



40TH ANNUAL REPORT

FOR THE FINANCIAL YEAR
1ST APRIL 2019 TO 31ST MARCH 2020

2019-2020

SANGAL PAPERS LIMITED

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. Women Director
Mr. Arpit Jain	Company Secretary cum Compliance Officer

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

NOMINATION AND REMUNERATION COMMITTEE

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

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR)

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

BANKER:

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

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.com

Phone No.: 011-26387281- 82-83

40th ANNUAL GENERAL MEETING

Date: 29th Day of September, 2020

Day: Tuesday

Time: 10.00 A.M.

Medium : Through Video Conferencing/OAVM

SCRIP CODE : 516096

SCRIP ID : SANPA

LISTED ON : BSE (Bombay Stock Exchange)

AUDITOR:

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

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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

A message from Mr. Himanshu Sangal, Managing Director of the company

Dear Shareholder

Let me begin by wishing you and your families the very best in this challenging time; stay safe, stay prudent and take every possible care of yourself and your loved ones. On behalf of the company, let me assure you that Sangal Papers Limited is standing by its people and government in their hour of need by contributing Rs. 5 lakh towards PM CARE Fund.

Your company has been continuously following mandatory protocols such as social distancing between the staff, communication through telephones or intercoms with the internal employees, work from home as much as possible, setup of a covid helpdesk for its staff, sanitizing the work premise frequently and ensuring mandatory usage of mask for all employees to dent the prevailing conditions of CoVID-19 pandemic. With this global pandemic it does not only create panic in the global economic system but disturbs the whole ecosysytem. The ripple effect of this pandemic comes with global slowdown in demand, pressure in margins, and increase in credit period with the customers and slow recovery of receivables from the market.

Despite of many challenges for the industry during the FY 2019-2020, we are pleased to inform you that your company has fulfilled all its debt obligation on time without any delay or default. In addition, the company clocks a profit (PBT) of Rs. 190.39 lakh with a turnover of Rs. 12651.79 lakh during the year. Your company is also playing an important role in monitoring the effects to the environment and quality of life of people in neighbouring community through CSR initiatives. This action will further support sustainable growth in the future and create long term value to shareholders.

Furthermore, your company constantly focuses to bring customized products to its customers as per their requirement which in turn strengthens its relationship and bonding with the customers while giving us the edge over the competition in the domestic and global market.

The financial performance of the company remained downtrend during the FY 2019-20 in all aspects as compared to its previous year due to adverse market conditions, CoVID-19 pandemic etc.

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. Your company's vision and mission is our road map to a successful future, providing guidance on the standards of ethics, personal integrity and compliance which builds that are the foundation of a successful business in all aspect.

Sincerely,
Himanshu Sangal,
Managing Director
DIN: 00091324

Date: 03/09/2020
Place: Mawana

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 Fortieth(40th) Annual General Meeting of the SANGAL PAPERS LIMITED ("The Company") will be held on Tuesday, **29th day of September, 2020 at 10:00 A.M.** through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone Financial Statements of the company for the year ended 31st March 2020, together with the Reports of the Board of Directors and the Auditors thereon.
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.

SPECIAL BUSINESS:

4. 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, 2021."

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,

Date: 03/09/2020

Place: Mawana

Sd/-

Arpit Jain

Company Secretary cum Compliance Officer

NOTES:

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the Ministry of Corporate Affairs ("MCA") vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") has permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and its Circulars, the AGM of the Company is being held through VC / OAVM.

2. Since, the AGM is being conducted through VC/OAVM, there is no provision for appointment of proxies. Accordingly, appointment of proxies by the members will not be available.
3. Corporate members intending to attend the AGM through authorised representatives are requested to send a scanned copy of duly certified copy of the board or governing body resolution authorising the representatives to attend and vote at the Annual General Meeting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to dkgupta08@yahoo.co.in with a copy marked to helpdesk.evoting@cdslindia.com
4. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. Explanatory Statement as required under Section 102(1) of the Companies Act, 2013 is annexed.
6. Additional information, pursuant to Regulation 36 (3), of the Listing Regulations, in respect of directors reappointing at the Annual General Meeting and Explanatory Statement as required under Section 102 of the Companies Act, 2013, in respect of special business under item numbers 04 of the Notice is appended hereto and forms part of this Notice.
7.
 - a) The Register of Members and Share Transfer Books of the Company will remain closed from 23rd September, 2020 to 29th September, 2020 (both days inclusive).
 - b) The remote e-voting period commences on Saturday, September 26, 2020 (09:00 am) and ends on Monday, September 28, 2020 (05:00 pm). No e-voting shall be allowed beyond the said date and time. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 22, 2020, may cast their vote by remote e-voting.
8. Members holding shares in physical form are requested to intimate immediately to the Registrar & Share Transfer Agent of the Company, **MAS Services Limited**, T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi - 110 020 Ph:- 011-26387281/82/83 Fax:- 011-26387384 quoting registered Folio No. (a) details of their bank account/change in bank account, if any, and (b) change in their address, if any, with pin code number.

In case share are in demat form members are requested to update their bank detail with their depository participant.
9. In terms of Section 72 of the Companies Act, 2013 and the applicable provisions, the shareholders of the Company may nominate a person in whose name the shares held by him/them shall vest in the event of his/their death. Shareholders desirous of availing this facility may submit the requisite nomination form.
10. Any member requiring further information on the Accounts at the meeting is requested to send the queries in writing to GM (Finance) or CFO, on or before 24th September 2020 at the email id - sangalinvestors1980@gmail.com
11. In respect of the matters pertaining to Bank details, ECS mandates, nomination, power of attorney, change in name/address etc., the members are requested to approach the Company's Registrars and Share Transfer Agent, in respect of shares held in physical form and the respective Depository Participants, in case of shares held in electronic form. In all correspondence with the Company/Registrar and Share Transfer Agent,

members are requested to quote their folio numbers or DP ID and Client ID for physical or electronic holdings respectively.

12. The documents referred to in the proposed resolutions are available for inspection at its Registered Office of the Company during normal business hours on any working day except Saturdays, upto the date of meeting.
13. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat account. Members holding shares in physical form can submit their PAN to the Company/Registrar.
14. Members who hold shares in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Registrar, for consolidation into a single folio.
15. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, the Annual Report including audited financial statements for the financial year 2020 including notice of 40th AGM is being sent only through electronic mode to those Members who have registered their e-mail address so far and are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

In case you have not registered your email id with depository or RTA you may registered your email id in the following manner.

Physical Holding	Send a signed request to Registrar and Transfer Agents of the Company, MAS Services Limited at info@masserv.com providing Folio number, Name of the shareholder, scanned copy of the share certificate (Front and Back), PAN(Self attested scanned copy of PAN Card), AADHAR (Self attested scanned copy of Aadhar Card) for registering email address.
Demat Holding	Please contact your Depository Participant (DP) and register your email address as per the process advised by DP.

16. Additional information, pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment/re-appointment is annexed to the notice.
17. **Voting through electronic means:** In compliance with the provisions of Regulation 44 of the Listing Regulations and Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 Company is offering e-voting facility to its members. Detailed procedure is given in the enclosed letter.

INSTRUCTION FOR REMOTE EVOTING , EVOTING AND JOINING OF AGM THROUGH VIDEO CONFERENCING

- (i) The shareholders need to visit the e-voting website <http://www.evotingindia.com/>.
- (ii) Click on “Shareholders” module.

(iii) Now enter your User ID

- a. For CDSL: 16 digits beneficiary ID,
- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

(iv) Next enter the Image Verification as displayed and Click on Login.

(v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

(vi) If you are a first time user follow the steps given below:

	For Shareholders holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none">Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence/PAN number which is mentioned in email..
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none">If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).

(vii) After entering these details appropriately, click on “SUBMIT” tab.

(viii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the demat holders for voting on resolutions of any other company for which they are eligible to vote, provided that the company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(ix) For shareholders holding shares in physical form, the details can be used only for remote e-voting on the resolutions contained in this Notice.

- (x) Click on the EVSN : **200905002** for the Sangal Papers Limited.
- (xi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same, the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution on which you have decided to vote, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Shareholders can also cast their vote using CDSL’s mobile app “**m-Voting**”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHO WISH TO OBTAIN LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE BUT WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES :

1. For Physical shareholders- Kindly send an email with a scanned request letter duly signed by 1st shareholder, scan copy of front and back of one share certificate, copy of PAN card and Aadhar card to info@masserv.com
2. For Demat shareholders - Kindly update your email id with your depository participant and send copy of client master to info@masserv.com

INSTRUCTIONS FOR JOINING MEETING THROUGH VC:

- (i) To join the meeting, the shareholders should log on to the e-voting website <http://www.evotingindia.com/> and login as explained above. After logging-in, kindly click on 'live streaming' tab and you will be redirected to 'cisco' website.

In the "Name" field - Put your USERID as informed in e-mail..

In the "last name" field - Enter your Name

In the "Email ID" field - Put your email ID

In the "Event password" field - Put the password as "cdsl@1234"

Click join now button.

Now screen will be displayed for downloading CISCO driver for VC. Please click on run temporary file download. Downloading of driver will be start open driver and click on run.

Event will start and you will be in the AGM through Video conferencing.

You can join meeting through laptop, tablet and desktop. In case you want to join through mobile, you need to download the webex meet app from the respective play store.

PRE-REQUISITE FOR JOINING OF MEETING THROUGH DESKTOP OR LAPTOP:

1. System requirement:

- ✓ Windows 7, 8 or 10
- ✓ i3
- ✓ Microphone, speaker
- ✓ Internet speed minimum 700 kbps
- ✓ Date and time of computer should be current date and time

PRE-REQUISITE FOR JOINING OF MEETING THROUGH MOBILE:

- ✓ Please download webex application from play store

NOTE:IT IS ADVISABLE TO LOGIN BEFOREHAND AT E-VOTING SYSTEM AS EXPLAINED IN E-VOTING INSTRUCTIONS ABOVE, TO BE FAMILIAR WITH THE PROCEDURE, SO THAT YOU DO NOT FACE ANY TROUBLE WHILE LOGGING-IN DURING THE AGM.

PROCEDURE FOR E-VOTING AND JOINING OF MEETING THROUGH VC

(EXPLAINED USING SCREENSHOTS):

- i. The shareholders should log on to the e-voting website <http://www.evotingindia.com/>. Below screen will be appear.



ii. Press Shareholders/Members tab, after which the below screen will be appear.



iii. Enter user id as mentioned in your invite email, or read point number (iii) as given above.

Since you are a registered user, below screen will be appear. Enter your existing CDSL password in password field.



- vi. For e-voting, press EVSN number **200905002** given in EVSN column; and for joining AGM through video conferencing, click on “Click here” tab under the live streaming column.

E-voting screen will be shown as below, where you can cast your vote and press submit button given at the bottom of the screen.



Screen for login into Video Conferencing is shown below:



Fill the details as:

In the “Name” field - Enter your USERID as given in email

In the “last name” field - Enter your Name

In the “Email ID” field - Put your email ID

In the “Event password” field - Put the password as “cdsl@1234”

Click join now button.

You can join meeting through laptop, tablet, and desktop. In case you want to join through mobile, you need to download the webex meet app from the respective play store .

vii. Once you click on ‘Join now’ tab, the following screen will be appear :



- viii. Now, Kindly click on 'Run a temporary application', after which a Webex driver will get downloaded. After downloading webex driver, run the application and you will be directed to the AGM.

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. : 4

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, 2021, at remuneration of Rs. 40,000/- plus applicable taxes and reimbursement of travel and out of pocket expenses M/s. Surendra Rai Kapur, Cost Accountants have the necessary experience in the field of cost audit and have submitted a certificate regarding their eligibility for appointment as Cost Auditors of the Company. As per the provisions of Section 148 of the Act read with Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the members of the Company. Accordingly, consent of the Members is sought for passing the resolution as set out in Item no. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2021.

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 recommends the ordinary resolution as set out in Item No. 4 of this Notice for your approval.

Annexure A

Required details of the Directors seeking re-appointment in the forthcoming Annual General Meeting (In pursuance of Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015).

Name of the Director	Vinayak Sangal (DIN- 06833351)	Tanmay Sangal (DIN- 01297057)
Date of Birth	21/11/1991	16/10/1985
Item Number	2	3
Date of Appointment	01/03/2014	30/11/2003
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.
Qualification	B. Tech. (Mechanical), MBA (Operation)	MBA (Finance)

Board Membership of Companies as on 31 st March, 2020	1. Sangal Papers Limited,	1. Sangal Papers Limited
Member of the Committee of the Board of Director as on 31 st March, 2020	Sangal Papers Ltd 1. Nomination and Remuneration Committee-Member	None
Number of Shares Held on 31 st March, 2020	14352	45228

For and on behalf of the Board of Directors,

Date: 03/09/2020
Place: Mawana

Sd/-
Arpit Jain
Company Secretary cum Compliance Officer

DIRECTORS' REPORT TO THE MEMBERS

To,

The Members,

We have the pleasure in presenting Fortieth (40th) 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, 2020.

COMPANY OVERVIEW

Sangal Papers Limited (herein called "The Company") was incorporated in the year 1980. The forty year old Company is a manufacturer of Newsprint, Writing & Printing paper and other various special paper for domestic and exports markets. Each of these products is targeted to meet unique and changing needs of our customers.

The prevailing pandemic has challenged the industry with many obstacles, but reinventing ourselves continuously has helped the company to face these challenges and maintain a sustainable growth. We at Sangal Papers also believe that our employees are the backbone of our company and aims at safeguarding the health of employees. With this philosophy we have set up a CoVID helpdesk to ensure the employee's safety by educating the employees about the virus and ensuring that the protocols are followed.

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 your Company for the Financial Year ended March 31st, 2020 are summarized as follow, details are based on:

Details of financials as per IND AS:

Amt. in Rs Lakhs

Particulars	Current Financial Year (2020)	Previous Financial Year (2019)
Revenue from Operations	12568.74	14823.40
Other Income	83.05	114.96
Total Income of the Company	12651.79	14938.36
Profit before Depreciation, Finance Costs, Exceptional items and Tax Expense	516.44	1017.62
Less: Depreciation/ Amortisation/ Impairment	129.32	117.80
Profit before Finance Costs, Exceptional items and Tax Expense	387.12	899.82
Less: Finance Costs	196.73	167.22
Profit before Exceptional items and Tax Expense	190.39	732.6
Add/(less): Exceptional items	0	0
Profit before Tax Expense	190.39	732.6
Less: Tax Expense (Current & Deferred)	10.12	118.96
Profit for the year (1)	180.27	613.64
Other Comprehensive Income (2)	(3.10)	3.80
Total Comprehensive Income (1+2)	177.17	617.44
Balance of profit /loss for earlier years	2960.87	2343.43
Add: Revaluation Reserve	48.56	48.56
Balance carried forward	3186.6	3009.43

SHARE CAPITAL

The issued capital, subscribed capital and paid up equity share capital of the Company as on March 31st, 2020 was Rs. 1,30,72,600 (Rupees One Crore Thirty Lakhs Seventy Two Thousand Six Hundred only) divided in to 13,07,260 (Thirteen Lakh Seven Thousand Two Hundred Sixty) equity shares of Rs. 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 your company has decided to transfer the profit into the reserve of the company.

DIVIDEND

The Board of Directors of your 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

Management of the Company deployed the skills and efforts for achieving its objectives and goals. In order to achieve the ultimate goal of maximizing the network of shareholders of the Company by legitimate and fair means, while discharging its obligations towards the society and environment through the Corporate Social Responsibility. The management aims to be more economical and to bring efficiency in the operations of the company.

The company is regularly exploring for growth opportunities in 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 it. The Company has maintained international standards in its products. But due to economic slowdown as compared to last year, the demand of paper decreases sharply. However, despite unfavourable conditions for paper sector, our economy was able to fulfill all its debt obligations. The profit after tax (PAT) has decreased significantly by around 70% (approx) as compared to last year.

The Company has recorded a decline in revenue of 15% (approx.) across all segments as compared to last year. During the year under review the Company has achieved a turnover (Revenue from Operations) of **Rs. (In lakhs) 12568.74/-** as against previous figure of **Rs. (In lakhs) 14823.40/-** decrease in sale by 15% (approx).

During the year under review PBT (Profit Before Tax) was **Rs. (In lakhs) 190.39/-** as compared to previous year figure of **Rs. (In lakhs) 732.6/-**, posting a decrease by **74.01 % (approx)** in PBT. Net profit and PAT (profit after tax and other comprehensive income) were **Rs. (In lakhs) 177.17/-** as compared to previous year figure of **Rs. (In lakhs) 617.44/-** reporting a decrease of **71.31% (approx)** in net profit as compared to previous year. The operating and fixed expenses has increased during the financial year resulting in lower profits and high operating cost.

INSTALLED CAPACITY

The Company's current installed capacity is 33000 MT per annum. During the year under review there was no increment in the 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 a Capital expenditure in Plant and Machinery including co-generation system of Rs. 174.40 lakh to improve the quality and efficiency of paper which has taken 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. With the outbreak of CoVID-19 epidemic, the country faces a nation lock down from 22th March 2020 (Janta Curfew). Due to which company suffered a loss in production proportionately for ten days (approx) which impacted the affairs of the company significantly during the year under review.

CASH AND EQUIVALENTS

Cash & Equivalents as on date 31st March, 2020 was Rs. **(In lakhs) 26.23/-**. The Company continue to 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 31/03/2020 was Rs. **13.78/-** per share and previous year was Rs. **46.95/-** per share. The Company has reported a decline of **70.64 %** in EPS for the FY 2019-2020.

CHANGES IN FUNCTIONAL STRUCTURE OF THE COMPANY

Earlier the Company worked as a single unit, but for availing the income tax benefit, the Company was divided into two units or undertaking, One was paper manufacturing and Second was power plant unit and both were working as independent units 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 for availing Income Tax benefit under section 80- IA of the Income Tax Act, 1961. The power plant unit and paper unit is working as a separate unit since 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

Your Company enjoys credit rating from Brickwork Ratings. The Brickwork Ratings India Pvt. Ltd. has downgrade the outlook from (stable to negative) whereas there is no change in the rating assigned on 21/05/2020 to the company as **BWR BBB- (Pronounced as BWR Triple B Minus), Outlook: Negative (Reaffirmed)** 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 as there is no change in the rating assigned as compared to previous year.

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 and 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 Rs. 5 crore. As per the provisions of the Companies Act 2013, the company has constituted CSR committee to frame the policy and overlook the expenditure and fund allocation for CSR activities. On the basis of recommendation of Corporate Social Responsibility Committee (CSR committee) and as part of CSR initiatives, the company has spent full CSR amount during the financial year 2019-2020 as per the schedule 7 of Companies Act 2013, in areas of promoting education, health care and environmental sustainability as per deem fit by the CSR committee. The board approves all recommendation as recommended by CSR Committee during the year. The report on CSR activities is attached as Annexure-I to this report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

CONSERVATION OF ENERGY

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 22km, Meerut-Mawana road, Meerut, UP. The company is ensuring :

A) ELECTRICAL ENERGY:

- (a) 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) Specific investment has been made to reduce energy consumption by installing VFD's and other electrical equipments.
- (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

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 initiative for reduce the pollution and being more eco

friendly. Therefore no technology absorption is required. The Company constantly strives for maintenance and improvement in quality of its products and entire in-house Research & Development activities are directed to achieve the aforesaid goal.

IMPORTS/ EXPORTS AND FOREIGN EXCHANGE EARNINGS AND OUTGO

A. IMPORTS

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 decreased to Rs. (in lakhs) 1401.96 from Rs. (in lakhs) 2078.72 in the previous year. The Company has reported a decline of 32.56% in export for the said financial year.

Details are provided under the Point 21.A.(ii) of "Notes to Financial Statements" for the financial year ended as on 31st March 2020.

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

Employee wealth is main key of success of an organisation, 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.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention of sexual harassment policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. 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 31, 2020 no complaints pertaining to sexual harassment have been received.

DIRECTORS RETIREMENT AND RE-APPOINTMENT

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

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, offers himself for re-appointment. The Board of Directors recommends the re-appointment of Mr. Tanmay Sangal (DIN: 01297057) as director of the Company

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. Arpit Jain

(Company Secretary) of the Company w.e.f. 23rd August 2019, whereas Mr. Shivam Sharma resigned from the post of Company Secretary from the date of new appointment of the 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 Women 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 includes 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. 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 women 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 women 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 and as per company policy the meeting of the independent Directors of the Company was scheduled to be held on 30th March 2020, for the purpose of evaluation of the Board of Directors as whole and individually with other programs, but due to CoVID-19 outbreak and nation lock down as declared by government read with MCA Circular No. 11/2020. The meeting of the independent director stood cancelled.

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 2019-2020, Six (6) Board of Directors Meetings, Four (4) Audit Committee Meetings, One (1) Nomination and Remuneration Committee Meetings, One (1) Stake holder Relationship Committee meetings,

Two (2) Corporate Social Responsibility 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 has been a loss of production due to outbreak of CoVID-19 and (Janta Curfew) nation lock down as declared by the government from 22nd March. However with the exceptions granted by local authorities and state/central government. The Company has restarted its production from 1st day of May 2020 with relevant grants and permission as required. On account of such lock down, the company suffered an opportunity loss of production of goods and revenue proportionately for ten days due to this lockdown.

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 2019-2020.

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/behaviors of any form and the Board has laid down the directives to counter such acts. The code laid down by the Board is known as "Code of Business Conduct" which forms and Appendix to the Code and same is available on the company website (www.sangalpapers.com).

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

All the Board members and the Senior Management personnel have confirmed compliances with the code. All management Staff 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 thereunder M/s Raj Sandhya & Co., Chartered Accountants (Registration No.:002011C), Muzaffarnagar have been appointed as Statutory Auditors of the Company at the 37th annual general meeting held on 29th September, 2017 for a period Five (5) years till the conclusion of 42nd Annual General Meeting to be held in the year 2022. The Auditors have confirmed that, they are not disqualified in terms of Section 141 of the Act. 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 re-enactment 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 re-enactment if any), the Company has appointed Mr. S. R. Kapur, Cost Accountant (Membership No.:- M-4926), Add.: 278, PakkaBagh, Holi Chock, Khatauli, Muzaffarnagar, UP-251201, as Cost Auditors of the Company for the financial year ended 2021 at such remuneration and other term and condition as may be agree by the Board of Directors of the Company.

SECRETARIAL AUDIT

Pursuant to provision of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, The Board of Directors appointed Mr. DK Gupta proprietor of M/s D. K Gupta & Co., Practicing Company Secretary (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 during the FY 2019-20.

ANNUAL RETURN

Pursuant to the Section 134 (3) of the Companies Act, 2013, Annual Return with necessary annexure of the company for the year 2019-2020, 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 2019-2020.

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,

Date: 03/09/2020
Place: Mawana

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

Sd/-
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;**

Mr. 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 (1ST April 2017 - 31st March 2020) = *Rs. 428.75 lakh**

FY 2017-18 = Rs 363.26 lakh

FY 2018-19 = Rs 732.60 lakh

FY 2019-20 = Rs 190.39 lakh

- Average taken of last three Financial Year as mentioned above.**

- d. Prescribed CSR Expenditure (two percent of the amount as in Item c above) for the FY 2020 - 21 = Rs 8.58 lakh**

- e. Details of CSR Spent during the financial year (2019-20);**

Total Amount to be spent for the financial year during FY 2019 - 20 : **Rs 9.05 lakh**

Amount unspent, if any : **NIL**

Manner in which the amount spent during the financial year :

S. No.	CSR Project/Activity as per Schedule 7	Location/Area	Amount outlay (Rs.)	Cumulative Expenditure (Rs.)	Amount Spent : Direct / Through agency
1	Protection of Flora and Fauna	Hastinapur	200000	200000	Direct
2	Education	Delhi / NCR	15000	215000	Direct
3	Hunger and Poverty	Lucknow	100000	315000	Direct
4	Health care	Modinagar	100000	415000	Direct
5	Health care (CoVID-19)	PM Care Fund	500000	915000	Direct

f. Reasons for not spending the amount - NA

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: Mawana
Date: 03/09/2020

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 FY 2019-20. The Company has laid down policies and processes/procedures so as to ensure compliance to the subject section in the Companies Act, 2013 and the corresponding Rules. In addition, the process goes through internal and external checking, followed by quarterly reporting to the Audit Committee.

- (a) Name(s) of the related party and nature of relationship: Not Applicable
- (b) Nature of contracts/arrangements/transactions: Not Applicable
- (c) Duration of the contracts / arrangements/transactions: Not Applicable
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
- (e) Justification for entering into such contracts or arrangements or transactions: Not Applicable
- (f) Date(s) of approval by the Board: Not Applicable
- (g) Amount paid as advances, if any: Not Applicable
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: Not Applicable

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

SL. NO.	Name of Related Party	nature of relationship	Nature of contracts/ transaction	Duration of contract/ transactions	Salient terms of the contracts or transactions including value (Rs. In Lakhs) per annum	Amount paid as advances, if any
1.	Mr. Tanmay Sangal (DIN	Son of MD (Mr. Himanshu Sangal)	Salary for holding office	Regular Service	30	NIL

	No.:01297057)		or place of profit			
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
4.	Smt. Renu Sangal	Wife of Sh. Himanshu Sangal, Managing Director of the Company	Rent	Regular	4.44	NIL

For and on behalf of the Board of Directors,

Date: 03/09/2020
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 Personal) 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 review the compensation of our MD, WTD/CFO and other KMP to align both the short term and long term business objectives of the company and to link with the performance of the directors and KMPs. The details of remuneration to KMP including MD and WTD/CFO in the below table:

a. Remuneration of Managing Director, Whole Time Director/Chief Financial Officer (CFO):

Name of Director	Directors Identification Number (DIN)	Designation	Remuneration in the year 2019-20 (Rs. In Lakhs)*	Remuneration in the year 2018-19 (Rs. In Lakhs)*	%increase of remuneration in fiscal 2020 as compared to 2019*	The ratio of the remuneration of each director to the median of remuneration of employees of the company for the Financial Year 2019-2020
Himanshu Sangal	00091324	Managing Director	84	80	5%	80.92:1
Amit Sangal	00091486	Whole Time Director/CFO	84	80	5%	80.92:1

*includes benefits provided by the company to concern MD and WTD during the financial year and remuneration drawn during the FY 2019-2020 year.

Note:

- The details in the table are on accrual basis.
- Remuneration provided to MD and WTD recommended by the Nomination and Remuneration Committee and approved by Board of Directors.
- 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- 2020 (Rs. In Lakhs)	Remuneration in the year 2018-2019 (Rs. In Lakhs)	% increase of remuneration in fiscal 2019-20 as compared to 2018-19
*Shivam Sharma	Company Secretary cum Compliance officer	1.63	3.66	3.03%

*Arpit Jain	Company Secretary cum Compliance officer	2.52	-	NIL
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- Shivam Sharma resigned from the company and Arpit Jain appointed as Company Secretary cum Compliance officer with effect from 23.08.2019.

The details in the above table are on accrual basis. For the purpose of comparison for both the financial year 2020 and financial year 2019 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 2020 (Rs. In Lakhs)	Remuneration in the year 2019 (Rs. In Lakhs)	% increase of remuneration in fiscal 2020 as compared to 2019	The ratio of the remuneration of each director to the median of remuneration of employees of the company for the Financial Year 2019-2020
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 2020 and financial year 2019 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	Education Qualification	Experience (in years)	Remuneration in 2019 - 20 (in Lakhs)	Previous employment and designation	Date of Commencement of employment	Date of Birth/Age as on 01.01.20 (in years)	No of share held as on date 31 st March 2020	Relationship with Director
Tanmay Sangal	President Marketing	MBA	10	30	Deloitte/ Business Valuation Analysis	01/01/2017	16/10/1985/ 35	45228	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/ 29	14352	Son of Mr. Amit Sangal, WTD/CF O
Praveen Agarwal	VP Plant	B.E., P.G.	37	12	Ruchi Paper Mill, GM	03/04/2017	15/05/1960 /60	NA	NA
Arvind Sharma	GM Plant	B.O.E.	17	10.20	Shree Lakshmi	03/09/2016	01/07/1979/ 41	NA	NA

					Cotsyn Ltd./ DGM Power Plant				
Ishita Niyogi	President Export	MBA	10	9.60	Google/ Account Manager	01/11/2017	05/10/1986/ 34	6864	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/ 54	60	NA
Rakesh Paspola	Sales Manager	B.A.	25	6.80	NA	01/06/2014	20/06/1968 /52	NA	NA
M.C. Rana	Productio n Manager	B.sc., B.E.	30	6.45	NA	01/01/2017	01/07/1959 /61	NA	NA
Kesho Singh	Electric Manager	M.Tech.	36	6.01	NA	01/07/2008	12/01/1959 /61	NA	NA
M.L. Gupta	Accounts Manager	M.A.	41	5.58	NA	20/09/2012	30/03/1955 /65	NA	NA

- e. The percentage decreases in the median remuneration of employee in the financial year: (2.45%).
Note: During the year median remuneration of employee decreases due to number of employee for the financial year 2019-2020 is less than number of employee during the financial year 2018-2019.
- f. The number of permanent employees on the rolls of company as on 31st March, 2020: 272 for the year 2019-2020.
The number of permanent employees on the rolls of company as on 31st March, 2019: 280 for the year 2018-2019.
- g. Average percentage increase in the salaries of employees other than the managerial personnel in the financial year 2019-2020 was 7% (estimated) and increase in the managerial remuneration for the same financial year was 100%. 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 Person (KMP) as per skills and experience. Increment in Managerial remuneration of the Key Managerial Persons (KMP) and MD and WTD as per Managerial Remuneration Policy.
- h. Key parameter for any variable component of remuneration availed by the Director - Variance in managerial remuneration as per Managerial Remuneration Policy.
- i. We affirm that the remuneration paid to the Directors, Key Managerial Personnel and employees is as per the remuneration policy of the Company.
- j. Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

Closing date of the Financial Year	Issued Capital (Shares)	Closing Market Price Per	EPS	PE Ratio	Market Capitalization
------------------------------------	-----------------------------------	------------------------------------	-----	----------	--------------------------

		Share			(Rs. in Lakh)
31.03.2019	1307260	147.1	46.95	3.13	1922.98
31.03.2020	1307260	48.80	13.78	3.54	637.94
Increase/(Decrease)	-	(98.3)	(33.17)	0.41	(1285.04)
% of Increase/Decrease	-	(66.83)%	(70.65)%	13.10%	(66.83)%

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

The equity shares of the Company were initially listed on BSE Ltd. in the year 1994. The last public offer of the equity shares was made in the year 1994 by way of Public issue to the general public in the ratio of 3:1 at a price of Rs. 10/- per equity share. As on 31st March, 2020 the market quotation of the Company's share price (closing price) was Rs. 48.80 .

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.

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

Name	Remuneration of KMP and Directors for the period 2019-2020 (Rs. In Lakhs)	Performance of the Company PAT as on 31 st March 2020 (Rs. In Lakh)
Himanshu Sangal Managing Director	84	180.27
Amit Sangal Whole Time Director cum CFO	84	180.27
Tanmay Sangal President Marketing/ Director	NIL	180.27
Vinayak Sangal President Operation/Director	NIL	180.27
*Shivam Sharma Company Secretary	1.63	180.27
Arpit Jain Company Secretary	2.52	180.27

- Shivam Sharma resigned from the company and Arpit Jain appointed as Company Secretary cum Compliance officer with effect from 23.08.2019.

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.

(i) 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.

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

(k) 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,

Date: 03/09/2020
Place: Mawana

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

Sd/-
Himanshu Sangal
Managing Director
DIN - 00091324

FORM NO. MR – 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH 2020

**[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 *(due to prevailing COVID-19 pandemic situation, records maintained by the Company and various returns filed were supplied to us electronically through e-mail and our examination is based on documents provided and explanations furnished without any physical verification of the records)*, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on **31st March 2020** 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:

- A. 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, 2020 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;

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SANGAL PAPERS LIMITED

- 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, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) 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, 2018;
- VI As informed by management other laws applicable to the Company are:-
- 1. Air (Prevention and Control of Pollution) Act, 1981 read with The Air (Prevention and Control of Pollution) Rules, 1982
 - 2. Central Excise Act, 1944
 - 3. Cenvat Credit Rules, 2004
 - 4. Employee's Compensation Act, 1923
 - 5. Employees' Pension Scheme, 1995
 - 6. Employees' Provident Fund Scheme, 1952
 - 7. Employees Provident Funds And Miscellaneous Provisions Act, 1952
 - 8. Finance Act, 1994
 - 9. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008
 - 10. Income Tax Act, 1961 and the rules made thereunder
 - 11. Industrial Disputes Act, 1947
 - 12. The Contract Labour (Regulation & Abolition) Act, 1970
 - 13. The Payment of Bonus Act, 1965
 - 14. The Payment of Gratuity Act, 1972
 - 15. The Payment of Wages Act, 1936
 - 16. Water (Prevention and Control of Pollution) Act, 1974 read with Water (Prevention & Control of Pollution) Rules, 1975
 - 17. Child Labour (Prohibition And Regulation) Act, 1986

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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 with respect to Board and General Meetings.
- (ii) The Listing Agreements entered into by the Company with BSE Limited read with the 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.

B. I Further Report that:

The Board of Directors of the Company is duly constituted with executive, non-executive and independent directors. The changes in the composition of the Board of Directors that took place during the period under review were generally 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 with requisite majority.

C. I Further Report that:

based on review of compliance mechanism established by the Company, I am of the opinion 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.

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A. I Further Report that:

During the audit period, there was no any other events or actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, Guidelines, standards, etc.;

Place: Meerut

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

Date: 31stAugust 2020

ICSI UDIN: F005226B000640322

DINESH KUMAR GUPTA
(Proprietor)

C. P. No. 3599
FCS No. 5226

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.

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SANGAL PAPERS LIMITED

‘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

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

Date: 31stAugust 2020

ICSI UDIN: F005226B000640322

DINESH KUMAR GUPTA
(Proprietor)

C. P. No. 3599
FCS No. 5226

.....
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SANGAL PAPERS LIMITED

Secretarial Compliance Report of Sangal Papers Limited
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH 2020
[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 *(due to prevailing COVID-19 countrywide lockdown since 24th March 2020, record maintained by the Company and various returns filed were supplied to us electronically through e-mail and our examination is based on documents provided and explanations furnished without any physical verification of the records)* 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 2020 (“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");

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;
- (i) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2015;

(j) Any circulars/ guidelines issued thereunder

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:-

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:

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
	There are no observations made in previous Annual Secretarial Compliance Report.			

Place: Meerut

Date: 8th July 2020

UDIN: F005226B000428396 dated 8th July 2020

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

DINESH
KUMAR GUPTA

Digitally signed by
DINESH KUMAR GUPTA
Date: 2020.07.08
17:08:36 +05'30'

DINESH KUMAR GUPTA
(Proprietor)

C. P. No. 3599
M. No. F-5226

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 Limited

CIN: L21015UP1980PLC005138

Reg. Office: Village Bhainsa, 22 K. M. Mawana Road, Meerut- 250401 UP IN

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 SEBI laws, 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. Due to prevailing COVID-19 countrywide lockdown since 24th March 2020, record maintained by the Company and various returns filed were supplied to us electronically through e-mail and our examination is based on documents provided and explanations furnished without any physical verification of the records.
7. The Secretarial Compliance 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: 8th July 2020

UDIN: F005226B000428396 dated 8th July 2020

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

DINESH
KUMAR GUPTA

Digitally signed by
DINESH KUMAR GUPTA
Date: 2020.07.08
17:09:22 +05'30'

DINESH KUMAR GUPTA
(Proprietor)

C. P. No. 3599

M. No. F-5226

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, 2020

1 REGISTRATION & OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	PAPER & PAPER PRODUCTS	1701, 1702	99.34%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COPANIES -

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
	NA				
	NA				

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

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year 1 st Apr 2019				No. of Shares held at the end of the year 31 st Mar 2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTERS									
(1) Indian									
a) Individual/ HUF	507758	0	507758	38.84 %	515404	0	515404	39.43%	0.59%
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)	507758	0	507758	38.84 %	515404	0	515404	39.43%	0.59%
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.	17399	4860	22259	1.70%	5600	4860	10460	0.8%	(0.9%)
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	210325	458520	668845	51.16%	235235	441120	676355	51.73%	0.57%
ii) Individual shareholders holding nominal share capital excess of Rs. 1 lakh	103869	0	103869	7.95%	101347	0	101347	7.75%	(0.20%)
c) Others (specify) Clearing	1051	0	1051	0.08%	675	0	675	0.05%	(0.03%)

Members									
d) Any other Specify NRI/OCB (repeat and non-repeat)	3478	0	3478	0.27%	3019	0	3019	0.23%	(0.04%)
Sub-total (B)(2):-	336122	463380	799502	61.16%	345876	445980	791856	60.57%	(0.59%)
Total Public Shareholding (B)=(B)(1)+(B)(2)	336122	463380	799502	61.16%	345876	445980	791856	60.57%	(0.59%)
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	843880	463380	1307260	100%	861280	445980	1307260	100%	0.00%

ii. Shareholding of Promoters

Sl. No.	Shareholder's Name	At the beginning i.e. as on (1 Apr 2019)			At the end i.e. as on (31 st Mar 2020)			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	7.15%	0.00%	93500	7.15%	0.00%	0.00%
3	AMIT SANGAL	121100	9.26%	7.65%	121100	9.26%	7.65%	0.00%
4	HIMANSHU SANGAL	107940	8.26%	7.65%	107940	8.26%	7.65%	0.00%
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	43275	3.31%	0.00%	45228	3.46%	0.00%	0.15%
8	ISHITA NIYOGI	5034	0.39%	0.00%	6864	0.53%	0.00%	0.14%
9	VINAYAK SANGAL	10489	0.80%	0.00%	14352	1.10%	0.00%	0.30%
	TOTAL	507758	38.84%	15.30%	515404	39.43%	15.30%	0.59%

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	121100	9.26%	121100	9.26%
At the end of the year	121100	9.25%	121100	9.26%
Mr. Himanshu Sangal	107940	8.26%	107940	8.26%
At the end of the year	107940	8.26%	107940	8.26%
Mrs. Ishita Niyogi	5034	0.39%	5034	0.39%
Date: 26/07/2019, transfer 1830 Equity Share*	1830	0.14%	1830	0.14%
At the end of the year	6864	0.53%	6864	0.53%

Mr. Tanmay Sangal	43275	3.31%	43275	3.31%
Date: 19/07/2019, transfer 1853 Equity Share*	1853	0.14%	45128	3.45%
Date: 31/03/2020, Purchase 100 Equity Share	100	0.01%	45228	3.46%
At the end of the year	45228	3.46%	45228	3.46%
Mr. Vinayak Sangal	10489	0.80%	10489	0.80%
Date: 19/07/2019, transfer 3648 Equity Share*	3648	0.28%	14137	1.08%
Date: 31/03/2020, Purchase 215 Equity Share	215	0.02%	14352	1.10%
At the end of the year	14352	1.10%	14352	1.10%
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%

- The shares are being transferred from their trading account to its own demat account.

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		At the end/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	43816	3.35
	Date wise increase/decrease in Non-Promoters/Directors Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus /sweat equity etc)				
	15/11/2019 (Decrease by way of Sale of share) - 100	100	0.01	43816	3.35
2	RAJENDRA DHIRAJLAL GANDHI (HUF)	17000	1.30	17000	1.30
3	VARSHA RAMESH PARIKH	17058	1.30	14636	1.12
	Date wise increase/decrease in Non-Promoters/Directors Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus /sweat equity etc)				
	31/05/2019 (Increase by way of Purchase of share) -713	713	0.05	17771	1.36
	07/06/2019 (Increase by way of Purchase of share) -750	750	0.06	18521	1.42
	14/06/2019 (Increase by way of Purchase of share) -600	600	0.05	19121	1.46
	17/01/2020 (Decrease by way of Sale of share) - 3230	3230	0.25	15891	1.22
	07/02/2020 (Decrease by way of Sale of share) - 255	255	0.02	15636	1.20
	14/02/2020 (Decrease by way of Sale of share) - 1000	1000	0.08	14636	1.12
4	DEEPAK ARORA	13200	1.01	13200	1.01
5	N LALITHA	12695	0.97	12695	0.97
6	NISHITH RAMESH PARIKH	9341	0.72	9844	0.75
	31/05/2019 (Increase by way of Purchase of share) -506	506	0.04	9847	0.75

	17/01/2020 (Decrease by way of Sale of share) - 1	1	0.00	9846	0.75
	31/01/2020 (Decrease by way of Sale of share) - 2	2	0.00	9844	0.75
7	MADHUBEN DHIRAJLAL GANDHI	9000	0.69	9000	0.69
8	MAHENDRA GIRDHARILAL	4233	0.32	8465	0.65
	05/04/2019 (Increase by way of Purchase of share) - 461	461	0.04	4694	0.36
	12/04/2019 (Increase by way of Purchase of share) - 180	180	0.01	4874	0.37
	19/04/2019 (Increase by way of Purchase of share) - 179	179	0.01	5053	0.39
	10/05/2019 (Increase by way of Purchase of share) - 200	200	0.02	5253	0.40
	15/11/2019 (Increase by way of Purchase of share) - 25	25	0.00	5278	0.40
	22/11/2019 (Increase by way of Purchase of share) - 100	100	0.01	5378	0.41
	17/01/2020 (Increase by way of Purchase of share) - 1000	1000	0.08	6378	0.49
	24/01/2020 (Increase by way of Purchase of share) - 1000	1000	0.08	7378	0.56
	20/03/2020 (Increase by way of Purchase of share) - 857	857	0.07	8235	0.63
	31/03/2020 (Increase by way of Purchase of share) - 230	230	0.02	8465	0.65
9	R VANITHA	7288	0.56	7288	0.56
10	VIDYASAGARAN UNNIPARAMBATH	6946	0.53	6946	0.53

V. Changes in Shareholding of Directors:

S. No. : 1 Mr. Himanshu Sangal (Managing Director)		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
At the beginning of the year		107940	8.26	107940	8.26
Changes During the Years					
Increase					
Date	Reason for Increase				
NA		0	0.00%	0	0.00%
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		121100	9.26%	121100	9.26%
Changes During the Years					
Increase					
Date	Reason for Increase				
NA		0	0.00%	0	0.00%

Decrease					
Date	Reason for Decrease				
NA		0	0.00%	0	0.00%
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		43275	3.31%	43275	3.31%
Changes During the Years					
Increase					
Date	Reason for Increase				
19/07/2019	Transfer of Share*	1853	0.14%	45128	3.45%
31/03/2020	Purchase of Share	100	0.01%	45228	3.46%
Decrease					
Date	Reason for Decrease				
At the End of the year		45228	3.46%	45228	3.46%

* The above shares are transferred from their trading account to its own demat account.

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		10489	0.80%	10489	0.80%
Changes During the Years					
Increase					
Date	Reason for Increase				
19/07/2019	Transfer of Share*	3648	0.28%	14137	1.08%
31/03/2020	Purchase of Share	215	0.02%	14352	1.10%
Decrease					
Date	Reason for Decrease				
At the End of the year		14352	1.10%	14352	1.10%

* The above shares are transferred from their trading account to its own demat account.

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 (Rs. in Lakhs):

Indebtedness at the beginning of the financial year	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	1361.06	440.36	0	1801.42
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)	1364.28	440.36	0	1804.64
Change in Indebtedness during the financial year				
* Addition	157.15	28.19	0	185.34
* Reduction	0	0	0	0
Net Change	157.15	28.19	0	185.34
Indebtedness at the end of the financial year				
i) Principal Amount	1568.61	468.55	0	2037.16
ii) Interest due but not paid	15.79	0	0	15.79
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	1584.4	468.55	0	2052.95

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Remuneration to MD and WTD		Total Amount
		Managing Director	Whole Time Director/CFO	
		Himanshu Sangal	Amit Sangal	
1.	Gross salary:	84	84	168

	(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)	84	84	168
	Ceiling as per the Act	Managerial Remuneration ceiling calculated as per Section I of Part II of Schedule V of Companies Act, 2013		

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

Sr. No.	Particulars of Remuneration	Remuneration to KMP, Rs. (in Lakh)	Total
		Company Secretary cum Compliance Officer	Amount Rs.
		Shivam Sharma and Arpit Jain	(in Lakh)
1.	Gross salary: (a) Salary as per provisions contained in section 17 (I) of the Income-tax Act, 1961	4.15	4.15
	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)	4.15	4.15

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

Sr. No.	Particulars of Remuneration	Remuneration to Directors				Total Amount
		Director	Director	Director	Director	
		Tanmay Sangal	Vinayak Sangal	Prem Sethi#	Geeta Gupta#	
1.	Gross salary:	0	0	0.24	0.28	0.52
	(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	0.24	0.28	0.52
	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 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: 03/09/2020
Place: Mawana

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

Sd/-
Himanshu Sangal
Managing Director
DIN – 00091324

This report on Corporate Governance forms part of the Directors Report for the financial year ended 31st March, 2020.

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 2020:

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.	40(Paper industries) 10 (Pharma)	Operation, production, administrative management	No	NIL	NA	NA
Mr. Amit Sangal	Whole Time Director/CFO/ Promoter/ Executive	Graduation in commerce	27 (Paper industries) 11 (Finance)	Finance, sale, operation, raw material management	No	TWO(2)	NA	NA

Mr. Tanmay Sangal	Director/ Promoter/ Non-Executive	MBA (Finance)	11	International business, Marketing, finance and business administration	Yes	NIL	NA	NA
Mr. Vinayak Sangal	Director/ Promoter/ Non-Executive	B.tech., MBA	5.5	Operation, raw material and production management	Yes	NIL	NA	NA
Mr. Prem Sethi	Independent Director/ Non-Executive	Graduate	31	Finance, legal	No	NIL	NA	NA
Mrs. Geeta Gupta	Independent Director/ Non-Executive/ Women Director	Graduate	26	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 has been 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 2020 is Six (6). The details are as follows:

30/05/2019, 14/08/2019, 23/08/2019, 10/10/2019, 14/11/2019, 12/02/2020.

(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	6	6	Yes
Amit Sangal	Whole Time Director cum CFO/ Promoter/ Executive Director	6	6	Yes
Tanmay Sangal	Director/Promoter/ Non-Executive Director	6	6	Yes
Vinayak Sangal	Director/Promoter/ Non-Executive Director	6	6	Yes
Prem Sethi	Independent Director/ Non-Executive Director	6	6	Yes

Mrs. Geeta Gupta	Independent Director/ Non-Executive Director	6	6	Yes
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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) time on such dates 30/05/2019, 14/08/2019, 14/11/2019, 12/02/2020 during the financial year ended March 31st, 2020. 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
HimanshuSangal	4	4

2. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee presently consists of three (3) Directors out Two (2) are Independent Directors, One (1) Director is Executive Director:-

Name of member	No. of Meeting Held	No. of Meeting Attend
Mr. Prem Sethi	1	1
Mrs. Geeta Gupta	1	1
Mr. Himanshu Sangal	1	1

There is no pending share transfer as on date where the documents are clear in all respects. During the financial year 2019-2020, The Stakeholders Relationship Committee met one (1) time on 30/05/2019, during the financial year 2019-2020. The Stakeholders Relationship committee charter containing terms and condition is available on our website (www.sangalpapers.com).

Investors' complaints attended and resolved during 2019-20

Investors' complaints	Attended/resolved during 2019 - 20
Pending at the beginning of the year	0
Received during the year	2
Disposed of during the year	2
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, Mrs. Geeta Gupta as Chairman (Independent Non- Executive Director), Mr. Prem Sethi (Independent Non- Executive), Mr. Vinayak Sangal (Non- Executive Director) as members of the Committee as on 31.03.2020. The Committee ensures appropriate disclosure on the remuneration of Directors and deals with the remuneration package of Directors, Service Contract, Notice Period, Severance Fees and Stock Option, If any. Sitting fee of Rs. 2000/- per meeting is payable to all non-executive directors except the promoter group directors, who attended the Board Directors meetings and committee meetings held during the year. No shares of the Company are held by independent directors. The Committee met during the year One (1) time as on 30/05/2019, 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 (Rs. In Lakhs)
Mr. Himanshu Sangal	Managing Director	84
Mr. Amit Sangal	Whole Time Director/CFO	84

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

Name of the Member	Designation	Remuneration (Rs. 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	Rs. 2,000/-
Mrs. Geeta Gupta	Director	Rs. 2,000/-

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

4. BOARD MEMBERS 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 ended financial year. 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 there under, 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. 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) Sitting Fees: The Non – Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

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

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

6. GENERAL BODY MEETINGS

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

Financial Year	Date	Time	Venue	No. of Special Resolution Passed
2018-2019	28/09/2019	11.00 A.M.	Vill. Bhainsa, 22km., Mawana Road, Meerut	Four (4)
2017-2018	29/09/2018	11.00 A.M.	Vill. Bhainsa, 22km., Mawana Road, Meerut	Two (2)
2016-2017	29/09/2017	11.00 A.M.	Vill. Bhainsa, 22km., Mawana Road, Meerut	Two (2)

i) Postal Ballot :

For the year ended as on 31st March, 2020, 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 was scheduled to be held on 30th March 2020, but due to global pandemic of Covid19 and nation lockdown declared by the government to curb the spread of corona virus. The meeting of Independent director stood cancelled by the company during the financial year ended on 31st March 2020.

10. SHAREHOLDERS:

(a) MEANS OF COMMUNICATION WITH SHAREHOLDERS:

The quarterly, half yearly and annually results are communicated to the BSE limited, where the company's share are listed as soon as they are approved and taken on record by the Board of Directors of the Company. Further, the results are published in news papers of Financial Express (English, All edition) and Aawam-e-hind (Hindi, Meerut edition). The results are not sent individually to the shareholders. The financial results are also displayed on the web site of the company at www.sangalpapers.com.

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 sangalinvestors1980@gmail.com to 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 behavior. 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 31, 2020 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 & Disclosure Requirements) Regulations,2015 of the said company with stock exchanges.

13. CEO/CFO CERTIFICATION

The MD 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	Tuesday, 29th September 2020
Time	10.00 A.M.

The aforesaid AGM shall be conducted through VC/OAVM, the procedure to attend and join the meeting has been provided annexed with the notice.

Please note that Annual Report and Notices shall be mailed to the shareholders who have registered or updated their email id's with the company.

Financial Year

The Financial Year of the Company is from 1stApril 2019 to 31stMarch 2020.

Financial Calendar (tentative dates)

First quarter results (June 30)	By first half of September
---------------------------------	----------------------------

	2020
Second quarter results (September 30)	By first half November 2020
Third quarter results (December 31)	By first half February 2021
Fourth quarter & annual audited results of the current Financial Year (March 31)	By Second half of May 2021

• **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, OkhlaIndustrial 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 2019-2020.

• **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 2020 was as follows:

Month	High	Low
April 2019	162.05	143.70
May 2019	163.95	138.55
June 2019	146.05	96.90
July 2019	114.45	70.05
August 2019	79.10	62.00
September 2019	96.35	74.00
October 2019	89.00	76.10
November 2019	85.00	60.20
December 2019	74.95	58.15
January 2020	86.70	61.85
February 2020	91.60	69.20
March 2020	83.20	45.10

• **Distribution of shareholding as on March 31, 2020.**

No. of shareholder	Percentage total (%)	Size of Shareholding	No. of Share	Amount in Rs.	Percentage total (%)
8449	98.508	1 to 5000	527697	5276970	40.367
67	0.781	5001 to 10000	50443	504430	3.859
32	0.373	10001 to 20000	40385	403850	3.089
5	0.058	20001 to 30000	11795	117950	0.902
4	0.047	30001 to 40000	13726	137260	1.050
1	0.012	40001 to 50000	4920	49200	0.376

8	0.093	50001 to 100000	62287	622870	4.765
11	0.128	100001 to above	596007	5960070	45.592
8577	100	Total	1307260	13072600	100

- **Shareholding Pattern:** Shareholding pattern of the company as on 31st March, 2020.

Sr. No.	Category	No. of Share	% of Shareholding
1.	Promoters (Individuals)	515404	39.43%
2.	Other then promoters (Individuals)	777702	59.49%
3.	Corporate bodies	10460	0.80%
4.	Financial Institutions/Bank and Mutual Funds	0	0.00%
6.	Venture capital Fund	0	0.00%
7.	NRI's (Repeated and Non-Repeated)	3019	0.23%
8.	Clearing Members	675	0.05%
	Total	1307260	100.00%

- **Share held in physical and Dematerialized From:**

As on March 31st, 2020

TOTAL SHARE HOLDERS IN NSDL	950	TOTAL SHARES IN NSDL	2,13,071
TOTAL SHARE HOLDERS IN CDSL	731	TOTAL SHARES IN CDSL	6,48,209
TOTAL SHARE HOLDERS IN PHY.	6920	TOTAL SHARES IN PHY	4,45,980
TOTAL	8,601		13,07,260

Note: 24 (TWENTY FOUR) 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 23, 2020 to September 29, 2020 (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: Negative (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 2019-2020:

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 Rs. 1,50,000/- (One Lakhs Fifty Thousands) to the statutory auditors for the financial year 2019-2020.

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, certificate attached herewith.

Details of non-compliance by the Company, penalties, structures 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 2019 - 20.

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 2019 - 20.

For and on behalf of the Board of Directors,

Date: 03/09/2020
Place: Mawana

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

Sd/-
Himanshu Sangal
Managing Director
DIN- 00091324

CERTIFICATE OF MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER ON CORPORATE GOVERNANCE

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

We have reviewed the financial statement and the cash flow statement of Sangal Papers Ltd. For the financial year 2019-20 and certify that:

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

For and on behalf of the Board of Directors,

**Date: 03/09/2020
Place: Mawana**

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

**Sd/-
Himanshu Sangal
Managing Director
DIN- 00091324**

SANGAL PAPERS LIMITED



Ref. No.

Dated:

AUDITOR'S COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

The Members
Sangal Papers Limited,
Vill. Bhainsa, 22km stone, Meerut-Mawana road,
Mawana, Meerut, UP

We have examined the compliance of conditions of Corporate Governance by Sangal Papers Limited For the year ended March 31st, 2020 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.

Dated: 03.09.2020
Place: Muzaffarnagar



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

Raj Kumar Sharma
Partner
Membership No.: 077650
UDIN:20077650AAAACU2734

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, 2020.

Sangal Papers Limited (hereinafter called “The Company”) incorporated in the year 1980 and having registered office in the state of Uttar Pradesh. The company is engaging in manufacturing of News Print paper and other various variety color 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 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 and indirectly 1.5 million people. 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. 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 Indian paper industry accounts for approximately 4% of the world’s production of paper.

During the financial year 2019-2020 the paper and paper product industry in india seen a significant decline in demand in export market as well as in domestic market due to Covid19 pandemic as compared to last fiscal year. The Sangal Papers Limited (“The Company”) has reported a decline of 15% (approx) in turnover (total Income) and profit after tax (PAT) plunges by 71% (*details based on 2019-2020 and 2018-2019 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 news print 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.

Your company is manufacturing paper on demand of the Customer, our production and market size is negligible in paper industry. We are manufacturing of News print and writing printing paper, the prices of News print paper decided by international market, large manufacturer and publishers of Newsprint

(Buyer) on quarterly basis on the availability of indigenous as well as imported news print paper in the market.

In the reference of pricing of writing printing paper and other various 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, 2020 of Rs. 12568.74 (Rupees in Lakh) decreased with 15.21%. 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 associate 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 pan 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, 2020, the total income of the company (including other income) of Rs. 12,651.79/- (Rs. in Lakh, approx) (current year) and of Rs. 14,938.36/- (Rs. in Lakh, approx) (previous year) decreased about 15.31% (approx) and total expenses of the respected year of Rs. 12,461.40/- (Rs. in Lakh, approx) (current year) and of Rs. 14,205.76/- (Rs. in Lakh, approx) (previous year) expenses decreased about 12.28% (approx). Profit after Tax (PAT) of the company for the relevant period of Rs. 180.27/- (Rs. in Lakh, approx) (current year) and of Rs. 613.64/- (Rs. in Lakh, approx) (previous year), profit after tax decreased about 70.62% (approx). Despite of challenges due to Covid19 which affects (decline) the global demand significantly. The Company is able to satisfy in terms of servicing its debt and interest obligations during the relevant financial period without any delay or default. The management of the company is optimistic and expects the business to get back to its normal rhythm by next year.

D) Outlook and other concerns:

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

Due to outbreak of CoVID-19 pandemic situation since March 2020, both inward and outward supply chains of the paper industry have been totally disrupted, and are yet to fully recover. There has also been a severe demand compression due to the lockdown of commercial establishments and downstream printers, publishers, converters, stationery services among others.

For the Indian paper industry, which registered a growth of about 5 - 6 percent last fiscal ended March 31, 2020 is likely to see a de-growth this financial year with poor sales volumes in the first quarter and the ongoing second quarter, where the situation has not improved much. However the business may take at least couple of more quarters in fair assessment, things may get back to normalcy by next year.

CARE Ratings expects that the overall paper demand growing at a CAGR of 7% is likely to touch 20 million tonnes in 2019-20.

The growth will be largely driven by printing & writing and packaging & paper board segment. The Indian paper industry can be broadly classified into three segments:

1. Printing & writing (P&W): Printing and writing segment caters to office stationary, textbooks, copier papers, notebooks etc. This segment forms ~31% of domestic paper industry. Governments thrust on education through steps like Right to Education, Sarva Shiksha Abhiyan, rise in service sector are key factors contributing to the growth of this segment.

2. Packaging & paper board: Packaging paper & board segment caters to tertiary and flexible packaging purposes in industries such as FMCG, food, pharma, textiles etc. This segment forms ~47% of the domestic paper industry. This is currently fastest growing segment owing to factors such as rising urbanization, increasing penetration of organized retail, higher growth in FMCG, pharmaceutical.

3. Newsprint: Newsprint serves the newspaper & magazines industry. This segment forms ~18% of Indian paper industry. This segment is under stress due to lower growth rates and import threat.

Our actual results could differ materially from those anticipated in these statements a result of certain factors. The company will try or make efforts to increase in the revenue and profit of the company in future. The company will also try to enter in new geographical area for capturing more market and 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 Rs. 7,00,00,000/- divided into 70,00,000 equity share of Rs. 10/- each. The issued, subscribed and paid-up capital is Rs. 1,30,72,600/- divided into 13,07,260 equity share of Rs. 10/- each.

Other Funds (Other equity):

1. Revaluation Reserve

As per standalone balance sheet for the financial year ended 31st March, 2020: Revaluation Reserve as on 31st March, 2019 of Rs. 48.56 (Rupees in Lakhs) and on 31st March, 2020 of Rs. 48.56 (Rupees in Lakhs).

2. Retained Earnings

As per standalone balance sheet for the financial year ended 31st March, 2020: The retained earnings as on 31st March, 2019 of Rs. 2,960.87 (Rupees in Lakhs) and on 31st March, 2020 of Rs. 3,138.04 (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, 2019 of Rs. 14,823.40 (Rupees in Lakhs) and as on 31st March, 2020 of Rs. 12,568.74 (Rupees in Lakhs), revenue of the company decreased with 15.21 % 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, 2019 of Rs. 114.96 (Rupees in Lakhs) and as on 31st March, 2020 of Rs. 83.05 (Rupees in Lakhs), other income of the company decreased with 27.75 % 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, 2019 to March, 2020.

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, 2019 of Rs. 732.60 (Rupees in Lakhs) and as on 31st March, 2020 of Rs. 190.39 (Rupees in Lakhs), Profit Before Tax decreased with 74.01%.

2. Profit after Tax (PAT)

As per standalone balance sheet of the company that Profit after Tax of the company for the financial year ended 31st March 2019, of Rs. 613.64 (Rupees in Lakhs) and as on 31st March 2020, of Rs. 180.27 (Rupees in Lakhs), Profit after Tax decreased with 70.62%.

3. Earning per equity share

As per standalone balance sheet of the company for the financial year ended 31st March, 2019, of Rs. 46.95 (Basic and Diluted) and as on 31st March 2020 of Rs. 13.78 (Basic and Diluted). The Earning Per Share (EPS) of the company decreased with 70.65%.

The financial performance of the company during the year is satisfactory. Amid, decline in export, pressure on profit margin and outbreak of Covid19 pandemic.

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, your Company enjoyed cordial relationship with workers and employees at all levels.

HUMAN RESOURCES

Employees of the company are essential assets of the company. Our company believes for welfare and development of the company. As at 31st march, 2020, the company employed 272 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, 2020 272 employee on pay roll of the company, during the financial year ended 2020, 15 new employee joined and 23 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, 2020 the company has 272 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 2019-2020 changes in financials and operating position of the company.

Financial Ratio:

Sr.no.	Ratio	Definition	UOM	19-20	18-19	% change
1.	Debtor Turnover	Net credit Sale/Average Account Receivable	Days	5.53	6.72	(17.71%)
2.	Inventory Turnover	Sale/Inventory	Days	9.32	9.42	(1.06%)
3.	Interest Coverage ratio	EBIT/Finance Cost	Times	1.97	5.38	(63.38%)
4.	Current Ratio	Current Assets/ Current Liabilities	Times	1.52	1.52	0%

5.	Debt equity Ratio	Debt/Equity	Times	0.61	0.57	(7%)
6.	Operation Profit Margin	EBIT/Sale	%	0.03	0.06	(50%)
7.	Net Profit Margin	Net profit/Total Revenue	%	0.01	0.04	(75%)

The Company reported a decline of 15.21% in its sales due to adverse market condition both in domestic and export market. The Company reported a decline of 17.71% in Debtor Turnover Ratio during the financial year 2019-2020 as compared to FY 2018-2019. The Company reported a decline of 1.06% in Inventory Turnover Ratio during the financial year 2019-2020. The Company reported a decline of 63.38% in Interest Coverage Ratio during the financial year 2019-20 due to profit before tax decreased sharply with 74.01% and profit after tax decreases with 70.62% (other than OCI). The Company reported no change in Current Ratio during the financial year 2019-2020. There is an increment of 7% in Debt Equity Ratio during the financial year 2019-2020. The Company reported a decline of 50% in Operation Profit Margin during the financial year 2019-20 due to decline in both - profit before tax with 74.01% and profit after tax with 70.62% (other than OCI) and sale decreased with 15.21% during the year. The Company reported a decline of 75% in Net Profit Margin during the financial year 2019-2020 due to decline in profit before tax with 74.01% and profit after tax decrease with 70.62 % (other than OCI) and total revenue decreased with 15.21%.

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: 03/09/2020
Place: Mawana

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

Sd/-
Himanshu Sangal
Managing Director
DIN - 00091324

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
SANGAL PAPERS LIMITED,
CIN: L21015UP1980PLC005138
Reg. Office: Vill. Bhainsa, 22km stone Meerut-Mawana road, Mawana, Meerut, UP- 250401

I have examined the relevant registers, records, forms, returns and disclosures received from the DirectorsofSangal Papers LimitedhavingCIN: L21015UP1980PLC005138and having registered officeat“Vill. Bhainsa, 22km stone, Meerut-Mawana road, Mawana, Meerut, UP”(hereinafter referred to as ‘the Company’), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on **31st March, 2020** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	HIMANSHU SANGAL	00091324	25/11/1980
2.	AMIT SNAGAL	00091486	27/09/1996
3.	TANMAY SANGAL	01297057	30/11/2003
4.	VINAYAK SANGAL	06833351	01/03/2014
5.	PREM SETHI	07146425	16/03/2015
6.	GEETA GUPTA	00095939	16/03/2015

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of theCompany.

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

Place: Meerut
Date: 31st August 2020
ICSI UDIN: F005226B000640333

DINESH KUMAR GUPTA
(Proprietor)
C. P. No. 3599
M. No. F-5226

Address: 164, Civil Lines, Behind Baijal Bhawan, Meerut – 250001, Uttar Pradesh, India
Ph: + 91-121-2663066, Mob: +91-9997773884, 9557089388
e-mail dkgupta08@yahoo.co.in, ecorpservices@yahoo.co.in
SANGAL PAPERS LIMITED

**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 **31 March 2020**, 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 **31 March 2020**, 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 there under, 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 **31 March 2020**. 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 those 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 the 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 the included the performance of procedures designed to respond to our assessment to the risk of material misstatements of the Standalone Ind AS financial statements. The results of our audit procedures, including the procedure performed to addressed the matter below, provide the a 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.] of the standalone Ind AS financial statements)	
For the year ended 31 March 2020, the Company has recognized revenue from contracts with customers amounting to Rs. 12568.74 lakhs. 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 the entitled in exchange for those goods or services.	Our audit procedures included the following: <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.



The Company has generally concluded that as principal, it typically controls the goods or services before transferring them to the customers.

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.

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 in a certain degree of estimation, resulting in understatement of the associated expenses and accrual.

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.

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.

- 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 2019-20, 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 base 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 the 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, 2020 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, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the aforesaid 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, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, 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, 2020, 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 information and according to the explanations given to us:
- (i) The Company has disclosed the impact of pending litigations on its financial position in its 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.



Dated: 10.07.2020
Place: MUZAFFARNAGAR

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

A handwritten signature in black ink, appearing to read "Raj Kumar Sharma".

Raj Kumar Sharma
Partner
Membership No.077650
UDIN:20077650AAAACA4232

ANNEXURE A TO THE AUDITORS' REPORT

The annexure referred to in our report to the members of **SANGAL PAPERS LIMITED, MEERUT** ('the Company') for the year ended 31 March 2020. We report that:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant & equipment.
- (b) According to the information and explanations given to us, physical verification of property, plant & equipment have been carried out by the management and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable, having regard to the size of the company and nature of its assets.
- (c) In our opinion and according to the information and explanations given to us, the title deeds of immovable properties are held in the name of the company.
- (ii) The inventory has been physically verified at reasonable intervals by the management during the year. As explained to us, no material discrepancies were noticed on physical verification as compared to book records.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act 2013.
- (iv) In our opinion and according to the information and explanations given to us, the company has not given any loans or guarantees/made any investments within the meaning of Section 185 & 186 of the Companies Act, 2013.
- (v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from the public.
- (vi) The Cost record has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013. We have broadly reviewed the accounts and records of the Company in this connection and are of the opinion, that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, carried out a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the records of company and information and explanation given to us, the company is regular in depositing undisputed statutory dues including, provident fund employees' state insurance, income-tax, 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 31.03.2020 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of income tax, duty of customs, goods and service tax which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of trade tax and service tax have not been deposited by the Company on account of disputes:

Name of the statute	Period to which the amount relates	Amount (In Rs.)	Forum where dispute is pending
Trade Tax	2001-2002	218454	Hon'ble High Court, Allahabad.
Trade Tax	2006-2009	725728	Joint Commissioner Appeal, U.P. Commercial Tax Department.



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

Dated: 10.07.2020
Place: MUZAFFARNAGAR



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

Raj Kumar Sharma
Partner
Membership No. 077650
UDIN:20077650AAAAACA4232

ANNEXURE B TO THE AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of **SANGAL PAPERS LIMITED, MEERUT** (the company) as of 31 March 2020 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 31 March 2020, 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

Raj Kumar Sharma
Partner
Membership No. 077650
UDIN:20077650AAAACA4232

Dated: 10.07.2020
Place: MUZAFFARNAGAR

Sangal Papers Limited
Balance Sheet as at 31 March 2020
(Amounts in INR Lakhs, unless otherwise stated)

	Notes	As at 31 March 2020	As at 31 March 2019
Assets			
(I) Non-current assets			
(a) Property, plant and equipment	3	2,964.59	2,810.98
(b) Capital work in progress	3	-	31.98
(c) Financial assets			
Security deposits	4	16.59	16.59
(d) Other non-current assets	5	61.87	47.35
Total non-current assets		3,043.05	2,906.90
Current assets			
Inventories	6	1,348.06	1,572.80
Financial assets			
Trade receivables	7	2,272.67	2,230.36
Cash and cash equivalents	8	26.23	27.53
Current tax assets (net)	9	54.69	38.22
Other current assets	10	109.97	72.14
Total current assets		3,811.62	3,941.05
Total assets		6,854.67	6,847.95
Equity and liabilities			
Equity			
Equity share capital	11	130.73	130.73
Other equity	12	3,186.60	3,009.43
Total equity		3,317.33	3,140.16
Non-current liabilities			
Financial liabilities			
Borrowings	13	625.10	703.77
Provisions	14	83.11	67.84
Deferred tax liabilities (net)	15	316.63	340.74
Total non-current liabilities		1,024.84	1,112.35
Current liabilities			
Financial liabilities			
Borrowings	16	1,252.33	1,000.89
Trade payables	17		
(a) Total outstanding dues of micro enterprises and small enterprises		72.22	109.40
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		815.32	1,143.96
Other current financial liabilities	18	291.29	227.75
Other current liabilities	19	54.84	96.11
Provisions	20	26.50	17.33
Total current liabilities		2,512.50	2,595.44
Total liabilities		3,537.34	3,707.79
Total equity and liabilities		6,854.67	6,847.95

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: 10.07.2020

UDIN:20077650AAAACA4232

For and on behalf of the Sangal Papers Limited

Sd/-

Managing Director

(Himanshu Sangal)

DIN- 00091324

Sd/-

Executive Director & Chief Financial Officer

(Amit Sangal)

DIN: 00091486

Sd/-

Director

(Tanmay Sangal)

DIN- 01297057

Sd/-

Company Secretary

(Arpit Jain)

PAN : ASQPJ9366A

Sangal Papers Limited
Statement of Profit and Loss for the year ended 31 March 2020

(Amounts in INR Lakhs, unless otherwise stated)

	Notes	For the year ended 31 March 2020	For the year ended 31 March 2019
Income:			
Revenue from operations	21	12,568.74	14,823.40
Other income	22	83.05	114.96
Total income		12,651.79	14,938.36
Expenses:			
Cost of material consumed	23	10,652.82	12,277.92
Purchase of stock-in-trade	24	13.60	304.44
Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	2.79	(218.65)
Employee benefits expense	26	775.52	747.48
Depreciation and amortization expense	3	129.32	117.80
Finance costs	27	196.73	167.22
Other expenses	28	690.62	809.54
Total expenses		12,461.40	14,205.76
Profit before tax		190.39	732.60
Tax expense			
Current tax		33.14	154.55
Less: MAT credit entitlement		(31.78)	(41.35)
Deferred tax		8.76	5.76
Profit for the year		180.27	613.64
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gains/(losses) on defined benefit plan		(4.19)	5.26
Income tax effect		1.09	(1.46)
Other comprehensive income		(3.10)	3.80
Total comprehensive income		177.17	617.44
Earnings per equity share of face value of ` 10 each :			
Basic (in `)		13.78	46.95
Diluted (in `)		13.78	46.95

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

Sd/-
Managing Director
(Himanshu Sangal)
DIN- 00091324

Sd/-
Director
(Tanmay Sangal)
DIN- 01297057

Raj Kumar Sharma
Partner
Membership No.: 077650

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

Sd/-
Company Secretary
(Arpit Jain)
PAN : ASQPJ9366A

Place: Muzaffarnagar
Date: 10.07.2020
UDIN:20077650AAAACA4232

Sangal Papers Limited
Statement of changes in equity for the year ended 31 March 2020
(Amounts in INR Lakhs, unless otherwise stated)

A Equity share capital (Refer Note 11)

	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the reporting period	130.73	130.73
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 12)

Other equity (Refer Note 12)

Particulars	Reserve & surplus				Total other equity	
	Revaluation reserve		Retained earnings			
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
	(refer note 12.1)		(refer note 12.2)			
Balance at the beginning of the reporting period	48.56	48.56	2,960.87	2,343.43	3,009.43	2,391.99
Profit/(loss) for the year	-	-	180.27	613.64	180.27	613.64
Other comprehensive income	-	-	(3.10)	3.80	(3.10)	3.80
Total Comprehensive Income	-	-	177.17	617.44	177.17	617.44
Balance at the end of the reporting period	48.56	48.56	3,138.04	2,960.87	3,186.60	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 Raj Sandhya & Co.

ICAI Firm Registration No.: 002011C

Chartered Accountants

Raj Kumar Sharma
Partner
Membership No.: 077650
Place: Muzaffarnagar
Date: 10.07.2020
UDIN:20077650AAAACA4232

Sd/-
Managing Director
(Himanshu Sangal)
DIN- 00091324

Sd/-
Director
(Tanmay Sangal)
DIN- 01297057

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

Sd/-
Company Secretary
(Arpit Jain)
PAN : ASQPJ9366A

Sangal Papers Limited
Statement of Cash Flows for the year ended 31 March 2020

(Amounts in INR, unless otherwise stated)

Particulars	Year ended For the year ended 31 March 2020	Year ended For the year ended 31 March 2019
Profit before tax	190.39	732.60
Adjustments for:		
Depreciation and amortisation	129.32	117.80
Interest expenses	196.73	171.27
loss on disposal of assets	-	14.26
Profit on sale of property, plant & equipment	(6.19)	-
Interest income	(1.40)	(3.06)
Operating profit before working capital changes	508.85	1,032.87
Movement in working capital		
(Increase)/decrease in trade receivables	(42.30)	(49.42)
(Increase)/decrease in inventories	224.74	(167.81)
(Increase)/decrease in other current financial assets	-	(7.76)
(Increase)/decrease in other current assets	(54.31)	63.05
(Increase)/decrease in other non-current assets	(14.52)	(34.18)
Increase/(decrease) in trade payables	(365.83)	161.14
Increase/(decrease) in other current financial liabilities	63.55	44.44
Increase/(decrease) in other current liabilities	(41.28)	(68.48)
Increase/(decrease) in long term provisions	15.27	(29.89)
Increase/(decrease) in short term provisions	9.18	(0.33)
Cash generated from/(used in) operations	303.35	943.63
Direct taxes paid (net of refunds)	(49.89)	(113.25)
Net cash generated from/(used in) operating activities	253.46	830.38
Cash flow from investing activities		
Purchase of property, plant & equipment including cwip and capital advances	(258.77)	(509.73)
Proceeds from disposal of assets	14.00	26.75
Interest received	1.40	3.06
Net cash (used in)/generated from investing activities	(243.37)	(479.92)
Cash flow from financing activities		
Repayment of long-term borrowings	(78.67)	152.52
Proceeds from short-term borrowings	251.44	(330.25)
Interest paid	(184.16)	(169.76)
Net cash (used in)/generated from financing activities	(11.39)	(347.49)
Net (decrease) / increase in cash and cash equivalents	(1.30)	2.97
Cash and cash equivalents at the beginning of the year	27.53	24.56
Cash and cash equivalents at the end of the year	26.23	27.53
Components of cash and cash equivalents		
Cash and cheques on hand	0.64	7.73
Balances with banks:		
- On current accounts	25.59	19.80
(refer note 8)	26.23	27.53

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, 2019	363.39	440.36	1,000.89	3.22
Add:- Proceeds from borrowings/ Interest accrued during the year	128.45	39.09	14,364.65	197.80
Less:- Repayment of borrowings / Interest payment during the year	169.38	10.91	14,113.21	184.69
Non Cash items :-				
- Amortization	-	-	-	-
Closing Balance as at March 31, 2020	322.46	468.54	1,252.33	16.33

Particulars	Term Loans including current maturities	Unsecured Loans	Short Term Loans- CC	Interest
Opening Balance as at April 01, 2018	229.98	413.02	1,331.14	1.71
Add:- Proceeds from borrowings/ Interest accrued during the year	260.78	37.42	15,134.62	171.27
Less:- Repayment of borrowings / Interest payment during the year	127.37	10.08	15,464.87	169.76
Non Cash items :-				
- Amortization	-	-	-	-
Closing Balance as at March 31, 2019	363.39	440.36	1,000.89	3.22

As per our report of even date
For Raj Sandhya & Co.
ICAI Firm Registration No.: 002011C
Chartered Accountants

Sd/-
Managing Director
(Himanshu Sangal)
DIN- 00091324

Sd/-
Director
(Tanmay Sangal)
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Raj Kumar Sharma
Partner
Membership No.: 077650

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

Sd/-
Company Secretary
(Arpit Jain)
PAN : ASQPJ9366A

Place: Muzaffarnagar
Date: 10.07.2020
UDIN:20077650AAAACA4232

Sangal Papers Limited

(Amounts in INR Lakhs, unless otherwise stated)

Background

Sangal Papers Limited is a Company domiciled in India, incorporated on 22 November 1980 with its registered office situated at Village Bhainsa, 22 km Mawana Road Meerut U.P, the Company has been incorporated under Indian Companies Act and its equity shares are listed on the Bombay Stock Exchange (BSE). "The financial statements are approved for issuance by the company's board of directors on 10th July 2020"

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 as amended from time to time and other relevant provisions of the Act.

(ii) Historical Cost Convention

The financial statements 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 rise 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

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

(q) Borrowings

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

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

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

(r) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised Rs. 1.07 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 recognised immediately in profit or loss as past service cost.

(b) Defined contribution plans

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

(t) Dividends

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

(u) Impact of COVID 19

The Company believes that thus far, there is no significant impact of COVID-19 pandemic on the financial position and performance of the Company. Further, the company is not expecting any significant change in estimates as of now as the company is running its business and operations as usual without any major disruptions.

(v) 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.

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 JUDGMENTS

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

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

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Estimation of current tax expense and payable – **Note 15**

Estimation of defined benefit obligation – **Note 30**

Recognition of deferred tax liabilities – **Note 15**

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.

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(Amounts in INR Lakhs, unless otherwise stated)

3 Property, plant & equipment

	Land & Site development	Buildings	Buildings others	Co-generation system	Plant & machinery	Office furniture & equipment	Computer	Vehicles	Total	Capital Work in Progress
Gross carrying value as of March 31, 2019	254.44	577.13	106.57	1,073.24	3,159.78	26.27	5.59	220.80	5,423.82	31.98
Additions during the year	-	63.96	-	10.08	164.32	1.93	0.85	49.60	290.74	-
Deletions during the year	-	-	-	-	-	-	-	56.36	56.36	31.98
Gross carrying value as of March 31, 2020	254.44	641.09	106.57	1,083.32	3,324.10	28.20	6.44	214.04	5,658.20	-
Accumulated Depreciation as of March 31, 2019	-	251.85	3.59	435.00	1,823.84	18.53	4.24	75.79	2,612.84	-
Depreciation	-	17.07	1.95	20.11	63.08	2.18	0.61	24.32	129.32	-
Accumulated Depreciation on deletions	-	-	-	-	-	-	-	48.55	48.55	-
Accumulated Depreciation as of March 31, 2020	-	268.92	5.54	455.11	1,886.92	20.71	4.85	51.56	2,693.61	-
Carrying value as of March 31, 2020	254.44	372.17	101.03	628.21	1,437.18	7.49	1.59	162.48	2,964.59	-
Carrying value as of March 31, 2019	254.44	325.28	102.98	638.24	1,335.94	7.74	1.35	145.01	2,810.98	31.98

Note:

1 Capital work in progress includes a part of Finance Cost added in capital work in progress amounting to Rs.1.07 Lakhs for the year ended 31 March 2020 and Rs.4.05 Lakhs for year ended 31 March 2019

2 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-13

Sangal Papers Limited

(Amounts in INR Lakhs, unless otherwise stated)

4 Non Current Financial assets-loans	As at 31 March 2020	As at 31 March 2019
Unsecured, considered good		
Security deposit	16.59	16.59
Total	16.59	16.59
5 Other non current assets (Unsecured, considered good unless otherwise stated)		
Capital advance	48.70	34.18
Balances with government authorities	13.17	13.17
Total	61.87	47.35
6 Inventories	As at 31 March 2020	As at 31 March 2019
Raw materials #	290.29	591.50
Work-in-process	80.36	138.02
Finished goods	490.79	435.92
Stores and spare parts	241.95	198.48
Others*	244.67	208.88
	1,348.06	1,572.80
# Includes raw materials in transit Rs. NIL as at 31-03-20 (As at 31-03-19 Rs. 23.75 lakhs).		
*Others include chemicals, packing material & fuel		
7 Trade receivables	As at 31 March 2020	As at 31 March 2019
Current		
Unsecured		
Considered good	2,031.95	1,927.16
Considered doubtful	240.72	303.20
Less: Provision for doubtful debts	-	-
Total	2,272.67	2,230.36

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.

Sangal Papers Limited

(Amounts in INR Lakhs, unless otherwise stated)

	As at 31 March 2020	As at 31 March 2019
8 Cash and cash equivalents		
Cash on hand	0.64	1.15
Cheques on hand	-	6.58
Balance with bank	25.59	19.80
	26.23	27.53
	As at 31 March 2020	As at 31 March 2019
9 Current tax assets (net)		
Income tax refund receivable	54.69	38.22
	54.69	38.22
	As at 31 March 2020	As at 31 March 2019
10 Other current assets		
(Unsecured, considered good unless otherwise stated)		
Advances to suppliers	53.31	41.63
Balances with government authorities	29.46	-
Others	27.20	30.51
Total	109.97	72.14

Sangal Papers Limited

(Amounts in INR Lakhs, unless otherwise stated)

11 Share capital

Authorised share capital

Equity shares of INR 10 each

As at 31 March 2019

Increase during the year

As at 31 March 2020

Number of shares (lakhs)	Amount
70.00	700.00
-	-
70.00	700.00

11A Issued share capital

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

As at 31 March 2019

Shares issued during the year

As at 31 March 2020

Number of shares (lakhs)	Amount
13.07	130.73
-	-
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.

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

Name of the shareholder	As at 31 March 2020		As at 31 March 2019	
	Number (lakhs)	% Holding	Number	% Holding
Equity shares of INR 10 each				
Shri Himanshu Sangal	1.08	8.26%	1.08	8.26%
Shri Amit Sangal	1.21	9.27%	1.21	9.27%
Smt. Charu Sangal	0.94	7.15%	0.94	7.15%
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.

12 Other equity

12.1 Revaluation Reserve

As at 31 March 2019

Addition/Reduction during the year

As at 31 March 2020

48.56	48.56
-	-
48.56	48.56

12.2 Retained earnings

Statement of profit & loss

As at 31 March 2019

Profit for the year

As at 31 March 2020

2,960.87	2,343.43
177.17	617.44
3,138.04	2,960.87

Sangal Papers Limited

(Amounts in INR Lakhs, unless otherwise stated)

13 Long term Borrowings

	As at 31 March 2020	As at 31 March 2019
(Secured)		
Term loans from banks	110.50	208.96
Vehicle loans from banks	10.44	27.71
Vehicle loans from NBFC	35.61	26.74
(a)	156.55	263.41
(Unsecured)		
From directors	99.54	99.01
From director's relative	106.07	98.12
From bodies corporate	262.94	243.23
(b)	468.55	440.36
Total long-term borrowings	625.10	703.77

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 lacs)**

At the rate of 1.00% above MCLR rate. i.e. 9.05% p.a. (Previous year 1.05% above MCLR rate. i.e. 9.555% p.a.), repayable in 53 monthly installments of 3.60 lacs each and final installment of 4.20 lacs starting from June 2017.

From State Bank of India (Original loan Amount 294 lacs)

At the rate of 1.00% above MCLR rate. i.e. 8.85% p.a. (Previous year 1.00% above MCLR rate i.e. 9.55% p.a.), repayable in 60 monthly installments of 4.90 lacs each starting from February 2019.

Vehicle Loan**From State Bank of India (Original loan Amount 35 lacs)**

At the Present effective rate is 9.00% p.a. (Previous year 9.00% p.a.), repayable in 36 monthly EMI of 0.64 lacs each starting from August 2018.

From BMW India Financial Services Pvt. Ltd. (Original Loan Amount 35 lacs)

At the Present effective rate is 9.55% p.a. (Previous year 9.55% p.a.), repayable in 35 monthly EMI of 0.53 lacs each and last installment for 25.29 lacs starting from September 2018.

From Axis Bank (Original loan Amount 35 lacs)

At the Present effective rate is 8.86% p.a. (Previous year 8.86% p.a.), repayable in 37 monthly EMI of 1.08 lacs each starting from January 2019.

From Toyota Financial Services Pvt. Ltd. (Original loan Amount 25 lacs)

At the Present effective rate is 9.00% p.a., repayable in 36 monthly EMI of 0.79 lacs each starting from November 2019.

Security:

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

14 Provisions

	As at 31 March 2020	As at 31 March 2019
Provision for gratuity (Refer note 30)	83.11	67.84
Total	83.11	67.84

Sangal Papers Limited

(Amounts in INR Lakhs, unless otherwise stated)

15 Deferred Tax Liabilities (net)

	<u>As at 31 March 2020</u>	<u>As at 31 March 2019</u>
Deferred Tax Liabilities		
Property, plant & equipment: Impact of differences between tax depreciation charged as per Financial Reporting	(a) 384.83	375.81
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) (4.93)	(6.28)
Mat Credit Entitlement		
Mat credit entitlement	(c) (73.13)	(41.35)
Total	(a-b-c) <u><u>316.63</u></u>	<u><u>340.74</u></u>

Income Tax

The major components of income tax expense for the years ended March 31, 2020 and March 31, 2019 are:

Statement of profit and loss:

Profit or loss section

	<u>As at 31 March 2020</u>	<u>As at 31 March 2019</u>
Current income tax:		
Current income tax charge	33.14	154.55
Less: Mat credit entitlement	(31.78)	(41.35)
Deferred tax:		
Relating to origination and reversal of temporary differences	8.76	5.76
Income tax expense reported in the statement of profit or loss	<u><u>10.12</u></u>	<u><u>118.96</u></u>

OCI section

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

	<u>As at 31 March 2020</u>	<u>As at 31 March 2019</u>
Net loss/(gain) on remeasurements of defined benefit plans	1.09	(1.46)
Income tax charged to OCI	<u><u>1.09</u></u>	<u><u>(1.46)</u></u>

Sangal Papers Limited

(Amounts in INR Lakhs, unless otherwise stated)

	As at 31 March 2020	As at 31 March 2019
Accounting profit before tax	190.39	732.60
Non deductible income for tax purposes:		
Less: Profit from power unit	106.23	284.45
Taxable Profit	84.16	448.15
At India's statutory income tax rate of 26% (previous year statutory income tax of 27.82%)	21.97	128.41
Deferred tax expenses reported in the statement of profit and loss*	8.76	5.76
Non deductible expenses for tax purposes:		
Depreciation expense (net)	(30.83)	(28.91)
Bonus	0.22	3.30
Loss on sale of property, plant & equipment	-	3.97
Profit on sale of property, plant & equipment	(1.61)	-
Gratuity	5.27	5.70
Other non deductible expenses	2.74	0.73
At the effective income tax rate	6.52	118.96
Income tax expense reported in the statement of profit and loss	33.14	154.55
Deferred tax expenses reported in the statement of profit and loss	8.76	5.76
Less: MAT credit entitlement	(31.78)	(41.35)
	10.12	118.96

16 Short term Borrowings

	As at 31 March 2020	As at 31 March 2019
Secured		
Working capital loan from bank*	1,252.33	1,000.89
Total	1,252.33	1,000.89

*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.

17 Trade payables

	As at 31 March 2020	As at 31 March 2019
Trade payable		
Total outstanding dues of micro enterprises and small enterprises	72.22	109.40
Total outstanding dues of creditors other than micro enterprises and small enterprises	815.32	1,143.96
Total	887.54	1,253.36

Terms and conditions of the above financial liabilities:
Trade payables are non-interest bearing and are normally settled on 90-day terms.

Sangal Papers Limited

(Amounts in INR Lakhs, unless otherwise stated)

18 Other current financial liabilities

	As at 31 March 2020	As at 31 March 2019
Current maturities of long term debt	159.73	96.76
Salaries & wages payable	87.71	81.10
Interest accrued and due on borrowings	15.79	3.22
Cheque payable	10.71	24.11
Other payable	17.35	22.56
Total	291.29	227.75

19 Other current liabilities

	As at 31 March 2020	As at 31 March 2019
Advance from customers	32.13	37.53
Statutory dues (including provident fund, esic,gst and tax dedcuted at source)	22.71	58.58
Total	54.84	96.11

20 Provisions

	As at 31 March 2020	As at 31 March 2019
Provision for gratuity (Refer note 30)	26.50	17.33
Total	26.50	17.33

Sangal Papers Limited

(Amounts in INR Lakhs, unless otherwise stated)

21 Revenue from operations

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Sale of products	12,541.62	14,733.47
Other operating revenue		
Sale of scrap	27.12	35.05
Sale of other items	-	54.88
Revenue from operations	12,568.74	14,823.40

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 March 2020	For the year ended 31 March 2019
Sale of manufactured products	12,536.87	14,400.56
Sale of traded products	4.75	387.79
Sale of scrap	27.12	35.05
Revenue from operations	12,568.74	14,823.40

(ii) Based on Geography

	For the year ended 31 March 2020	For the year ended 31 March 2019
Domestic	11,166.78	12,744.68
Export	1,401.96	2,078.72
Revenue from operations	12,568.74	14,823.40

B. Contract balances

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

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables *	2,272.67	2,230.36
Contract liabilities		
Advances from customers (Refer Note no 19)	32.13	37.53

* 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, 2020	For the year ended March 31, 2019
Revenue as per contracted price	12,568.74	14,921.71
Adjustments		
Sales return	-	33.87
Discount	-	64.44
Revenue from operations	12,568.74	14,823.40

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, 2020	As at March 31, 2019
Advances from customers (Refer Note no 19)	32.13	37.53

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.

Sangal Papers Limited

(Amounts in INR Lakhs, unless otherwise stated)

22 Other income

	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest income		
- on others	1.40	3.06
Duty draw back	17.95	29.09
Unclaimed balance written back	-	9.77
MEIS sale	25.99	53.67
Mill board rent	4.80	4.80
Profit on sale of property, plant & equipment	6.19	-
Foreign exchange fluctuation	25.67	14.48
Miscellaneous income	1.05	0.09
Total	83.05	114.96

23 Cost of raw material and components consumed

	For the year ended 31 March 2020	For the year ended 31 March 2019
Cost of raw materials (Waste Paper)	6,770.44	8,245.96
Other components consumed		
Chemicals	1,118.45	1,081.74
Packing material	161.95	227.21
Stores & spares	384.96	442.77
Power & fuel	2,154.02	2,214.64
Repairs - plant & machinery	63.00	65.60
Total	10,652.82	12,277.92

24 Purchase of stock-in-trade

	For the year ended 31 March 2020	For the year ended 31 March 2019
Purchase of stock-in-trade	13.60	304.44
Total	13.60	304.44

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

	For the year ended 31 March 2020	For the year ended 31 March 2019
Opening stock		
Finished goods	556.82	292.22
Stock in process	17.12	63.07
Total (a)	573.94	355.29
Closing stock		
Finished goods	556.12	556.82
Stock in process	15.03	17.12
Total (b)	571.15	573.94
Total (a) - (b)	2.79	(218.65)

Sangal Papers Limited

(Amounts in INR Lakhs, unless otherwise stated)

26 Employee benefit expenses

	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries, wages and bonus	722.51	700.05
Contribution to provident and other funds	25.33	21.89
Gratuity expenses	23.17	20.50
Staff welfare expenses	4.51	5.04
Total	775.52	747.48

27 Finance costs

	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest expense on:		
- term loans	30.55	23.08
- bank borrowings & others	167.25	148.19
Total	197.80	171.27
Less: Amount included in capital work in progress	1.07	4.05
	196.73	167.22

28 Other expenses

	For the year ended 31 March 2020	For the year ended 31 March 2019
Printing & stationery	3.59	3.62
Communication expenses	12.01	13.63
Travelling & conveyance	18.63	14.32
Insurance charges	18.19	18.95
Legal & professional charges	21.11	19.74
Bank charges	17.31	8.78
Rent	6.12	4.49
Rates & taxes	14.18	13.17
Loss on sale of property, plant & equipment	-	14.26
Bad debts	-	2.26
Corporate social responsibility expenses (refer note below)	9.15	-
Advertisement & Publicity	4.29	3.68
Business promotion expenses	23.52	14.58
Rebate & discount	32.72	23.64
Freight outward & loading charges	328.68	431.73
Commission on sales	120.43	136.13
Repair to building	20.13	36.39
Payment to auditors	1.50	1.50
Vehicle running & maintenance	26.40	30.04
Miscellaneous expenses	12.66	18.63
Total	690.62	809.54

Sangal Papers Limited

(Amounts in INR Lakhs, unless otherwise stated)

Detail of Payment to Auditors

	For the year ended 31 March 2020	For the year ended 31 March 2019
As auditor:		
Audit fee	1.15	1.15
Tax audit fee	0.35	0.35
Total	1.50	1.50

Corporate Social Responsibilities

The Gross amount required to be spent by the Company under its Corporate Social Responsibility Obligation of Rs. 9.05 lakhs (2% of the average net profits made during the three immediately preceding financial years) for the F.Y 2018-19. Out of the total amount, the company has spent Rs. 9.15 lakhs towards social development activities in accordance with the Schedule VII, of the Companies Act, 2013.

The company has spent Rs. 9.15 lakhs (2019-20 Rs. Nil) towards various schemes of Corporate Social Responsibility under section 135 of the Companies Act, 2013. The details are :

	2019-20	2018-19
(i) Gross amount required to be spent by the company during the year : Rs. 9.05 lakhs	9.05	-
(ii) Amount spent during the year on:		
Modi Charitable Trust	1.00	-
Pinjra Pashushala, Hastinapur	2.00	-
Help Care Society	0.15	-
Vijay Sri Foundation, Lucknow	1.00	-
PM Care Fund	5.00	-
Total	9.15	-

29 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 March 2020	For the year ended 31 March 2019
Net profit/(loss) for calculation of basic EPS	180.27	613.64
Weighted average number of equity shares for calculating basic EPS	13.07	13.07
Basic earnings/(loss) per share	13.79	46.95
Net profit/(loss) for calculation of diluted EPS	180.27	613.64
Weighted average number of equity shares for calculating diluted EPS	13.07	13.07
Diluted earnings/(loss) per share	13.79	46.95
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

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(Amounts in INR Lakhs, unless otherwise stated)

30 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- 26)

Particulars	2019-20	2018-19
Contribution to provident and other fund	25.33	21.89
Total	25.33	21.89

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

	For the year ended 31 March 2020	For the year ended 31 March 2019
Net employees benefit expense recognised in employee cost		
Current service cost	16.69	15.52
Interest cost on benefit obligation	6.47	4.98
Net benefit expense recognised in profit & loss	23.16	20.50

Balance sheet

	As at 31 March 2020	As at 31 March 2019
Benefit asset/(liability)		
Present value of unfunded obligation	(109.61)	(85.17)
Fair value of plan assets	-	-
Net liability	(109.61)	(85.17)

Changes in the present value of the defined benefit obligation

	For the year ended 31 March 2020	For the year ended 31 March 2019
Opening defined benefit obligation	85.17	72.49
Current service cost	16.69	15.52
Interest cost	6.47	4.98
Benefit paid	(2.91)	(2.55)
Actuarial (gains)/ losses on obligation	4.19	(5.26)
Closing defined benefit obligation	109.61	85.17

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.

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(Amounts in INR Lakhs, unless otherwise stated)

The principal assumptions used in determining gratuity obligation

	For the year ended 31 March 2020	For the year ended 31 March 2019
Discount rate	6.60%	7.60%
Salary escalation	7.00%	7.00%
Rate of employee turnover	2.00%	2.00%
Retirement age	58 Years	
Mortality table	100% of IALM (2012-14)	
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 March 2020	For the year ended 31 March 2019
Defined benefit obligation based on current assumptions		109.61	85.17
Discount rate	+0.50%	4.75	(4.12)
	-0.50%	(5.18)	3.11
Salary escalation	+0.50%	(4.65)	2.90
	-0.50%	4.67	(3.85)
Employee Turnover	+0%	-	0.30
	-0%	-	(0.18)

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 March 2020	For the year ended 31 March 2019
Within next 12 months	26.50	17.70
Between 2 and 5 years	22.38	17.75
Between 5 and 10 years	39.74	38.07
Beyond 10 years	-	-

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(Amounts in INR Lakhs, unless otherwise stated)

Risk analysis

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

Inflation risk

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

Longevity risk/life expectancy

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

Salary growth risk

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

31 Financial instruments-fair values and accounting classification

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

Financial Assets	As at 31 March 2020		As at 31 March 2019	
	Amortised Cost	FVTPL	Amortised Cost	FVTPL
Trade receivables	2,272.67	-	2,230.36	-
Cash and cash equivalents	26.23	-	27.53	-
Total	2,298.90	-	2,257.89	-
Financial Liabilities				
Term loans (Secured)	110.50	-	208.96	-
Vehicle loans from bank (Secured)	10.44	-	27.71	-
Vehicle loans from NBFC (Secured)	35.61	-	26.74	-
Loans from directors (Unsecured)	99.54	-	99.01	-
Loans from directors relative (Unsecured)	106.07	-	98.12	-
Loans from bodies corporate (Unsecured)	262.94	-	243.23	-
Short-term borrowings	1,252.33	-	1,000.89	-
Trade payables	887.54	-	1,253.36	-
Current maturities of long term debt	159.73	-	96.76	-
Salaries & wages payable	87.71	-	81.10	-
Interest accrued and due on borrowings	15.79	-	3.22	-
Cheque payable	10.71	-	24.11	-
Other payable	17.35	-	22.56	-
Total	3,056.26	-	3,185.77	-

Financial Instruments-Fair value hierarchy

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

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

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(Amounts in INR Lakhs, unless otherwise stated)

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

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

Particulars	Level of the Fair Value	As at 31 March 2020		As at 31 March 2019	
		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	2,272.67	2,272.67	2,230.36	2,230.36
Cash and cash equivalents	Level 3	26.23	26.23	27.53	27.53
Financial liabilities not measured at fair value					
Measured at amortised cost					
Term loans (Secured)	Level 3	110.50	110.50	208.96	208.96
Vehicle loans from bank (Secured)	Level 3	10.44	10.44	27.71	27.71
Vehicle loans from NBFC (Secured)	Level 3	35.61	35.61	26.74	26.74
Loans from directors (Unsecured)	Level 3	99.54	99.54	99.01	99.01
Loans from directors relative (Unsecured)	Level 3	106.07	106.07	98.12	98.12
Loans from bodies corporate (Unsecured)	Level 3	262.94	262.94	243.23	243.23
Total		625.10	625.10	703.77	703.77
Short term borrowings	Level 3	1,252.33	1,252.33	1,000.89	1,000.89
Trade payables	Level 3	887.54	887.54	1,253.36	1,253.36
Financial liabilities (Current) Others					
Current maturities of long term debt	Level 3	159.73	159.73	96.76	96.76
Salaries & wages payable	Level 3	87.71	87.71	81.10	81.10
Interest accrued and due on borrowings	Level 3	15.79	15.79	3.22	3.22
Cheque payable	Level 3	10.71	10.71	24.11	24.11
Other payable	Level 3	17.35	17.35	22.56	22.56
Total		291.29	291.29	227.75	227.75

Notes:

- Fair valuation of current financial liabilities is considered as approximate to respective carrying amount due to the short term maturities of their instrument
- Trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, other financial assets, trade payables and other financial liabilities have fair value that approximate to their carrying amounts due to their short-term nature.
- There are no transfer between Level 1, Level 2, and Level 3 during the year ended 31 March 2020 and 31 March 2019.

32 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.

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(Amounts in INR Lakhs, unless otherwise stated)

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

Credit risk

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

Provision for expected credit losses

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

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

For the year ended 31 March 2020

Particulars	Estimated gross carrying	Expected credit loss	expected credit losses	Carrying amount net of impairment provision
Trade Receivables	2,272.67	-	-	2,272.67
Cash and cash equivalents	26.23	-	-	26.23

For the year ended 31 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

Liquidity risk

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

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

For the year ended 31 March 2020	On demand	Within 1 year	1 to 5 years	> 5 years	Total
Borrowings					
Term loans (Secured)		159.73	156.56	-	316.29
Loans from director (Unsecured)		-	-	99.54	99.54
Loans from directors relative (Unsecured)		-	-	106.07	106.07
Loans from bodies corporate (Unsecured)		-	-	262.94	262.94
Short term borrowings					
Working capital loan from bank		1,252.33	-	-	1,252.33
Other financial liabilities					
Current maturities of long term borrowings'		159.73	156.56		316.29
Interest accrued and due on borrowings		15.79	-		15.79
Trade payables					
Trade payables		887.54	-		887.54

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(Amounts in INR Lakhs, unless otherwise stated)

For the year ended 31 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 body 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 ¹		96.76	263.41	-	360.17
Interest accrued and due on borrowings		3.22	-	-	3.22
Trade payables					
Trade payables		1253.36	-	-	1,253.36

33 Market Risk

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

(a) Foreign currency risk exposure:

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

Particulars	As at 31 March 2020	As at 31 March 2019
	USD	USD
Financial assets		
Trade receivables	1.64	0.79
Advance to suppliers	0.07	-
Net exposure to foreign currency risk (assets)	1.71	0.79
Financial liabilities		
Advance from customers	0.34	-
Net exposure to foreign currency risk (liability)	0.34	-

(C) Sensitivity

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

	Impact on Profit after Tax	
	For the year ended 31 March 2020	For the year ended 31 March 2019
USD Sensitivity		
INR/USD -Increase by .5% (31 March 2020-.5%)	(0.01)	-
INR/USD -Decrease by .5% (31 March 2019-.5%)	0.01	-

(b) Interest rate risk exposure:

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

Particulars	As at 31 March 2020	As at 31 March 2019
Variable Rate Borrowings		
Term loans from Banks	110.50	208.96
Vehicle loans from Banks	10.44	27.71
Vehicle loans from NBFC	35.61	26.74
Total	156.55	263.41

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(Amounts in INR Lakhs, unless otherwise stated)

(b) Sensitivity

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

Particular	Impact on profit after tax	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest rates – increase by 50 basis points*	1.69	1.21
Interest rates – decrease by 50 basis points*	(1.69)	(1.21)
Total		

* Holding all other variable constant

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

Contingent Liabilities	As at 31 March 2020	As at 31 March 2019
Trade tax	9.44	9.44
Commitment		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	200.50	92.67

35 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, 2020 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;	72.22	109.40
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.	-	-

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(Amounts in INR Lakhs, unless otherwise stated)

36 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 Arpit Jain	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	Company controlled by director/relative
Shree Ganesh Credits (P) Limited	India	Investing	Company controlled by director/relative

Related parties transaction and balance

Name of the Related Parties and Relationship	Key Management personnel		Companies controlled by directors / relatives	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Unsecured borrowings				
Unsecured Loans repayment	7.00	-	-	6.36
Unsecured Loans taken	-	-	-	0.20
Interest on Unsecured Loan	7.68	7.60	31.41	29.63
Outstanding Payable as on 31.03.2020	91.28	99.01	377.26	341.35
Remuneration to:-				
Shri Himanshu Sangal, Managing Director	84.00	80.00	-	-
Shri Amit Sangal, Whole Time Director & CFO	84.00	80.00	-	-
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	9.60
Shri Arpit Jain, Company Secretary & Compliance Officer	2.52	-	-	-
Shri Shivam Sharma, Company Secretary & Compliance Officer	1.63	3.66	-	-
Rent to:-				
Smt. Renu Sangal (W/o Shri Himanshu Sangal)			4.44	3.70

37 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 2019-20

Non current assets

(Other than financial instruments; post employment benefits; deferred tax Assets; and right arising under insurance contracts)

Within India

Outside India

As at
March 31, 2020

As at
March 31, 2019

61.87

47.35

-

-

Sangal Papers Limited

(Amounts in INR Lakhs, unless otherwise stated)

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

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

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

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

divided by

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

The company's gearing ratio were as follows:

Particular	As at 31 March 2020	As at 31 March 2019
Net debt	2,010.93	1773.89
Total equity	3,317.33	3140.16
Net debt to equity ratio	61%	56%

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

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

Summary of significant accounting policies

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

Sd/-
Managing Director
(Himanshu Sangal)
DIN- 00091324

For and on behalf of the Sangal Papers Limited

Sd/-
Director
(Tanmay Sangal)
DIN- 01297057

Place: Muzaffarnagar

Date: 10.07.2020

UDIN:20077650AAAACA4232

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

Sd/-
Company Secretary
(Arpit Jain)
PAN : ASQPJ9366A