others (specify) clearing members	1837	0	1837	0.14%	1051	0	1051	0.08%	(0.06%)
(d) Any other specify NRI/OCB	2350	0	2350	0.18%	3478	0	3478	0.27%	(0.09%)
(repeat and non-repeat)									
Sub-total (B)(2):	312380	508080	820460	62.76%	336122	463380	799502	61.16%	(1.60%)
Total Public Shareholding (B)=(B)(1)+(B)(2)	312380	508080	820460	62.76%	336122	463380	799502	61.16%	(1.60%)
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	799180	508080	1307260	100%	843880	463380	1307260	100%	0.00%

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%	0.00%	112540	8.61%	0.00%	0.00%
2	Charu Sangal	93500	7.14%	0.00%	93500	7.14%	0.00%	0.00%
3	Amit Sangal	120960	9.25%	7.65%	121100	9.26%	7.65%	0.01%
4	Himanshu Sangal	107660	8.24%	7.65%	107940	8.26%	7.65%	0.02%
5	Amit Kumar & Sons Huf	7080	0.54%	0.00%	7080	0.54%	0.00%	0.00%
6	Himanshu Sangal & Sons Huf	6800	0.52%	0.00%	6800	0.52%	0.00%	0.00%
7	Tanmay Sangal	38200	2.91%	0.00%	43275	3.31%	0.00%	0.40%
8	Ishita Niyogi	120	0.01%	0.00%	5034	0.39%	0.00%	0.38%
9	Vinayak Sangal	80	0.00%	0.00%	10489	0.80%	0.00%	0.80%
	TOTAL	486800	37.23%	15.30%	507758	38.84	15.30	1.61%

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%
At the end of the year	112540	8.61%	112540	8.61%
Mrs. Charu Sangal	93500	7.14%	93500	7.14%
At the end of the year	93500	7.14%	93500	7.14%
Mr. Amit Sangal	120960	9.25%	120960	9.25%
Date: 23/01/2019, 80 Equity Share	140	0.01%	121180	9.26%
At the end of the year	121100	9.25%	121100	9.26%
Mr. Himanshu Sangal	107660	8.24%	107660	8.24%
Date: 23/01/2019, 280 Equity Share	280	0.02%	107940	8.26%
At the end of the year	107940	8.26%	107940	8.26%
Mrs. Ishita Niyogi	120	0.01%	120	0.01%
Date: 01/08/2018, Purchase 4914 Equity Share	4914	0.38%	5034	0.39%
At the end of the year	5034	0.39%	5034	0.39%
Mr. Tanmay Sangal	38200	2.92%	38200	2.92%
Date: 01/08/2018, Purchase 4915 Equity Share	4915	0.38%	43115	3.30%
Date: 01/10/2018, Purchase 160 Equity Share	160	0.01%	43275	3.31%
At the end of the year	43275	3.31%	43275	3.31%
Mr. Vinayak Sangal	80	0.01%	80	0.01%
Date: 01/08/2018, Purchase 9829 Equity Share	9829	0.75%	9909	0.76%
Date: 03/10/2018, Purchase 560 Equity Share	560	0.04%	10469	0.80%
Date: 03/10/2018, Purchase 20 Equity Share	20	0.00%	10489	0.80%
At the end of the year	10489	0.80%	10489	0.80%
Amit Sangal and Sons HUF	7080	0.54%	7080	0.54%
At the end of the year	7080	0.54%	7080	0.54%
Himanshu Sangal and Sons HUF	6800	0.52%	6800	0.52%
At the end of the year	6800	0.52%	6800	0.52%

iv. Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

SR. No.	For Each of Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	R N RUBESH	43916	3.36	43916	3.36
2	VARSHA RAMESH PARIKH	2098	0.16	2098	0.16
	Date wise increase/decrease in promoters share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus /sweat equity etc)				
	05/10/2018 (Increase by way of Purchase of share)-4773	4773	0.37	6871	0.53
	12/10/2018 (Increase by way of Purchase of share)-779	779	0.06	7650	0.59
	19/10/2018 (Increase by way of Purchase of share)-300	300	0.02	7950	0.61
	26/10/2018 (Increase by way of Purchase of share)-521	521	0.04	8471	0.65
	02/11/2018 (Increase by way of Purchase of share)-1290	1290	0.10	9761	0.75
	09/11/2018 (Increase by way of Purchase of share)-171	171	0.01	9932	0.76
	16/11/2018 (Increase by way of Purchase of share)-5	5	0.00	9937	0.76
	28/12/2018 (Increase by way of Purchase of share)-2128	2128	0.16	12065	0.92
	31/12/2018 (Increase by way of Purchase of share)- 452	452	0.03	12517	0.96
	11/01/2019 (Increase by way of Purchase of share)-900	900	0.07	13417	1.03
	18/01/2019 (Increase by way of Purchase of share)-775	775	0.06	14192	1.09
	25/01/2019 (Increase by way of Purchase of share)-100	100	0.01	14292	1.09
	01/02/2019 (Increase by way of Purchase of share)-2154	2154	0.16	16446	1.26
	08/02/2019 (Increase by way of Purchase of share)-167	167	0.01	16613	1.27
	01/03/2019 (Increase by way of Purchase of share)-400	400	0.03	17013	1.30
	08/03/2019 (Increase by way of Purchase of share)-45	45	0.00	17058	1.30
3	RAJENDRA DHIRAJLAL GANDHI (HUF)	17000	1.300	17000	1.300
4	DEEPAK ARORA	13200	1.01	13200	1.01
5	N LALITHA	18775	1.44	18775	1.44
	Date wise increase/decrease in promoters share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus /sweat equity etc)				
	25/05/2018 (Decrease by way of Sale of share)- 500	500	0.04	18275	1.40
	20/07/2018 (Decrease by way of Sale of share)- 2580	2580	0.20	15695	1.20
	24/08/2018 (Decrease by way of Sale of share)- 3000	3000	0.23	12695	0.97

6	NISHITH RAMESH PARIKH	100	0.01	100	0.01
	Date wise increase/decrease in promoters share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus /sweat equity etc)				
	28/09/2018 (Increase by way of Purchase of share)- 300	200	0.02	300	0.02
	05/10/2018 (Increase by way of Purchase of share)- 625	625	0.05	925	0.07
	12/10/2018 (Increase by way of Purchase of share)- 675	675	0.05	1600	0.12
	19/10/2018 (Increase by way of Purchase of share)- 935	935	0.07	2535	0.19
	09/11/2018 (Increase by way of Purchase of share)- 1500	1500	0.11	4035	0.31
	16/11/2018 (Increase by way of Purchase of share)- 904	94	0.07	4939	0.38
	14/12/2018 (Increase by way of Purchase of share)- 40	40	0.00	4979	0.38
	28/12/2018 (Increase by way of Purchase of share)-700	700	0.05	5679	0.43
	31/12/2018 (Increase by way of Purchase of share)-600	600	0.05	6279	0.48
	11/01/2019 (Increase by way of Purchase of share)- 100	100	0.01	6379	0.49
	18/01/2019 (Increase by way of Purchase of share)-740	740	0.06	7119	0.54
	25/01/2019 (Increase by way of Purchase of share)- 812	812	0.06	7931	0.61
	01/02/2019 (Increase by way of Purchase of share)- 1310	1310	0.10	9241	0.71
	15/02/2019 (Increase by way of Purchase of share)- 100	100	0.01	9341	0.71
7	MADHUBEN DHIRAJLAL GANDHI	9000	0.69	9000	0.69
8	KARVY STOCK BROKING LIMITED-DS NAGAR	90	0.01	90	0.01
	Date wise increase/decrease in promoters share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus /sweat equity etc)				
	01/06/2018 (Decrease by way of Sale of share)- 50	50	0.00	40	0.00
	10/08/2018 (Increase by way of Purchase of share)- 7331	7331	0.56	7371	0.56
	31/08/2018 (Increase by way of Purchase of share)- 155	155	0.01	7526	0.58
	07/9/2018 (Decrease by way of Sale of share)- 155	155	0.01	7371	0.56
	05/10/2018 (Increase by way of Purchase of share)- 200	200	0.02	7571	0.58
	19/10/2018 (Increase by way of Purchase of share)- 50	50	0.00	7621	0.58
	02/11/2018 (Decrease by way of Sale of share)- 100	100	0.01	7521	0.58
	09/11/2018 (Decrease by way of Sale of share)- 150	150	0.01	7371	0.56
9	R VANITHA	7288	0.56	7288	0.56
10	VIDYASAGARAN UNNIPARAMBATH	5732	0.44	5732	0.44

	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus /sweat equity etc)				
	04/05/2018 (Decrease by way of Sale of share)- 72	72	0.01	5660	0.43
11	VSG SHARE SERVICES PRIVATE LIMITED	19819	1.52	19819	1.52
	03/08/2018 (Decrease by way of Sale of share)-19658	19658	1.50	161	0.01
	07/09/2018(Decrease by way of Sale of share)-160	160	1.01	1	0.00
12	VIKAS JAIN AND FAMILY HUF	7682	0.59	7682	0.59
	10/08/2018 (Decrease by way of Sale of share)-7310	7310	0.56	372	0.03
	08/03/2019 (Increase by way of Purchase of share)- 1320	1320	0.10	1692	0.13
13	CHATURA M RAO	8400	0.64	8400	0.64
	06/04/2018 (Increase by way of Purchase of share)-900	900	0.07	9300	0.71
	20/04/2018 (Decrease by way of Sale of share)- 461	461	0.04	8839	0.68
	27/04/2018 (Decrease by way of Sale of share)-1639	1639	0.13	7200	0.55
	04/05/2018 (Decrease by way of Sale of share)- 2400	2400	0.18	4800	0.37
	11/05/2018 (Decrease by way of Sale of share)- 997	997	0.08	3803	0.29
	25/05/2018 (Decrease by way of Sale of share)- 1000	1000	0.08	2803	0.21
14	KARAN SUNDEEP KARNA	6573	0.50	6573	0.50
	06/04/2018 (Increase by way of Purchase of share)- 242	242	0.02	6815	0.52
	27/04/2018 (Decrease by way of Sale of share)- 210	210	0.02	6605	0.51
	04/05/2018 (Decrease by way of Sale of share)- 1050	1050	0.08	5555	0.42
	11/05/2018 (Decrease by way of Sale of share)- 2956	2956	0.23	2599	0.20
	18/05/2018 (Decrease by way of Sale of share)-992	992	0.08	1607	0.12
	25/05/2018 (Decrease by way of Sale of share)- 1081	1081	0.08	526	0.04

V. Changes in Shareholding of Directors

S. No. : 1		Shareholding at the beginning of the year		Cumulative shareholding during the year	
Mr. Himanshu Sangal (Managing Director)		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 years					
Increase					
Date	Reason for increase				
23/03/2019	Purchase of share	280	0.02%	107940	8.26%

Decrease					
Date	Reason for decrease				
NA		0	0.00%	0	0.00%
At the end of the year		107940	8.26	107940	8.26

S. No. : 2 Mr. Amit Sangal (Whole Time Director/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 years					
Increase					
Date	Reason for increase				
23/01/2019	Purchase of share	140	0.01%	121100	9.26%
Decrease					
Date	Reason for decrease				
At the end of the year		121100	9.26%	121100	9.26%

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	2.91%	38200	2.91%
Changes during the years					
Increase					
Date	Reason for increase				
01/08/2018	Purchase of share	4915	0.37%	43115	3.30%
01/10/2018	Purchase of share	160	0.01%	43275	3.31%
Decrease					
Date	Reason for decrease				
At the end of the year		43275	3.31%	43275	3.31%

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		80	0.00%	80	0.00%
Changes during the Years					

Increase					
Date	Reason for increase				
01/08/2018	Purchase of share	9829	0.75%	9909	0.76%
03/10/2018	Purchase of share	560	0.04%	10469	0.80%
03/10/2018	Purchase of share	20	0.00%	10489	0.80%
Decrease					
Date	Reason for decrease				
At the end of the year		10489	0.80%	10489	0.80%

S. No. : 5 Mr. Prem Sethi (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		0	0.00%	0	0.00%
Changes during the years					
Increase					
Date	Reason for increase				
		0	0.00%	0	0.00%
Decrease					
Date	Reason for decrease				
At the end of the year		0	0.00%	0	0.00%

S. No. : 6 Mrs. Geeta Gupta (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		0	0.00%	0	0.00%
Changes during the years					
Increase					
Date	Reason for increase				
		0	0.00%	0	0.00%
Decrease					
Date	Reason for decrease				
At the end of the year		0	0.00%	0	0.00%

V. INDEBTEDNESS

Indebtedness of the company including interest outstanding/accrued but not due for payment (₹ in Lakhs):

Indebtedness at the beginning of the financial year	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
(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
Total (i+ii+iii)	1471.08	413.02	0	1884.1
Change in indebtedness during the financial year				
* Addition	0	27.34	0	27.34
* Reduction	203.56	0	0	(203.56)
Net change	(203.56)	27.34	0	(176.22)
Indebtedness at the end of the financial year				
(i) Principal amount	1264.3	440.36	0	1704.66
(ii) Interest due but not paid	3.22	0	0	3.22
(iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	1267.52	440.36	0	1707.88

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director and Whole Time Director (₹ 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:	80	80	160
	(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)	80	80	160
	Ceiling as per the Act	Managerial Remuneration ceiling calculated as per Section I of Part II of Schedule V of the Companies Act, 2013		

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

Sr. No.	Particulars of Remuneration	Remuneration to KMP	Total Amount
		Company Secretary Cum Compliance Officer	
		Shivam Sharma	
1.	Gross salary:	3.91	3.91
	(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
	(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)	3.91	3.91

C. Remuneration to Directors other than Managing Director, Whole Time Director and KMP(₹ 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:	0	0	0.14	0.14	0.28
	(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) Income-tax Act 1961	0	0	0	0	0
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)	0	0	0.14	0.14	0.28
	Ceiling as per the Act	Managerial Remuneration ceiling calculated as per Schedule V of Companies Act, 2013				

Note:

Only sitting fees paid to Independent Directors, i.e., sitting fees paid by company to Mr. Prem Sethi and Mrs. Geeta Gupta not to other non-executive directors.

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

For and on behalf of the Board of Directors,

Date: 30/05/2019

Place: Meerut

Sd/-

Amit Sangal

Whole Time Director/CFO

DIN- 00091486

Sd/-

Himanshu Sangal

Managing Director

DIN – 00091324

SANGAL PAPERS LIMITED (CIN- L21045UP1980PLC005138)

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

E-mail ID: sangalinvestors1980@gmail.com, PH. No. : 01233-271515

This report on Corporate Governance forms part of the Directors Report for the financial year ended 31st March, 2019.

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 31st March 2019:

Name of director	Category of directors	Qualification of director	Experience in years	Expertise in area	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	Graduate, LL.b.	39(Paper industries) 10 (Pharma)	Operation, production, administrative management	NO	NIL	NA	NA
Mr. Amit Sangal	Whole Time Director/ CFO/ Promoter/ Executive	Graduation in commerce	26 (Paper industries) 10 (Finance)	Finance, sale, operation, raw material management	NO	TWO(2)	NA	NA

Mr. Tanmay Sangal	Director/ Promoter/ Non-Executive	MBA (Finance)	10	International business, Marketing, finance and business administration	Yes	NIL	NA	NA
Mr. Vinayak Sangal	Director/ Promoter/ Non-Executive	B.tech., MBA	4.5	Operation, raw material and production management	Yes	NIL	NA	NA
Mr. Prem Sethi	Independent Director/ Non-Executive	Graduate	30	Finance, legal	NO	NIL	NA	NA
Mrs. Geeta Gupta	Independent Director/ Non-Executive/ Women Director	Graduate	25	Finance, taxation, audit	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 explained in the Corporate Governance Report. Mr. Prem Sethi, Non-Executive director of the company appoint as chairperson of the board of director.

(ii) Board Meetings Detail

The total number of Board Meetings held during the financial year ended as on 31st March 2019 is Seven(7). The details are as follows:

07/04/2018, 30/05/2018, 28/07/2018, 14/08/2018, 14/11/2018, 13/02/2019, 18/02/2019.

(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	7	7	Yes
Amit Sangal	Whole Time Director cum CFO/ Promoter/ Executive Director	7	7	Yes

Tanmay Sangal	Director/Promoter/ Non-Executive Director	7	7	Yes
Vinayak Sangal	Director/Promoter/ Non-Executive Director	7	7	Yes
Prem Sethi	Independent Director/ Non-Executive Director	7	7	Yes
Mrs. Geeta Gupta	Independent Director/ Non-Executive Director	7	7	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, i.e., www.sangalpapers.com.

(ii) Composition :

The Audit Committee consists of three directors, Mr. Prem Sethi, Mrs. Geeta Gupta and Mr. Himanshu Sangal. Mrs. Geeta Gupta has been designated and elected as Chairman of the Committee and Mr. Himanshu Sangal and Mr. Prem Sethi designated as member of the Committee and Committee met four (4) times on such dates 30/05/2018, 14/08/2018, 14/11/2018, 13/02/2019 during the financial year ended March 31st, 2019. The attendance records of the members at the meeting were as follows:

Name of the member	No. of meetings held	No. of meetings attended
Geeta Gupta	4	4
Prem Sethi	4	4
Himanshu Sangal	4	4

2. Stakeholders Relationship Committee

The Stakeholders Relationship Committee presently consists of three (3) directors out two (2) are Independent Directors and one (1) director is Executive Director:

Name of member	No. of meeting held	No. of meeting attend
Mr. Prem Sethi	4	4
Mrs. Geeta Gupta	4	4
Mr. Himanshu Sangal	4	4
Mr. Tanmay Sangal	4	4

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 2018-2019, The Stakeholders Relationship Committee met Four (4) times on such dates 30/05/2018, 14/08/2018, 14/11/2018, 13/02/2019 during the financial year 2018-2019. The Stakeholders Relationship committee charter containing terms and condition is available on our website (www.sangalpapers.com).

Investors' Complaints Attended and Resolved During 2018-19

Investors' complaints	Attended/Resolved during 2018-19
Pending at the beginning of the year	0
Received during the year	12
Disposed of during the year	12
Remaining unresolved at the end of the year	0

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.

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 31.03.2019. 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 setting fee of ₹ 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 four (4) times as on dates 30/05/2018, 14/08/2018, 14/11/2018, 13/02/2019 Chairperson and all members were presented. The Nomination and Remuneration Committee charter containing terms and condition is available on our website *i.e.*, www.sangalpapers.com.

Payment to Managing Director and Whole Time Director/CFO:

Name of the director	Designation	Remuneration (₹ In Lakhs)
Mr. Himanshu Sangal	Managing Director	80
Mr. Amit Sangal	Whole Time Director/CFO	80

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

Name of the member	Designation	Remuneration (₹ In Lakhs)
Mr. Tanmay Sangal	President Marketing/ Director	NIL
Mr. Vinayak Sangal	President Marketing/Director	NIL
Mr. Prem Sethi	Director	NIL
Mrs. Geeta Gupta	Director	NIL

*Mr. Tanmay Sangal, President Marketing and Mr. Vinayak Sangal, President Operation receiving monthly managerial remuneration in the capacity of employee of the company not in the capacity of director of the company.

Payment Setting Fees to Non-Executive Directors:

Name of the member	Designation	Setting fees (per meeting)
Mr. Prem Sethi	Director	₹ 2,000/-
Mrs. Geeta Gupta	Director	₹ 2,000/-

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

4. BOARD MEMBERS AND INDEPENDENT DIRECTORS PERFORMANCE EVALUATION

Pursuant to the provision of the act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board and Nomination and Remuneration Committee have carried out the annual evaluation of performance of individual Board of Directors and Independent Directors as individual for the financial year 2018-2019. 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 chairperson 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 Independent Directors was carried out by the Independent Directors. The directors expressed their satisfaction with the evaluation process.

Non-observation find out in evaluation of Board of Directors of the company, so it does not required to any action.

5. Directors' appointment and Remuneration Policy:

Policy for appointment and removal of Director, KMP and Senior Management

i. Appointment criteria and qualifications

- (a) The committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his/her appointment.
- (b) A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- (c) The company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years, subject to the conditions. Provided that

the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

ii. Term / Tenure

- (a) Managing Director/Whole-time Director:** The company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
- (b) Independent Director:** An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the company and disclosure of such appointment in the Board's report. - No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the company as on specified date or such other date as may be determined by the Committee as per regulatory requirement; he/she shall be eligible for appointment for one more term of 5 years only. At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Managing Director or Whole-time Director of a listed company or such other number as may be prescribed under the Act.

iii. Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP, Independent Directors and Senior Management Personnel at regular interval (yearly).

- iv.** Removal due to reasons for any disqualification mentioned in the act or under any other applicable act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said act, rules and regulations.
- v.** The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the act and the prevailing policy of the company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the company.

5 (A) Policy relating to the Remuneration for the Whole-time Director, KMP and Senior Management Personnel

i. General:

- (a)** The remuneration / compensation / commission etc., to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Nomination and Remuneration 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, 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 Nomination and Remuneration 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) **Setting 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 ₹ one lakh 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 are held as under:

Financial Year	Date	Time	Venue	No. of special resolution passed
2017-2018	29/09/2018	11.00 A.M.	Vill. Bhainsa, 22 km., Mawana Road, Meerut	Two (2)
2016-2017	29/09/2017	11.00 A.M.	Vill. Bhainsa, 22 km., Mawana Road, Meerut	Two (2)
2015-2016	30/09/2016	11.00 A.M.	Vill. Bhainsa, 22 km., Mawana Road, Meerut	NIL

(ii) Postal Ballot :

For the year ended as on 31st March, 2019, there have been no ordinary or special resolution passed by the company through postal ballot.

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.
- (iii) 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 31st March 2019. All Independent Director of the company introduce to the Board attend an orientation program. In accordance with the provisions of Schedule IV of the Companies Act, 2013 and Regulation 25 of the SEBI (LODR) Regulation, 2015 a separate meeting of the Independent Directors of the Company was held on Saturday, 30th Day of March, 2019. Mr. Prem Sethi was unanimously elected as Chairman of the meeting and Mrs. Geeta Gupta was presented at the said meeting.

During the year under review, the Independent Directors met on March 31st 2019 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:

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 website of the company at www.sangalpapers.com.

As per SEBI guideline the company has maintained website namely www.sangalpapers.com providing the basic information about the company such as details of our business, financial information, shareholding pattern, compliance with corporate governance, contact information of the designated officials of the company who are responsible for assisting and handling investor 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 receive complaints and grievances of the investors.

- (ii) **Share Transfers Agents:**

M/s. Mas Services Limited, T-34, 2nd Floor Okhla Industrial Area, Phase-II, New Delhi-110020
E-mail: sm@masserv.com, info@masserv.com, Phone No.: 011- 26387281-82-83.

- (iii) **Share Transfer System:**

All physical share transfers are completed within 15 days of lodgment, subject to the documents being in order. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through the respective Depository Participant.

11. 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 behaviour. An Internal Complaints Committee ("ICC") has been set up from the senior management which is responsible for redressed of complaints related to sexual harassment and follows the guidelines provided in the policy.

During the year ended March 31st, 2019 no complaints pertaining to sexual harassment have been received.

- (i) Number of complaints filed during the financial year: Nil
- (ii) Number of complaints disposed of during the financial year: Nil
- (iii) Number of complaints pending as at the end of the financial year: Nil

12. 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 and Disclosure Requirements) Regulations, 2015 of the said company with stock exchanges.

13. 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 :**

Date	Saturday, 28 th September 2019
Time	11.00 A.M.
Place	Vill. Bhainsa, 22 KM, Meerut - Mawana Road, UP- 250401

Financial Year

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

Financial Calendar (tentative dates)

First quarter results (June 30)	By first half of August 2019
Second quarter results (September 30)	By first half November 2019
Third quarter results (December 31)	By first half February 2020
Fourth quarter and annual audited results of the current financial year (March 31)	By Second half of May 2020

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

Name of Stock Exchange: BSE

Scrip Code: (516096)

Scrip ID: SANPA

ISIN: INE384D01022

Registrar and Share Transfer Agent:

MAS SERVICES LTD.,

Address: T-34, IInd Floor, Okhla Industrial Area, Phase- II, New Delhi- 110020.

Phone No.: 011-26387281 - 82 - 83

Mail ID: sm@masserv.com, info@masserv.com

- **Confirmation of payment of Annual Listing Fees of BSE:**

The Company has paid the listing fees and any other fees, if any of BSE Limited for the financial year 2018-2019.

- **Market Price Data:**

High/Low of Market price of Company's equity share traded on the BSE, during the financial year ended on 31st March 2019 was as follows:

Month	High	Low
April 2018	133.65	90.3
May 2018	170	125.45
June 2018	173.05	122.2
July 2018	137.2	115.5
August 2018	215.65	128

September 2018	266.5	190
October 2018	205.9	171
November 2018	297	182.25
December 2018	268.95	209.05
January 2019	249	195
February 2019	213.55	130.95
March 2019	166.4	141.55

• **Distribution of shareholding as on March 31st 2019.**

No. of shareholder	Total percentage (%)	Size of shareholding	No. of share	Amount in ₹	Total percentage (%)
8608	98.614	1 to 5000	535645	5356450	40.975
63	0.722	5001 to 10000	47240	472400	3.614
29	0.332	10001 to 20000	36986	369860	2.829
4	0.046	20001 to 30000	9949	99490	0.761
2	0.023	30001 to 40000	6480	64800	0.496
3	0.034	40001 to 50000	14153	141530	1.083
9	0.103	50001 to 100000	64094	640940	4.903
11	0.126	100001 to above	592713	5927130	45.34
8729	100	Total	1307260	13072600	100

• **Shareholding Pattern:** Shareholding pattern of the company as on 31st March, 2019.

Sr. No.	Category	No. of share	% of shareholding
1.	Promoters (Individuals)	507758	38.84%
2.	Other than promoters (Individuals)	772714	59.11%
3.	Corporate bodies	22259	01.70%
4.	Financial Institutions/Bank and Mutual Funds	0	00.00%
6.	Venture Capital Fund	0	00.00%
7.	NRI's (Repeated and Non-Repeated)	3478	00.27%
8.	Clearing Members	1051	00.08%
	Total	1307260	100.00%

• Share held in physical and dematerialized from:

As on March 31st 2019,

TOTAL SHARE HOLDERS IN NSDL	911	TOTAL SHARES IN NSDL	2,00,338
TOTAL SHARE HOLDERS IN CDSL	694	TOTAL SHARES IN CDSL	6,43,542
TOTAL SHARE HOLDERS IN PHY.	7,141	TOTAL SHARES IN PHY	4,63,380
TOTAL	8,746		13,07,260

Note: 17 (Seventeen) shareholders are common in demat and physical.

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

NIL.

• **Foreign exchange risk and hedging activity:**

NIL

- **Book Closure:**

The register of members and share transfer books of the company shall remain closed from September 22, 2019 to September 28, 2019 (both days inclusive).

- **Registered office/Plant locations and address for correspondence:**

Sangal Papers Limited's plant and registered office situated at:

Village Bhainsa, 22km stone, Meerut-Mawana road, Mawana, Meerut, UP- 250401

- **CREDIT RATING:**

Your company enjoys credit rating from Brickwork Ratings, The Brickwork Ratings India Pvt. Ltd. has granting credit rating to the company as BWR BBB- (Pronounced as BWR Triple B Minus), Outlook: Stable (Reaffirm) for Fund Based- Cash Credit and Term Loan (o/s) and BWR A3 (Pronounced as BWR, A Three) (Reaffirm) for Non-fund Based: Bank Guarantee and ILC/ FLC.

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 along with financial results. The details of policy on dealing with related party transactions is available on the website www.sangalpapers.com.

Total fees for all services paid by the company to the statutory auditors for the financial year 2018-2019:

The Company's statutory auditor M/s Raj Sandhya & Co., ICAI (Firm Registration No.: 002011C), Chartered Accountant, Raj Kumar Sharma (Membership No.: 077650), total fees for all services rendered by the statutory auditors towards the company and the Company paid total ₹ 1,50,000/- (One Lakhs Fifty Thousands) to the statutory auditors for the financial year 2018-2019.

Certificate from Mr. DK Gupta proprietor M/s DK Gupta & Co., Company Secretary in Practice that none of the directors on the board of the company have been debarred or disqualified from the being appointed or continuing as directors of the companies by the Board/MCA:

A certificate from Mr. DK Gupta proprietor M/s DK Gupta & Co., Company Secretary in Practice, received by company.

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 2018-19.

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

The details of the policy on whistle blower is available on the website and you can find the same on www.sangalpapers.com. The Company confirms that no personnel have 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 i.e. **www.sangalpapers.com**. All Board Members have affirmed compliance with the code of conduct for the financial year 2018-19.

For and on behalf of the Board of Directors,

Sd/-

Sd/-

Date: 30/05/2019

Amit Sangal

Himanshu Sangal

Place: Meerut

Whole Time Director/CFO

Managing Director

DIN- 00091486

DIN- 00091324

CERTIFICATE OF MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER ON CORPORATE GOVERNANCE

**The Board of Directors,
Sangal Papers Limited,
Vill. Bhainsa, 22 km stone, Meerut-Mawana Road,
Meerut, UP**

We have reviewed the financial statement and the cash flow statement of Sangal Papers Ltd. For the financial year 2018-19 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 knowledge 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.

For and on behalf of the Board of Directors,

	Sd/-	Sd/-
Date: 30/05/2019	Amit Sangal	Himanshu Sangal
Place: Meerut	Whole Time Director/CFO	Managing Director
	DIN- 00091486	DIN- 00091324

AUDITOR'S COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

The Members

**Sangal Papers Limited,
Vill. Bhainsa, 22 km Stone, Meerut-Mawana Road,
Meerut, UP**

We have examined the compliance of conditions of Corporate Governance by Sangal Papers Limited. For the year ended March 31st, 2019 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,
ICAI Firm Regn. No. 002011C,**

Sd/-

Raj Kumar Sharma

Partner

Membership No.: 077650

Dated: 30.05.2019

Place: Meerut

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, 2019.

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 variety colour papers. We manufacture the paper on demand of the customers. The management discussed the various aspects and come out this summary:

(A) Industry Structure and Development:

Paper is the cultural's 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 provides employment to more than 5 lakh people across approximately 750 paper mills. The Broad characteristics of the industry are that it is capital, raw material, 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 organized 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.

During the financial year 2018-2019 the paper and paper product industry in India growing was satisfactory, the Sangal Papers Limited (“The Company”) has a growth of 18.87% (approx) in turnover (total income) and 135.86% in profit after tax (PAT) (*details based on 2018-2019 and 2017-2018 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. Our company also engaged in manufacturing of newsprint paper and 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) Opportunities and Threats:

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 increasing in sale of the paper product in India and abroad.

Our company is manufacturing paper on demand of the customer, our production and market size is negligible in paper industry. We are manufacturing of newsprint and writing printing paper, the prices of newsprint paper decided by international market, large manufacturer and publishers of Newsprint (Buyer) on quarterly basis on the availability of indigenous as well as imported newsprint paper in the market.

In the reference of pricing of writing printing paper and other various variety of paper, our company is very small company by size and value. We are following 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.

Current year sale (total revenue from operations) of product involve domestic sale and abroad sale of our product during the year ending 31st March, 2019 of ₹ 14,938.36 (Rupees in Lakhs) increased with 23.33%. 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 company is facing many issues with raw material and other substance, to overcome the problem associated with production as shortage of raw material, labor etc. and other considerable other things.

(C) 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, 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 various countries.

In the significant customers, our company is paper manufacturing and selling the paper to all over India and export to many countries.

As per IND AS and as the standalone balance sheet of the company for the financial year ended 31st March, 2019, the total income of the company (including other income) of ₹ 14398.36/- (₹ in Lakh, approx) (current year) and of ₹ 12,112.86/- (₹ in Lakh, approx) (previous year) increased about 23.33% (approx) and total expenses of the respected year of ₹ 14,205.76/- (₹ in Lakh, approx) (current year) and of ₹ 11,749.61/- (₹ in Lakh, approx) (previous year) expenses increased about 20.90% (approx). Profit after Tax (PAT) of the company for the relevant period of ₹ 613.645/- (₹ in Lakh, approx) (current year) and of ₹ 260.17/- (₹ in Lakh, approx) (previous year), profit after tax increased about 135.86% (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.

(D) Outlook and other Concerns:

This section lists future based statement, it depends 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 increased in the revenue and profit of the company in future. The company will try to enter in new geographical area for capturing more market and increased 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. Internal Financial Control's 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) Financial Performance:

Funds (Equity):

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

Other Funds (Other equity):**1. Revaluation Reserve**

As per standalone balance sheet for the financial year ended 31st March, 2019, Revaluation Reserve as on 31st March, 2018 of ₹ 48.56 (Rupees in Lakhs) and on 31st March, 2019 of ₹ 48.56 (Rupees in Lakhs).

2. Retained Earnings

As per standalone balance sheet for the financial year ended 31st March, 2019, the retained earnings as on 31st March, 2018 of ₹ 2,343.44 (Rupees in Lakhs) and on 31st March, 2019 of ₹ 2,960.87 (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 31st March, 2018 of ₹ 12,050.03 (Rupees in Lakhs) and as on 31st March, 2019 of ₹ 14,823.40 (Rupees in Lakhs), revenue of the company increased with 23.02% in the relevant period.

2. Other Income

As per standalone balance sheet of the company that total other income of the company as on 31st March, 2018 of ₹ 62.83 (Rupees in Lakhs) and as on 31st March, 2019 of ₹ 114.96 (Rupees in Lakhs), other income of the company increased with 82.97% 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, 2018 to March, 2019.

1. Profit Before Tax (PBT)

As per standalone balance sheet of the company that Profit before Tax of the company for the financial year ended 31st March, 2018 of ₹ 363.25 (Rupees in Lakhs) and as on 31st March, 2019 of ₹ 732.60 (Rupees in Lakhs), Profit before Tax increased with 101.67%.

2. Profit After Tax

As per standalone balance sheet of the company that Profit after Tax of the company for the financial year ended 31st March 2018, of ₹ 260.17 (Rupees in Lakhs) and as on 31st March 2019, of ₹ 613.64 (Rupees in Lakhs), Profit before Tax increased with 135.86%.

3. Earning Per Equity Share

As per standalone balance sheet of the company for the financial year ended 31st March, 2018, of ₹ 19.90 (Basic and Diluted) and as on 31st March 2019 of ₹ 46.95 (Basic and Diluted). The Earning Per Share (EPS) of the company increased with 135.81%.

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.

(G) 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, our 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 31st March, 2019, the company employed 280 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. As on 31st March, 2019 280 employee on pay roll of the company, during the financial year ended 2019, 98 new employee joined and 22 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, 2019 the company has 280 employees/workers on pay roll at its Power and Paper unit. 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.

(H) Details of Significant Changes:

During the financial year 2018-2019 changes in financials and operating position of the company.
Financial Ratio:

Sr. no.	Ratio	Definition	UOM	18-19	17-18	% change
1.	Debtor Turnover	Net credit Sale/Average Account Receivable	Days	6.72	6.02	11.63%
2.	Inventory Turnover	Sale/Inventory	Days	9.42	8.58	9.79%
3.	Interest Coverage Ratio	EBIT/Finance Cost	Times	5.38	3.35	60.60%
4.	Current Ratio	Current Assets/ Current Liabilities	Times	1.52	1.35	12.59%
5.	Debt equity Ratio	Debt/Equity	Times	0.25	0.25	0%
6.	Operation Profit Margin	EBIT/Sale	%	0.06	0.04	50%
7.	Net Profit Margin	Net Profit/Total Revenue	%	0.04	0.02	100%

The Company reported an increase of 23.02% growth in its sales due to increased better demand in domestic and export sales. The Company reported 11.63% increment in Debtor Turnover Ratio during the financial year 2018-2019. The Company reported 9.79% increment in Inventory Turnover Ratio during the financial year 2018-2019. The Company reported 60.60% increment in Interest Coverage Ratio during the financial year 2018-2019 due to profit before tax increased with 101.67% and profit after tax increase with 135.86(other than OCI). The Company reported 12.59% increment in Current Ratio during the financial year 2018-2019. There is no increment or decrement in Debt Equity Ratio during the financial year 2018-2019. The Company reported 50% increment in Operation Profit Margin during the financial year 2018-2019 due to profit before tax increased with 101.67% and profit after tax increase with 135.86(other than OCI) and sale increased with 23.02% during the year. The Company reported 100% increment in Net Profit Margin during the financial year 2018-2019 due to profit before tax increased with 101.67% and profit after tax increase with 135.86(other than OCI) and total revenue increased with 23.02%.

I) 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.

For and on behalf of the Board of Directors,

Date: 30/05/2019

Place: Meerut

Sd/-

Amit Sangal

Whole Time Director/CFO

DIN- 00091486

Sd/-

Himanshu Sangal

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 standalone financial statements of **SANGAL PAPERS LIMITED, MEERUT** ("The Company") which comprise the Balance sheet as at **31st March 2019**, the Statement of Profit and Loss including the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone IND AS financial statements give the information required by the Companies Act, 2013, as amended ("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 **31st March 2019**, its profit including other comprehensive income its cash flows and changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143 (10) of the act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS financial statements.

Key Audit Matters

- Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS financial statements for the financial year ended **31st March 2019**. These matters were addressed in the context of our audit of the Standalone IND AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matter described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit Standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risk of material misstatements of the Standalone Ind AS financial statements. The results of our audit procedures, including the procedure performed to address the matter below, provide the basis for our audit opinion on the accompanying Standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Revenue Recognition (as described in note 1.j of the standalone Ind AS financial statements)	
<p>For the year ended 31st March 2019, the Company has recognized revenue from contracts with customers amounting to ₹ 14823.40 lakhs.</p> <p>Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflect that the consideration to which the company expects to be entitled in exchange for those goods or services.</p> <p>The Company has generally concluded that as principal, it typically controls the goods or services before transferring them to the customers.</p> <p>The variety of terms that defined when control are transfer to the customer, as well as the high value of the transactions, give rise to the risk that revenue is not recognized in the correct period.</p> <p>Revenue is measured net of net return and allowances, cash discounts, trade discount and volume rebates (collectively 'discount and rebates'). There is a risk that these discount and rebates are not correctly reported as it also requires a certain degree of estimation, resulting in understatement of the associated expenses and accrual.</p> <p>Revenue is also an important element of how the company measure its performance. The company focuses on revenue as a key performance measure, which could create an incentive for revenue to be recognized before the risk and rewards have been transferred.</p> <p>Accordingly, due the significant risk associated with revenue recognition in accordance with terms of Ind AS 115 'Revenue from contracts with customers', it was determined to be a key audit matter in our audit of the standalone IND AS financial statements.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> Assessed the company's revenue recognition policy prepared as per Ind AS 115 'Revenue from contracts with customers'. Assessed the design and tested the operating effectiveness of internal controls related to revenue recognition, discounts and rebates. Performed sample tests of individual sales transaction and traced to sales invoices, sales orders and other related documents. Further, in respect of the samples checked that the revenue has been recognized as per the shipping terms. To test cut off selected sample of sales transactions made pre- and post year end, agreeing the period of revenue recognition to third party support, such as transporter invoice and customer confirmation of receipt of goods. Tested the provision calculations related to management incentives, discounts and rebates by agreeing a sample of amounts recognized to underlying arrangements with customers and other supporting documents. Performed monthly analytical procedures of revenue by streams to identify any unusual trends. Obtained confirmations from customers on sample basis to support existence assertion of trade receivables and assessed the relevant disclosures made in the financial statements: to ensure revenue from contracts with customers are in accordance with the requirements of relevant accounting standards.

We have determined that there are no other key audit matters to communicate in our report.

Information other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report 2018-19, but does not include the Standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the Standalone Ind AS Financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in audit or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Ind AS 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 Standalone Ind AS financial statements that give a true and fair view of the Financial Position, Financial Performance including 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 Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Ind AS financial statement, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatements of the Standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(1) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of sub controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Ind AS financial statements, including the disclosures, and whether the Standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and we communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 informations 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 Standalone Ind AS 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, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, 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 with reference to these Standalone Ind AS financial statements 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:
- h. In our opinion, the managerial remuneration for the year ended 31 March, 2019, has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V of the Act;
- i. 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, as amended in our opinion and to the best of our informations and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS financial statements – Refer Note 36 to the Standalone Ind AS financial statements;
 - (ii) The Company did not have any long term contracts including derivatives contracts for which there were any material foreseeable losses;
 - (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

Dated: 30.05.2019
Place: Muzaffarnagar

Raj Kumar Sharma
Partner
Membership No. 077650

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 31st March, 2019. We report that:

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) According to the informations 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 informations 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 informations 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 informations 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 informations and explanations given to us, the Company is regular in depositing undisputed statutory dues including, provident fund, employees' state insurance, income tax, duty of customs, goods and service tax and any other statutory dues with the appropriate authorities during the year. There is no undisputed amounts payable, as at 31.03.2019 for a period of more than six months from the date they became payable.
- (b) According to the informations and explanations given to us, there are no dues of income tax, duty of customs, goods and service tax which have not been deposited with the appropriate authorities on account of any dispute. However, according to informations 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 (₹)	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 informations 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 informations 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 Company has taken term loan from bank and have been applied to the purpose for which they were raised.
- (x) According to informations and explanations 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 informations and explanations 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 informations and explanations 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 informations 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 informations 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 informations 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

Dated: 30.05.2019
Place: Muzaffarnagar

Raj Kumar Sharma
Partner
Membership No. 077650

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 31st March, 2019 in conjunction with our audit of the Standalone Ind AS 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 Standalone Ind AS 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 Standalone Ind AS 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 authorizations of the Management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 31st March, 2019, 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: 30.05.2019
Place: Muzaffarnagar

Raj Kumar Sharma
Partner
Membership No. 077650

Sangal Papers Limited
Balance Sheet as at 31st March, 2019

(Amounts in INR Lakhs, unless otherwise stated)

	Notes	As at 31 st March, 2019	As at 31 st March, 2018
Assets			
(I) Non-current assets			
(a) Property, plant and equipment	3	2,810.98	2,492.04
(b) Capital work-in-progress	3	31.98	-
(c) Financial assets (loans)	4	16.59	8.83
(d) Other non-current assets	5	47.35	13.17
Total non-current assets		2,906.90	2,514.04
Current assets			
Inventories	6	1,572.80	1,404.99
Financial assets			
Trade receivables	7	2,230.36	2,180.94
Cash and cash equivalents	8	27.53	24.56
Bank balances other than cash and cash equivalents	9	-	5.25
Current Tax Assets (net)	10	38.22	-
Other current assets	11	72.14	168.16
Total current assets		3,941.05	3,783.90
Total assets		6,847.95	6,297.94
Equity and liabilities			
Equity			
Equity share capital	12	130.73	130.73
Other equity	13	3,009.43	2,392.00
Total equity		3,140.16	2,522.73
Non-current liabilities			
Financial liabilities			
Borrowings	14	703.77	551.25
Provisions	15	67.84	56.38
Deferred tax liabilities (net)	16	340.74	374.87
Total non-current liabilities		1,112.35	982.50

Current liabilities

Financial liabilities

Borrowings	17	1,000.89	1,331.14
Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises		109.40	21.98
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	18	1,143.96	1,070.24
Other current financial liabilities	19	227.75	183.31
Other current liabilities	20	96.11	164.59
Provisions	21	17.33	19.79
Current tax liability (Net)	22	-	1.66
Total current liabilities		2,595.44	2,792.71
Total liabilities		3,707.79	3,775.21
Total equity and liabilities		6,847.95	6,297.94

Summary of significant accounting policies

1-2

The accompanying notes are an integral part of the financial statements

As per our report of even date

For and on behalf of the Sangal Papers Limited**For Raj Sandhya & Co.**

ICAI Firm Registration No.: 002011C

Chartered Accountants

Raj Kumar Sharma

Partner

Membership No.: 077650

Managing Director
(Himanshu Sangal)

DIN- 00091324

Director
(Tanmay Sangal)

DIN- 01297057

Place: Muzaffarnagar

Executive Director & Chief Financial Officer

Company Secretary

Date: 30.05.2019

(Amit Sangal)

(Shivam Sharma)

DIN: 00091486

PAN : GACPS4345Q

Sangal Papers Limited
Statement of Profit and Loss for the year ended 31st March, 2019
(Amounts in INR Lakhs, unless otherwise stated)

	Notes	For the year ended 31 st March, 2019	For the year ended 31 st March, 2018
Income:			
Revenue from operations	23	14,823.40	12,050.03
Other income	24	114.96	62.83
Total Income		14,938.36	12,112.86
Expenses:			
Cost of material consumed	25	12,277.92	10,285.90
Purchase of stock-in-trade	26	304.44	5.19
Changes in inventories of finished goods, work-in-progress and stock-in-trade	27	(218.65)	(106.96)
Excise duty		-	75.11
Employee benefits expense	28	747.48	607.71
Depreciation and amortization expense	3	117.80	100.75
Finance costs	29	167.22	154.36
Other expenses	30	809.55	627.54
Total expenses		14,205.76	11,749.60
Profit before exceptional items		732.60	363.26
Exceptional items		-	-
Profit before tax		732.60	363.26
Tax expense			
Current tax		154.55	89.49
Less: MAT credit entitlement		(41.35)	-
Deferred tax		5.76	13.60
Profit for the year		613.64	260.17
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Re-measurement gains/(losses) on defined benefit plan		5.26	2.16
Income tax effect		(1.46)	(0.71)
Other Comprehensive income		3.80	1.45
Total Comprehensive income		617.44	261.62
Earnings per equity share of face value of ₹ 10 each :			
Basic (in ₹)		46.95	19.91
Diluted (in ₹)		46.95	19.91
Summary of significant accounting policies	1-2		
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

Raj Kumar Sharma

Partner

Membership No.: 077650

Place: Muzaffarnagar

Date: 30.05.2019

For and on behalf of the Sangal Papers Limited

Managing Director

(Himanshu Sangal)

DIN- 00091324

Director

(Tanmay Sangal)

DIN- 01297057

Executive Director & Chief Financial Officer

(Amit Sangal)

DIN: 00091486

Company Secretary

(Shivam Sharma)

PAN : GACPS4345Q

Sangal Papers Limited

Statement of Changes in Equity for the year ended 31 March, 2019

(Amounts in INR Lakhs, unless otherwise stated)

A. Equity Share Capital (Refer Note 12)

Balance at the beginning of the reporting period	Changes in Equity Share Capital during the year	Balance at the end of the reporting period
130.73	-	130.73

B Other Equity (Refer Note 13)

Particulars	Reserve & Surplus		Total Equity
	Revaluation Reserve	Retained Earnings	
	(refer note 13.1)	(refer note 13.2)	
At 31 March, 2018	48.56	2,343.43	2,391.99
Profit/(loss) for the year	-	613.64	613.64
Other comprehensive income	-	3.80	3.80
Total Comprehensive Income	-	617.44	617.44
At 31 March, 2019	48.56	2,960.87	3,009.43

Summary of significant accounting policies

1-2

The accompanying notes are an integral part of the financial statements

As per our report of even date

For and one behalf of the Sangal Ppaers Limited

For Raj Sandhya & Co.

ICAI Firm Registration No.: 002011C

Chartered Accountants

Raj Kumar Sharma
Partner
Membership No.: 077650

Managing Director
(Himanshu Sangal)
DIN- 00091324

Director
(Tanmay Sangal)
DIN- 01297057

Place: Muzaffarnagar
Date: 30.05.2019

Executive Director & Chief Financial Officer
(Amit Sangal)
DIN: 00091486

Company Secretary
(Shivam Sharma)
PAN : GACPS4345Q

Sangal Papers Limited
Statement of Cash Flows for the year ended 31 March, 2019

(Amounts in INR Lakhs unless otherwise stated)

Particulars	Year ended For the year ended 31 March, 2019	Year ended For the year ended 31 March, 2018
Profit before tax	732.60	363.26
Adjustments for:		
Depreciation and amortization	117.80	100.75
loss on disposal of assets	14.26	0.59
Interest income	(3.06)	(5.63)
Interest expenses	171.27	159.37
Operating profit before working capital changes	1,032.87	618.34
Movement in working capital		
(Increase)/decrease in trade receivables	(49.42)	(359.72)
(Increase)/decrease in inventories	(167.81)	(421.70)
(Increase)/decrease in other current financial assets	(7.76)	-
(Increase)/decrease in other current assets	63.05	(57.17)
(Increase)/decrease in other non-current assets	(34.18)	7.59
Increase/(decrease) in trade payables	161.14	370.26
Increase/(decrease) in other current financial liabilities	44.44	(97.90)
Increase/(decrease) in other non-current financial liabilities	-	120.00
Increase/(decrease) in other current liabilities	(68.48)	129.23
Increase/(decrease) in long-term provisions	(29.89)	6.24
Increase/(decrease) in short-term provisions	(0.33)	5.42
Cash generated from/(used in) operations	943.63	320.58
Direct taxes paid (net of refunds)	(113.25)	(89.82)
Net cash generated from/(used in) operating activities	830.38	230.76
Cash flow from investing activities		
Purchase of property, plant & equipment including CWIP and capital advances	(509.73)	-
Proceeds from disposal of assets	26.75	(0.59)
Interest received	3.06	7.52
Net cash (used in)/generated from investing activities	(479.92)	6.93
Cash flow from financing activities		
Repayment of long-term borrowings	152.52	(71.53)
Proceeds from short-term borrowings	(330.25)	222.53
Interest paid	(169.76)	(160.12)
Net cash (used in)/generated from financing activities	(347.49)	(9.13)
Net (decrease) / increase in cash and cash equivalents	2.97	228.56

Cash and cash equivalents at the beginning of the year	24.56	116.86
Cash and cash equivalents at the end of the year	27.53	345.42
Components of cash and cash equivalents		
Cash and cheques on hand	7.73	9.11
Balances with banks:		
- On current accounts	19.80	15.45
(refer note 8)	27.53	24.56

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

Disclosure of changes in liabilities arising from financing activities

Particulars	Term Loans including current maturities	Unsecured Loans	Short term Loans- CC	Interest
Opening Balance as at April 01, 2018	228.27	413.02	1,331.14	1.71
Add:- Proceeds from borrowings/ Interest accrued during the year	237.71	37.42	15,134.61	128.48
Less:- Repayment of borrowings / Interest payment during the year	105.81	10.08	15,464.87	126.97
Non Cash items :				
- Amortization	-	-	-	-
Closing Balance as at March 31, 2019	360.17	440.36	1,000.88	3.22

Particulars	Term Loans including current maturities	Unsecured Loans	Short term Loans- CC	Interest
Opening Balance as at April 01, 2017	249.02	484.38	1,108.61	2.45
Add:- Proceeds from borrowings/ Interest accrued during the year	342.92	4.14	16,942.71	155.93
Less:- Repayment of borrowings / Interest payment during the year	363.67	75.50	16,720.18	156.67
Non Cash items :-				
- Amortization	-	-	-	-
Closing Balance as at March 31, 2018	228.27	413.02	1,331.14	1.71

As per our report of even date

For Raj Sandhya & Co.

ICAI Firm Registration No.: 002011C

Chartered Accountants

Raj Kumar Sharma

Partner

Membership No.: 077650

Place: Muzaffarnagar

Date: 30.05.2019

Managing Director

(Himanshu Sangal)

DIN- 00091324

Executive Director & Chief Financial Officer

(Amit Sangal)

DIN: 00091486

For and one behalf of the Sangal Papers Limited.

Director

(Tanmay Sangal)

DIN- 01297057

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 25 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.

(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 other reportable segments in accordance with Ind AS 108 'Operating segments' and hence, there are no additional disclosures required.

(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

The Company derives revenues primarily from sale of paper products.

Effective April 1, 2018, the Company adopted Ind AS 115, Revenue from Contracts with Customers, using the cumulative catch-up transition method, applied to contracts that were not completed as

of April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The following is a summary of new and/or revised significant accounting policies related to revenue recognition. Refer Note xx "Significant Accounting Policies," in the Company's 2018 Annual Financials for the policies in effect for revenue prior to April 1, 2018. The effect on adoption of Ind AS 115 was insignificant.

Ind AS 115 "Revenue from Contracts with Customers" provides a control-based revenue recognition model and provides a five step application approach to be followed for revenue recognition.

- Identify the contract(s) with a customer;
- Identify the performance obligations;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations;
- Recognise revenue when or as an entity satisfies performance obligation."

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Sale of Goods

For sale of goods, revenue is recognised when control of the goods has transferred at a point in time *i.e.*, when the goods have been dispatched to the location of customer. Following dispatch, the customer has full discretion over the responsibility, manner of distribution, price to sell the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Company when the goods are dispatched to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. Payment is due within 30-90 days. The Company considers the effects of variable consideration, non-cash consideration, and consideration payable to the customer (if any).

Interest Income

Interest income from financial instrument is recognised using the effective interest rate (EIR) method. EIR is the rate which exactly discounts the estimated future cash receipts over the expected life of the financial instrument to the gross carrying amount of the financial asset. When calculating the EIR the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayments, extensions, call and similar options) but does not consider the expected credit losses.

Variable Consideration

If the consideration in a contract includes a variable amount, estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The Company recognizes changes in the estimated amount of variable consideration in the period in which the change occurs. Some contracts for the sale of goods provide customers with volume rebates and pricing incentives, which give rise to variable consideration.

Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the company applies the most likely amount method for contracts with a single-volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Company then

applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

Contract Balances

Trade Receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (*i.e.*, only the passage of time is required before payment of the consideration is due). Refer to accounting policy (n).

Contract Liabilities (which the Company Refer to as Advance from Customer)

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

The Company presents revenues net of indirect taxes in its Statement of Profit and Loss.

Cost to Obtain a Contract

The Company pays sales commission to its selling agents for each contract that they obtain for the Company. The Company has elected to apply the optional practical expedient for costs to obtain a contract which allows the Company to immediately expense sales commissions (included in 'commission on sales' under other expenses) because the amortization period of the asset that the Company otherwise would have used is one year or less.

Costs to fulfil a contract *i.e.*, freight, insurance and other selling expenses are recognized as an expense in the period in which related revenue is recognised.

Financing components

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the company does not adjust any of the transaction prices for the time value of money.

Also, refer note 22 for other disclosures.

(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".

(i) Transition to 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 asset's 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 recognized 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 ₹ 4.05 lakhs 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 recognized 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) New standards and interpretations

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind AS which the company has not applied as they are effective from annual periods beginning on or after April 1, 2019:

Ind AS - 116

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract *i.e.*, the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit & loss. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The company is evaluating the requirements of Ind AS 116 and has not yet determined its impact on the financial statements.

Ind AS – 12 Appendix C, Uncertainty over Income Tax treatments:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatment which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, when determining tax profit (tax loss), tax bases, unused tax losses, unused tax credit and tax rates.

The standard permits two possible methods of transition- (i) Full retrospective approach- Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Change in Accounting Estimates and Errors, without using hindsight and (ii) retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application without adjusting comparatives.

The company will adopt the standard from April 1, 2019 and has decided to adjust the cumulative effects in equity on the date of initial application *i.e.*, April 1, 2019 without adjusting comparatives.

The effect of adoption of Ind AS 12 Appendix C would be insignificant in the financial statements.

Amendment to Ind AS 12- Income Taxes

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, "Income Taxes", in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognize the income tax consequences of dividend in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events.

The company is currently evaluating the effect of this amendment on the financial statements.

Amendment to Ind AS 19- plan amendment, curtailment or settlement

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, “Employee benefits”, in connection with accounting for plan amendments, curtailments and settlements.

The amendment requires an entity :

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognize in profit or loss as a part of past service cost, or a gain or loss on settlement, any reduction in surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling.

The company does not have any impact on account of this amendment.

Amendment in Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The company does not expect any impact from this amendment.

Note 2: CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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 16**

Estimation of defined benefit obligation – **Note 32**

Recognition of deferred tax liabilities – **Note 16**

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.

3. Property, plant and 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 March 31, 2018	254.44	577.13	102.97	1,049.94	2,844.55	21.20	5.17	153.86	5,009.26	-
Additions during the year	-	-	3.60	23.30	315.22	5.06	0.42	130.15	477.75	31.98
Deletions during the year	-	-	-	-	-	-	-	63.21	63.21	-
Gross carrying value as of March 31, 2019	254.44	577.13	106.57	1,073.24	3,159.77	26.26	5.59	220.80	5,423.80	31.98
Accumulated Depreciation as of March 31, 2018	-	235.53	1.66	415.39	1,772.27	16.71	3.87	71.79	2,517.22	-
Depreciation	-	16.31	1.93	19.61	51.57	1.82	0.37	26.19	117.80	-
Accumulated Depreciation on deletions	-	-	-	-	-	-	-	22.20	22.20	-
Accumulated Depreciation as of March 31, 2019	-	251.84	3.59	435.00	1,823.84	18.53	4.24	75.78	2,612.82	-
Carrying value as of March 31, 2019	254.44	325.29	102.98	638.24	1,335.93	7.73	1.35	145.02	2,810.98	31.98
Carrying value as of March 31, 2018	254.44	341.60	101.31	634.55	1,072.28	4.49	1.30	82.07	2,492.04	-

Note:

- Capital work in progress includes a part of Finance Cost added in capital work in progress amounting to ₹4.05 Lakhs for the year ended 31st March 2019 and ₹5.01 Lakhs for year ended 31st March 2018
- Term loans from SBI 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-14

4. Non-Current financial assets-loans	As at 31st March 2019	As at 31st March 2018
Unsecured, considered goods		
Loans	16.59	8.83
Total	16.59	8.83

5. Other non-current assets		
(Unsecured, considered goods unless otherwise stated)		
Capital advance	34.18	-
Advances other than capital advances	-	-
Balances with Government authorities	13.17	13.17
Total	47.35	13.17

6. Inventories	As at 31st March 2019	As at 31st March 2018
Raw materials #	591.50	649.54
Work-in-process	138.02	63.07
Finished goods	435.92	292.22
Stores and spare parts	198.48	165.68
Others*	208.88	234.48
	1,572.80	1,404.99

Includes Raw Materials in transit ₹ 23.75 lakhs as at 31-03-19 (As at 31-03-18 ₹ 4.44 lakhs).

*Others include Chemicals, Packing Material and Fuel

7. Trade receivables	As at 31st March 2019	As at 31st March 2018
Current		
Unsecured		
Considered goods	1,927.16	1,877.29
Considered doubtful	303.20	303.65
Less: Provision for doubtful debts	-	-
Total	2,230.36	2,180.94

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.

8. Cash and cash equivalents	As at 31st March 2019	As at 31st March 2018
Cash on hand	1.15	4.94
Cheques on hand	6.58	4.17
Balance with bank *	19.80	15.45
	27.53	24.56

9. Bank balances other than cash and cash equivalents	As at 31st March 2019	As at 31st March 2018
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Margin money deposited*	-	5.25
	-	5.25

* Margin money held with banks against opening of letter of credit (LC).

10. Current tax assets (net)	As at 31 st March 2019	As at 31 st March 2018
Income Tax Refund Receivable	38.22	-
	38.22	-

11. Other current assets	As at 31 st March 2019	As at 31 st March 2018
(Unsecured, considered goods unless otherwise stated)		
Advances to suppliers	41.63	71.95
Balances with government authorities	-	76.16
Others	30.51	20.05
Total	72.14	168.16

12. Share capital

(A) Authorised share capital

	Number of shares (lakhs)	Amount
Equity shares of INR 10 each		
As at 31 st March 2018	70.00	700.00
Increase during the year	-	-
As at 31st March 2019	70.00	700.00

Issued share capital

Equity shares of INR 10 each issued, subscribed and fully paid up	Number of shares (lakhs)	Amount
As at 31 st March 2018	13.07	130.73
Shares issued during the year	-	-
As at 31st March 2019	13.07	130.73

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."

"No shares have been issued by the company for consideration other than cash, during the period of five years immediately preceding the reporting date."

12. (B) Details of shareholders holding more than 5% shares in the company

As at 31st March 2019 As at 31st March 2018

Name of the shareholder	Number (lakhs)	% Holding	Number	% Holding
Equity shares of INR 10 each				
Shri Himanshu Sangal	1.08	8.26%	1.08	8.24%
Shri Amit Sangal	1.21	9.27%	1.21	9.25%
Smt. Charu Sangal	0.94	7.15%	0.93	7.14%
Smt. Renu Sangal	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.

13. Other equity**13.1 Revaluation reserve**

As at 31 st March 2018	48.56	48.56
Addition/Reduction during the year	-	-
As at 31 st March 2019	48.56	48.56

13.2 Retained earnings**Statement of Profit & Loss**

As at 31 st March 2018	2,343.43	2,081.82
Profit for the year	617.44	261.62
As at 31 st March 2019	2,960.87	2,343.44

14. Long Term Borrowings

As at 31st March 2019 As at 31st March 2018

(Secured)

Term loans from banks	208.96	138.23
Vehicle loan from bank	27.71	-
Vehicle loan from NBFC	26.74	-
(a)	263.41	138.23

(Unsecured)

From directors	99.01	91.60
From director's relative	98.12	92.19
From bodies corporate	243.23	229.23
(b)	440.36	413.02

Total long-term borrowings

(a+b) 703.77 551.25

Notes:

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

Term Loan from Banks**Security:**

Term loans from SBI 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 (Original loan amount 195 lakhs)**

At the rate of 1.00% above MCLR rate. *i.e.*, 9.55% p.a. (Previous year 1.05% above MCLR rate. *i.e.*, 7.95% p.a.). Repayable in 60 monthly installments of 3.25 lakhs each starting from Jan 2015.

From State Bank of India (Original loan amount 195 lakhs)

At the rate of 1.00% above MCLR rate. *i.e.*, 9.55% p.a. (Previous year 1.05% above MCLR rate. *i.e.*, 7.95% p.a.) Repayable in 53 monthly installments of 3.60 lakhs each and Final Installment of 4.20 lakhs starting from June 2017.

From State Bank of India (Original loan amount 294 lakhs)

At the rate of 1.00% above MCLR rate. i.e., 9.55% p.a. Repayable in 60 monthly installments of 4.90 lakhs each starting from February 2019.

Vehicle Loan**From State Bank of India (Original loan amount 35 lakhs)**

At the Present effective rate is 9.00% p.a. Repayable in 36 monthly EMI of 0.64 lakhs each starting from August 2018.

From BMW India Financial Services Pvt. Ltd. (Original loan amount 35 lakhs)

At the present effective rate is 9.55% p.a. Repayable in 35 monthly EMI of 0.53 lakhs each and last installment for 25.29 lakhs starting from September 2018.

From Axis Bank (Original loan amount 35 lakhs)

At the present effective rate is 8.86% p.a. Repayable in 37 monthly EMI of 1.08 lakhs each starting from January 2019.

Security:

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

15. Provisions		As at 31st March 2019	As at 31st March 2018
Provision for gratuity (Refer note 32)		67.84	56.38
Total		67.84	56.38
16. Deferred tax liabilities (net)		As at 31st March 2019	As at 31st March 2018
Deferred tax liabilities			
Property, plant & equipment: Impact of differences between tax depreciation charged as per Financial Reporting	(a)	375.81	400.91
Deferred tax assets			
Impact of Gratuity expenditure charged to the statement of profit & loss in current year but allowed for tax purposes on payment basis	(b)	(6.28)	26.04
Mat credit entitlement			
Mat credit entitlement	(c)	(41.35)	-
Total	(a-b-c)	340.74	374.87
Income tax			
The major components of income tax expense for the years ended March 31, 2019 and March 31, 2018 are:			
Statement of profit and loss:			
Profit or loss section		As at 31st March 2019	As at 31st March 2018
Current income tax:			
Current income tax charge		154.55	89.49
Less: Mat credit entitlement		-41.35	0.00
Deferred tax:			
Relating to origination and reversal of temporary differences		5.76	13.60
Income tax expense reported in the statement of profit or loss		118.96	103.09
OCI section			
Deferred tax related to items recognised in OCI during the year:		As at 31st March 2019	As at 31st March 2018
Net loss/(gain) on remeasurements of defined benefit plans		-1.46	-0.71
Income tax charged to OCI		-1.46	-0.71

	As at 31 st March 2019	As at 31 st March 2018
Accounting profit before tax	732.60	363.26
Non-deductible income for tax purposes:		
Less: Profit from power unit	284.45	-
Taxable Profit	448.15	363.26
At India's statutory income tax rate of 27.82% (previous year 33.063%)	128.41	126.75
Deferred tax expenses reported in the statement of profit and loss*	5.76	13.60
Non-deductible expenses for tax purposes:		
Depreciation expense (net)	(28.91)	(35.99)
Bonus	3.30	-
Loss on sale of fixed assets	3.97	0.19
Gratuity	5.70	2.88
Other non-deductible expenses	0.73	(4.34)
At the effective income tax rate	118.96	103.09
Income tax expense reported in the statement of profit and loss	154.55	89.49
Deferred tax expenses reported in the statement of profit and loss	5.76	13.60
Less: MAT credit entitlement	(41.35)	-
	118.96	103.09

17. Short term borrowings

	As at 31 st March 2019	As at 31 st March 2018
Secured		
Working capital loan from bank*	1,000.89	1,331.14
Total	1,000.89	1,331.14

*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.

18. Trade payables

	As at 31 st March 2019	As at 31 st March 2018
Trade Payable		
Total outstanding dues of micro enterprises and small enterprises	109.40	21.98
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,143.96	1,070.24
Total	1,253.36	1,092.22

Terms and conditions of the above financial liabilities:

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

19. Other current financial liabilities

	As at 31 st March 2019	As at 31 st March 2018
Current maturities of long term debt	96.76	90.04
Salaries & wages payable	81.10	65.82
Interest accrued and due on borrowings	3.22	1.71
Audit fee payable	1.35	0.90
Book overdraft	24.11	16.41
Setting Fees Payable	0.04	-
Power & Electricity	21.17	8.43
Total	227.75	183.31

20. Other current liabilities

	As at 31 st March 2019	As at 31 st March 2018
Advance from customers	37.53	151.68
Other payables		
Withholding taxes and others	2.36	8.65
GST payable	51.25	0.39
Interest on CST payable	0.04	0.04
ESI payable	1.53	0.70
Provident fund payable (Employer's Contributions)	3.40	3.13
Total	96.11	164.59

21. Provisions

	As at 31 st March 2019	As at 31 st March 2018
Provision for gratuity (Refer note 32)	17.33	16.10
Water cess	-	3.69
Total	17.33	19.79

22. Current tax liability (Net)

	As at 31 st March 2019	As at 31 st March 2018
Income Tax	-	1.66
	-	1.66

23. Revenue from operations

Particulars	For the year ended 31 st March 2019	For the year ended 31 st March 2018
Sale of products [including excise duty 31 st March 2019 Nil (31 st March 2018: ₹ 75.11 lakhs)]	14,733.47	12,039.98
Other operating revenue		
Sale of scrap	35.05	10.05
Sale of Other items	54.88	-
Revenue from Operations	14,823.40	12,050.03

A. Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

(i) Based on type of products sold

	For the year ended 31 st March 2019	For the year ended 31 st March 2018
Sale of manufactured products	14,400.56	12,034.10
Sale of traded products	387.79	5.88
Sale of scrap	35.05	10.05
Revenue from Operations	14,823.40	12,050.03

(ii) Based on Geography

	For the year ended 31 st March 2019	For the year ended 31 st March 2018
Domestic	12,744.68	10,572.92
Export	2,078.72	1,477.11
Revenue from Operations	14,823.40	12,050.03

B. Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers

Particulars	As at March 31 st , 2019	As at March 31 st , 2018
Trade receivables *	2,230.36	2,180.94
Contract liabilities		
Advances from customers (Refer Note no. 20)	37.53	151.68

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

C. Reconciliation of revenue recognised with contract price:

Particulars	For the year ended March 31 st , 2019	For the year ended March 31 st , 2018
Revenue as per contracted price	14,921.71	12,073.43
Adjustments		
Sales return	33.87	18.89
Discount	64.44	4.51
Revenue from Operations	14,823.40	12,050.03

D. The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) as at year end are, as follows:

Particulars	As at March 31 st , 2019	As at March 31 st , 2018
Advances from customers (Refer Note no. 20)	37.53	151.68

Management expects that the entire transaction price allotted to the unsatisfied contract as at the end of the reporting period will be recognised as revenue during the next financial year.

24. Other income

	For the year ended 31 st March 2019	For the year ended 31 st March 2018
Interest income		
on fixed deposit with banks	3.06	5.63
Duty draw back	29.09	18.30
Unclaimed balance written back	9.77	-
Miscellaneous income	73.04	38.90
Total	114.96	62.83

25. Cost of raw material and components consumed

	For the year ended 31 st March 2019	For the year ended 31 st March 2018
Cost of raw materials (Waste Paper)	8,245.96	7,034.06
Other components consumed		
Chemicals	1,081.74	796.74
Packing material	227.21	168.31
Stores & spares	442.77	473.64
Power & fuel	2,214.64	1,765.68
Repairs - plant & machinery	65.60	47.47
Total	12,277.92	10,285.90

26. Purchase of stock-in-trade

	For the year ended 31 st March 2019	For the year ended 31 st March 2018
Purchase of Stock-in-trade	304.44	5.19
Total	304.44	5.19

27. Increase/decrease in inventories of finished goods, work-in-progress and traded goods

	For the year ended 31 st March 2019	For the year ended 31 st March 2018
Opening stock		
Finished goods	292.22	187.02
Stock in process	63.07	61.31
Total (a)	355.29	248.33
Closing stock		
Finished goods	556.82	292.22
Stock in process	17.12	63.07
Total (b)	573.94	355.29
Total (a) - (b)	(218.65)	(106.96)

28. Employee benefit expenses

	For the year ended 31 st March 2019	For the year ended 31 st March 2018
Salaries, wages and bonus	700.05	568.46
Contribution to provident and other funds	21.89	23.55
Gratuity expenses	20.50	11.50
Staff welfare expenses	5.04	4.20
Total	747.48	607.71

29. Finance costs	For the year ended 31st March 2019	For the year ended 31st March 2018
Interest expense on:		
- term loans	23.08	28.64
- bank borrowings and others	148.19	130.73
Total	171.27	159.37
Less: Amount included in capital work in progress	4.05	5.01
	167.22	154.36
30. Other expenses	For the year ended 31st March 2019	For the year ended 31st March 2018
Printing and stationery	3.62	5.58
Communication expenses	13.63	12.94
Travelling and conveyance	14.32	17.80
Insurance charges	18.95	21.22
Legal and professional charges	19.74	22.27
Bank charges	8.78	8.92
Rates and taxes	17.66	21.27
Loss on sale of fixed assets	14.26	0.59
Bad debts	2.26	-
Advertisement and Publicity	3.68	8.73
Business promotion expenses	14.58	23.40
Rebate and discount	23.64	2.46
Freight outward and loading charges	431.73	333.36
Commission on sales	136.14	113.58
Repair to building	36.39	-
Payment to auditors	1.50	1.00
Vehicle running and maintenance	30.04	18.74
General expenses	18.63	15.68
Total	809.55	627.54
Detail of Payment to Auditors	For the year ended 31st March 2019	For the year ended 31st March 2018
As auditor:		
Audit fee	1.15	0.75
Tax audit fee	0.35	0.25
Total	1.50	1.00

Corporate Social Responsibilities

The board of directors approved CSR Policy of the company at its meeting held on May 30, 2019. In accordance with the provisions of Section 135 of the Companies Act, 2013, the company was required to spend ` 9.05 Lakhs during the F.Y. 2019-20 on prescribed CSR activities.

Particulars	Amount Paid	Yet to be Paid	Total
Total	-	9.05	9.05

31. Earnings Per Share (EPS)

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

	For the year ended 31 st March 2019	For the year ended 31 st March 2018
Net profit/(loss) for calculation of basic EPS	613.64	260.17
Weighted average number of equity shares for calculating basic EPS	13.07	13.07
Basic earnings/(loss) per share	46.95	19.91
Net profit/(loss) for calculation of diluted EPS	613.64	260.17
Weighted average number of equity shares for calculating diluted EPS	13.07	13.07
Diluted earnings/(loss) per share	46.95	19.91
	No. of shares	No. of shares
Weighted average number of equity shares in calculating basic EPS	13.07	13.07
Effect of dilution	-	-
Weighted average number of equity shares in calculating diluted EPS	13.07	13.07

32. Employee benefit obligations

(a) Defined contribution plan

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 recognised the following amounts in the Statement of Profit and Loss for the year: (Refer Note- 28)

Particulars	2018-19	2017-18
Contribution to provident and other fund	21.89	23.55
Total	21.89	23.55

(b) Defined benefit plan

Gratuity is payable to eligible employees as per the Company's policy and the Payment of Gratuity Act, 1972. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit (PUC) method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligations.

Provision for leave benefits is made by the Company on the basis of actuarial valuation using the Projected Unit Credit (PUC) method.

Liability with respect to the gratuity is determined based on an actuarial valuation done by an independent actuary at the year end and is charged to Statement of Profit and Loss.

Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognized immediately in the other comprehensive income as income or expense.

Other disclosures required under Indian Accounting Standards 19 "Employee benefits" are given below:

Statement of Profit and Loss

Net employees benefit expense recognised in employee cost	For the year ended 31 st March 2019	For the year ended 31 st March 2018
Current service cost	15.52	11.81
Interest cost on benefit obligation	4.98	4.71
Net benefit expense recognised in profit & loss	20.50	16.52

Balance sheet

Benefit asset/(liability)	As at 31 st March 2019	As at 31 st March 2018
Present value of unfunded obligation	(85.17)	(72.49)
Fair value of plan assets	-	-
Net liability	(85.17)	(72.49)

Changes in the present value of the defined benefit obligation

	For the year ended 31 st March 2019	For the year ended 31 st March 2018
Opening defined benefit obligation	72.49	63.78
Current service cost	15.52	11.81
Interest cost	4.98	4.71
Benefit paid	(2.55)	(5.66)
Actuarial (gains)/ losses on obligation	(5.26)	(2.16)
Closing defined benefit obligation	85.17	72.49

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 st March 2019	For the year ended 31 st March 2018
Discount rate	7.60%	7.39%
Salary Escalation	7.00%	7.00%
Rate of Employee turnover	2.00%	2.00%
Retirement age	58 Years	
Mortality Table	100% of IALM (2006-08)	
Average withdrawal rate	Withdrawal Rate	Withdrawal Rate
a) Upto 30 Years	2.00%	2.00%
b) From 31 to 44 Years	2.00%	2.00%
c) Above 44 Years	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 st March 2019	For the year ended 31 st March 2018
Defined benefit obligation based on current assumptions		85.17	72.49
Discount rate	+0.50%	(4.12)	(5.40)
	-0.50%	3.11	6.35
Salary escalation	+0.50%	2.90	6.34
	-0.50%	(3.85)	(5.48)
Employee turnover	+1%	0.30	(0.07)
	-1%	(0.18)	0.03

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.

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	For the year ended 31 st March 2019	For the year ended 31 st March 2018
Within next 12 months	17.70	16.10
Between 2 and 5 years	17.75	15.27
Between 5 and 10 years	38.07	29.32
Beyond 10 years	-	111.94

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 increases in the salary of the plan participant will increase the plan liability.

33. 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;

	As at 31 st March 2019		As at 31 st March 2018	
	Amortised Cost	FVTPL	Amortised Cost	FVTPL
Financial Assets				
Trade receivables	2,230.36	-	2,180.94	-
Cash and cash equivalents	27.53	-	24.56	-
Bank balance other than cash & cash equivalent	-	-	5.25	-
Total	2,257.89	-	2,210.75	-
Financial Liabilities				
Term loans (Secured)	208.96	-	138.23	-
Vehicle loans from bank (Secured)	27.71	-	-	-
Vehicle loans from NBFC (Secured)	26.74	-	-	-
Loans from directors (Unsecured)	99.01	-	91.60	-
Loans from directors relative (Unsecured)	98.12	-	92.19	-
Loans from bodies corporate (Unsecured)	243.23	-	229.23	-
Short-term borrowings	1,000.89	-	1,331.14	-
Trade payables	1,253.36	-	1,092.22	-
Current maturities of long term debt	96.76	-	90.04	-
Salaries & wages payable	81.10	-	65.82	-
Interest accrued and due on borrowings	3.22	-	1.71	-
Audit fee payable	1.35	-	0.90	-
Book overdraft	24.11	-	16.41	-
Sitting fees payable	0.04	-	-	-
Power & electricity payable	21.17	-	8.43	-
Total	3,185.77	-	3,157.92	-

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:

- (i) Level 1 : Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (ii) Level 2 : Inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the financial assets or financial liabilities.
- (iii) 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.

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 st March 2019		As at 31 st March 2018	
		Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets not measured at fair value					
Measured at amortised cost					
Financial assets (current)					
Trade Receivable	Level 3	2,230.36	2,230.36	2,180.94	2,180.94
Cash and cash equivalents	Level 3	27.53	27.53	24.56	24.56
Financial assets (current); others					
Interest accrued on fixed deposit	Level 3	5.25	5.25	-	-
Total		5.25	5.25	-	-
Financial liabilities not measured at fair value					
Measured at amortised cost					
Term loans (Secured)	Level 3	208.96	208.96	138.23	138.23
Vehicle loans from bank (Secured)	Level 3	27.71	27.71	-	-
Vehicle loans from NBFC (Secured)	Level 3	26.74	26.74	-	-
Loans from directors (Unsecured)	Level 3	99.01	99.01	91.60	91.60
Loans from directors relative (Unsecured)	Level 3	98.12	98.12	92.19	92.19
Loans from bodies corporate (Unsecured)	Level 3	243.23	243.23	229.23	229.23
Total		703.77	703.77	551.25	551.25
Short term borrowings	Level 3	1,000.89	1,000.89	1,331.14	1,331.14
Trade payables	Level 3	1,253.36	1,253.36	1,092.22	1,092.22
Financial liabilities (Current) Others					
Current maturities of long term debt	Level 3	96.76	96.76	90.04	90.04
Salaries & wages payable	Level 3	81.10	81.10	65.82	65.82
Interest accrued and due on borrowings	Level 3	3.22	3.22	1.71	1.71
Audit fee payable	Level 3	1.35	1.35	0.90	0.90
Book overdraft	Level 3	24.11	24.11	16.41	16.41
Sitting fees payable	Level 3	0.04	0.04	-	-
Power & electricity payable	Level 3	21.17	21.17	8.43	8.43
Total		227.75	227.75	183.31	183.31

Notes:

- (i) Fair valuation of current financial liabilities is considered as approximate to respective carrying amount due to the short term maturities of their instrument.
- (ii) 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.
- (iii) There are no transfer between Level 1, Level 2, and Level 3 during the year ended 31st March 2019 and 31st March 2018.

34. 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 instruments 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.

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 losses

For the year ended 31st March 2019

Particulars	Estimated gross carrying	Expected credit loss	expected credit losses	Carrying amount net of impairment provision
Trade Receivables	2,230.36	-	-	2,230.36
Cash and cash equivalents	27.53	-	-	27.53

For the year ended 31st March 2018

Particulars	Estimated gross carrying	Expected credit loss	Expected credit losses	Carrying amount net of impairment provision
Trade Receivables	2,180.94	-	-	2,180.94
Cash and cash equivalents	24.56	-	-	24.56

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 st March 2019	On demand	Within 1 year	1 to 5 years	> 5 years	Total
Borrowings					
Term Loans (Secured)		96.76	263.41	-	360.17
Loans from director (Unsecured)		-	-	99.01	99.01
Loans from directors relative (Unsecured)		-	-	98.12	98.12
Loans from bodies corporate (Unsecured)		-	-	243.23	243.23
Short term borrowings					
Working capital loan from bank		1,000.89	-	-	1,000.89
Other financial liabilities					
Current maturities of long term borrowings'		96.76	263.41		360.17
Interest accrued and due on borrowings		3.22	-		3.22
Trade payables					
Trade payables		1,253.36	-		1,253.36

For the year ended 31 st March 2018	On demand	Within 1 year	1 to 5 years	> 5 years	Total
Borrowings					
Term Loans (Secured)		90.04	138.23	-	228.27
Loans from director (Unsecured)		-	-	91.60	91.60
Loans from directors relative (Unsecured)		-	-	92.19	92.19
Loans from body corporate (Unsecured)		-	-	229.23	229.23
Short term borrowings					
Working capital loan from bank		1,331.14	-	-	1,331.14
Other financial liabilities					
Current maturities of long term borrowings'		90.04	138.23		228.27
Interest accrued and due on borrowings		1.71	-		1.71
Trade payables					
Trade payables		908.72	-		908.72

35. 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 st March 2019	As at 31 st March 2018
	USD	USD
Financial Assets		
Trade Receivables	0.79	2.19
Net Exposure to foreign currency risk (assets)	0.79	2.19
Financial Liabilities	-	-
Net Exposure to foreign currency risk (liability)	-	-

(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 st March 2019	For the year ended 31 st March 2018
USD Sensitivity		
INR/USD -Increase by 0.5% (31 March 2019-0.5%)	(0.03)	(0.07)
INR/USD -Decrease by 0.5% (31 March 2018-0.5%)	0.03	0.07

(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 st March 2019	As at 31 st March 2018
Variable Rate Borrowings		
Term loans from Banks	208.96	138.23
Vehicle loans from Banks	27.71	0.00
Vehicle loans from NBFC	26.74	0.00
Total	263.41	138.23

(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 st March 2019	For the year ended 31 st March 2018
Interest rates – Increase by 50 basis points*	1.21	1.80
Interest rates – Decrease by 50 basis points*	(1.21)	(1.80)
Total		

* Holding all other variable constant.

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

Contingent Liabilities	As at 31 st March 2019	As at 31 st March 2018
Trade tax	9.44	9.44
Commitment		
Estimated amount of contracts remaining to be executed on capital account and not provided for	92.67	Nil

37. Details of dues to Micro, Small and Medium Enterprises as defined under the MSMED Act, 2006

Information as required to be furnished as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2019 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;	109.40	21.98
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b. the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
c. the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
d. the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
e. the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

38. Related Party Disclosure

Related Parties names and relationship

Name of Party	Principal Place of Operation	Principal Activities	Relation
Shri Himanshu Sangal	India	Remuneration/ Investing	Key Management Personnel
Shri Amit Sangal	India	Remuneration/ Investing	Key Management Personnel
Shri Shivam Sharma	India	Remuneration	Key Management Personnel
Shri Tanmay Sangal (S/o Shri Himanshu Sangal)	India	Remuneration/ Investing	Relative of Key Management Personnel
Shri Vinayak Sangal (S/o Shri Amit Sangal)	India	Remuneration/ Investing	Relative of Key Management Personnel
Smt. Ishita Niyogi (W/o Shri Tanmay Sangal)	India	Remuneration	Relative of Key Management Personnel
Smt. Renu Sangal (W/o Shri Himanshu Sangal)	India	Investing	Relative of Key Management Personnel
Smt. Charu Sangal (W/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 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Unsecured borrowings				
Unsecured Loans repayment	-	75.30	6.36	0.20
Unsecured Loans taken	-	4.14	0.20	-
Interest on Unsecured Loan	7.60	-	29.63	-
Outstanding Payable as on 31.03.2019	99.01	91.60	341.35	321.42
Remuneration to				
Shri Himanshu Sangal, Managing Director	80.00	60.00	-	-
Shri Amit Sangal, Whole Time Director & CFO	80.00	60.00	-	-
Shri Tanmay Sangal, Director/ President Marketing (S/o Shri Himanshu Sangal)	-	-	30.00	30.00

Shri Vinayak Sangal, Director/ President Operation (S/o Shri Amit Sangal)	-	-	30.00	30.00
Smt. Ishita Niyogi, President Export (W/o Shri Tanmay Sangal)	-	-	9.60	4.00
Shri Shivam Sharma, Company Secretary & Compliance Officer"	-	-	3.66	2.16
Rent to				
Smt. Renu Sangal (W/o Shri Himanshu Sangal)			3.70	-

39. Segment Reporting

In line with IND AS 108 - Operating Segments and on the basis of review of operations being done by the senior management, the operations of the Company fall under Manufacturing of Paper products, which is considered to be the only reportable segment by the management.

Details of Revenue from Single Customer more than 10%

There is no revenue from single customer which exceeds the 10% of the total revenue of the company for the FY 2018-19.

Non Current Assets

As at March 31st, 2019 As at March 31st, 2018

(Other than financial instruments; Post Employment benefits; Deffered Tax Assets; and right arising under insurance contracts)

Within India	47.35	13.17
Outside India	-	-

40. Capital Management

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 shareholders, 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 st March 2019	As at 31 st March 2018
Net debt	1,773.89	1947.87
Total equity	3,140.16	2522.73
Net debt to equity ratio	56%	77%

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.

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: 30.05.2019

Executive Director & Chief Financial Officer

(Amit Sangal)

DIN: 00091486

Company Secretary

(Shivam Sharma)

PAN : GACPS4345Q

Dear Shareholder,

In order to provide better service to you, **we request you to submit the form given below to:**

To,

Mas Services Ltd.,

Unit: Sangal Papers Limited,

T-34, 2nd Floor, Okhla Industrial area,

Phase-II, New Delhi- 110020

UPDATION OF SHAREHOLDER INFORMATION

I / We request you to record the following information against my/our Folio No.:

Folio No.	
Name of the first-named Member	
PAN	
CIN/Registration No. (applicable to Corporate Members)	
Tel No. with STD Code	
Mobile No.	
Email ID	

Bank Details:

IFSC (11 digit)	
MICR (9 digit)	
Bank A/c Type	
Bank A/c No.*	
Name of the Bank:	
Bank Branch Address:	

*Original cancelled cheque is enclosed to enable verification of bank details.

I /We hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I /we would not hold the Company/RTA responsible. I/We undertake to inform any subsequent changes in the above particulars as and when the changes take place. I/We understand that the above details shall be maintained till I/we hold the securities under the above mentioned Folio No./beneficiary account.

Place :

Date :

Signature of Sole /First holder

FORM NO. MGT -11

PROXY FORM

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

SANGAL PAPERS LIMITED (CIN No. : L21015UP1980PLC005138)

E-mail: **sangalinvestors1980@gmail.com**, Ph No.: 01233-271137, 271515

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

Thirty Ninth (39th) Annual General Meeting- Saturday, 28th Day of September, 2019.

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 Ninth (39th) Annual General Meeting of the Company, to be held on the Saturday, 28th day of September, 2019 at 11.00 A.M at Vill. Bhainsa, 22 km Mawana Road, Meerut, U.P. 250401 and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business No.:

1. To adoption of Accounts and Reports of the Company for financial year 2018-2019;
2. To appoint Director in place of Mr. Vinayak Sangal (DIN-06833351), Who retires by rotation and 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 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;

Special Business No.:

5. Revision in the managerial remuneration payable to Shri Himanshu Sngal (DIN: 00091324), Managing Director of the Company;
6. Revision in the managerial remuneration payable to Shri Amit Sangal (DIN: 00091486), Managing Director of the Company;
7. Increase in remuneration of Shri Tanmay Sangal, President Marketing;
8. Increase in remuneration of Shri Vinayak Sangal, President Operation;
9. To ratification of Remuneration of Cost Auditor's of the Company;

Affix Revenue stamp
of ₹ 1/-

Signed this _____ day of _____ 2019

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.