



45th
(Forty-Fifth)

ANNUAL REPORT

F.Y.-1st APRIL 2024 TO 31st MARCH 2025

2024-2025

ANGAL PAPERS LIMITED

CORPORATE INFORMATION

CIN: L21015UP1980PLC005138

BOARD OF DIRECTORS

Executive Directors

Mr. Himanshu Sangal	Managing Director
Mr. Amit Sangal	Whole Time Director/CFO

Non- Executive and Non - Independent Directors

Mr. Tanmay Sangal	Director/President -Marketing
Mr. Vinayak Sangal	Director/ President – Operations

Non-Executive and Independent Directors

Mr. Sapan Sodhi	Director cum Chairman
Mrs. Vartika Malik	Women Director

STAKEHOLDER RELATIONSHIP COMMITTEE

Mrs. Sapan Sodhi	Chairperson
Mrs. Vartika Malik	Member
Mr. Himanshu Sangal	Member

AUDIT COMMITTEE

Mr. Vartika Malik	Chairperson
Mr. Sapan Sodhi	Member
Mr. Himanshu Sangal	Member

NOMINATION AND REMUNERATION COMMITTEE

Mrs. Vartika Malik	Chairperson
Mr. Sapan Sodhi	Member
Mr. Vinayak Sangal	Member

COMPANY SECRETARY Mr. Anant Vats

BANKER:

Axis Bank,
Civil Lines,
Meerut- U.P.

45thANNUAL GENERAL MEETING

Date: 11th Day of September, 2025
Day: Thursday
Time: 01.30 P.M.
Venue: Through Video Conferencing/OAVM

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,
investor@masserv.com
Website:www.masserv.com
Phone No.: 011-26387281- 82-83

SCRIPT CODE : 516096
LISTEDON: BSE (Bombay Stock Exchange)

SCRIPT ID : SANPA

ISIN : INE384D01022

ISSUER CODE : 384D

STATUTORY AUDITORS:

M/s Raj Viyom & Co., Chartered Accountants
Formerly known as (M/s RAJ SANDHYA & Co.)
572/7, Bhartiya Colony, Kukra Road,
Muzaffarnagar, U.P. - 251001

SECRETARIAL AUDITOR:

CS. D.K. GUPTA (D.K. Gupta & Co.),
Practicing Company Secretary,
164, Behind Baijal Bhawan, Civil Lines, Meerut, U.P.-250002

COST AUDITORS

M/S S.R. KAPUR
Practicing Cost Accountant
AGF-16, Ansal Courtyard Bypass
NH-58, Meerut-250001

REGISTERED OFFICE:

Sangal Papers Limited,
Vill, Bhainsa, 22km stone, Meerut-Mawana Road,
Mawana, Meerut, UP- 250401

E-mail : accounts@sangalpapers.com and sangalinvestors1980@gmail.com **Website:** www.sangalpapers.com

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

Dear Stakeholders,

I greet you with my heart and on behalf of Sangal Papers Limited.

Once again, it is my pleasure to present before you the Annual Report of your Company for the F.Y. -2024-25, focusing on the performance and highlights of the year.

Our Company has continuously made our policies and strategies to changing situations environment with respect to both Indian and Foreign Market. Our Company has a competitive advantage in terms of our product structure which included Newsprint Paper, Writing & Printing Paper and Speciality /Color Paper.

Our Company specializes in manufacturing wide range of color papers which find use in various applications. Today the company has become a name synonymous with Color Paper.

In addition, our Company is also paying due important role in monitoring effects to environment and quality of life of people in nearby community. This will support our sustainable growth and create long term value to shareholders.

Further our Company keeps on exploring new Indian and International markets where we could have better competitive advantage.

During the financial year 2024-2025 we have achieved Turnover of Rs. 180.27crores and PBT was Rs.4.00crores. The Company performance is considered as satisfactory and we hope to achieve better in the near future.

With the increase in growth rate of organized sector and the boost given by Government to MSME Sector, with focus on education, health, food segments, demand for the paper and paper products will also increase. Let us hope that we shall be able to give support from our side in the nation building process.

*Sincerely,
Himanshu Sangal*

Managing Director

SANGAL PAPERS LIMITED

CIN :(L21015UP1980PLC005138)

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

E- Mail ID:sangalinvestors1980@gmail.com, Website: www.sangalpapers.com, Phone 01233-271515

NOTICE TO MEMBERS

Notice is hereby given under the provision of section 101 of the Companies Act 2013, Forty - Fifth (45th) Annual General Meeting of SANGAL PAPERS LIMITED will be held on Friday, 26th Day of September, 2025 at 01:30 P.M. through Video Conferencing (“VC”)/Other Audio Visual Means (“OAVM”) to transact the following business:

ORDINARY BUSINESS:

1. ADOPTION OF FINANCIAL STATEMENTS

To receive, consider and adopt the Audited Standalone Financial Statements of the company for the year ended 31st March 2025, together with the Report of the Board of Directors and the Auditors thereon.

2. RE-APPOINTMENT OF MR. VINAYAK SANGAL

To re-appoint Mr. Vinayak Sangal (DIN: 06833351) who retires by rotation and being eligible, seeks re-appointment.

3. RE-APPOINTMENT OF MR. TANMAY SANGAL

To re-appoint Mr. Tanmay Sangal (DIN: 01297057) who retires by rotation and being eligible, seeks re-appointment.

SPECIAL BUSINESS:

4. APPOINTMENT OF SECRETARIAL 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 204 of the Companies Act, 2013, and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof for the time being in force and Regulation 24A of the SEBI (LODR) Regulations, 2015 as amended and based on the recommendation of the Audit Committee and the approval of the Board of Directors of the Company, consent of the Company be and is hereby accorded for appointment of M/S D.K. Gupta & Co. Proprietorship Firm of Company Secretaries (C.P. No.-3599) as the Secretarial Auditors of the Company for a term of five (5) consecutive financial years commencing from 1st April, 2025 until 31st March, 2030 to conduct Secretarial Audit and to furnish the Secretarial Audit Report at such remuneration as determined by the Board of Directors of the Company (including its Committee thereof) in consultation with the Secretarial Auditors.

RESOLVED FURTHER THAT the Board of Directors (which included a duly constituted committee of the Board of Directors) be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient to give effect to this Resolution.”

5. 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 there off or 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, 2026.

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."

6. RE-APPOINTMENT OF MR. HIMANSHU SANGAL (DIN- 00091324) AS MANAGING DIRECTOR

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification or re-enactment thereof) read with Schedule- V of the Companies Act, 2013 and as per of Articles of Association of the Company, approval of the members of the company be and is hereby accorded to the re-appointment of Mr. Himanshu Sangal as Managing Director (DIN- 00091324) of the Company for a term of Five years with effect from 01st Day of April, 2026 to 31st Day of March, 2031, as well as the payment of salary and other benefits (hereinafter referred to as "remuneration"), and the terms and conditions as detailed herein explanatory statement attached herewith, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and / or agreement in such manner as may be agreed to between the Board of Directors and Mr. Himanshu Sangal (DIN- 00091324).

RESOLVED FURTHER THAT the remuneration payable to Mr. Himanshu Sangal (DIN- 00091324), shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197,198 and Part I of Section I and Section II and Part II of Schedule V of the Companies Act, 2013 or such other limits as may be prescribed from time to time.

RESOLVED FURTHER THAT all the Directors of the Company or Company Secretary be and is hereby individually authorized to file necessary forms with Registrar of Companies and to do all such act, deeds and things as may be considered necessary to give effect to the above said resolution".

7. **RE-APPOINTMENT OF MR. AMIT SANGAL (DIN- 00091486) AS WHOLE TIME DIRECTOR DESIGNATED AS EXECUTIVE DIRECTOR.**

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification or re-enactment thereof) read with Schedule- V of the Companies Act, 2013 and as per of Articles of Association of the Company and approval of members of the company be and is hereby accorded to the re-appointment of Mr. Amit Sangal as Whole Time Director designated as Executive Director (DIN- 00091486) of the Company for a term of Five years with effect from 01st Day of April, 2026 to 31st Day of March, 2031, as well as the payment of salary and other benefits (hereinafter referred to as "remuneration"), and the terms and conditions as detailed herein explanatory statement attached herewith, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and / or agreement in such manner as may be agreed to between the Board of Directors and Mr. Amit Sangal (DIN- 00091486).

RESOLVED FURTHER THAT the remuneration payable to Mr. Amit Sangal (DIN- 00091486), shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197,198 and Part I of Section I and Section II and Part II of Schedule V of the Companies Act, 2013 or such other limits as may be prescribed from time to time.

RESOLVED FURTHER THAT all the Directors of the Company and the Company Secretary be and is hereby individually authorized to file necessary forms with Registrar of Companies and to do all such act, deeds and things as may be considered necessary to give effect to the above said resolution".

By Order of the Board of Directors

For Sangal Papers Limited

Date :13.08.2025

Place: Mawana

Anant Vats

Company Secretary cum Compliance Officer

Membership No. FCS 5575

NOTES:

1. Pursuant to the General Circular No. 09/2024 dated September 19, 2024, issued by the Ministry of Corporate Affairs (MCA) and Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October 3, 2024, issued by SEBI, read with other relevant circulars, notifications, guidelines issued by MCA and SEBI(including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force)(collectively referred to as "Circulars") Companies are allowed to hold AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM), without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the AGM.
2. The explanatory statement as required under Section 102 (1) of the Companies Act, 2013 along with a statement giving relevant details of the directors seeking appointment/ reappointment under Item No. 2,3,6,7 of the accompanying notice, as required under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is annexed to this Notice.
3. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. In terms of MCA Circulars, since physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility for appointment of proxies by the Members under Section 105 of the Act, will not be available for the AGM and, hence, the Proxy Form and Attendance Slip are not annexed to this Notice. The Board of Directors has appointed Shri Dinesh Kumar Gupta Proprietor D.K. Gupta & Co., Practicing Company Secretary (FCS No. 5226, CP No. 3599) as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
4. Corporate/Institutional members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy of its Board or governing body resolution/authorization etc., authorizing its representative to attend AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization be sent to the Scrutinizer by email through its registered email address to dkgupta08@yahoo.co.in with a copy marked to evoting@nsdl.co.in
5. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. Members can login and join the AGM 15 minutes prior to the scheduled time to start the AGM and the window for joining shall be kept open till the expiry of 15 minutes after the scheduled time to start the AGM. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members, on first-come-first-served basis. However, the participation of large members (members holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and Auditors can attend the AGM without restrictions. Instructions and other information for members for attending the AGM through VC/OAVM are given in this Notice.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

8. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the aforesaid MCA and SEBI Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.
9. For ease of conduct, members who would like to ask questions/express their views on the items of the business to be transacted at the meeting can send in their questions/ comments in advance mentioning their name, demat account number/ folio number, email id, mobile number at sangalinvestors1980@gmail.com. The same will be replied by the Company suitably. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
10. The Registers of Members and Share Transfer Books of the Company will remain closed from **Saturday, September 20th 2025 to Friday, September 26th, 2025**(both days inclusive) for the purpose of annual closure of books.
11. In accordance with SEBI LODR (Listing Obligations and Disclosure Requirements) (4th amendment) Regulations, 2018 notified on June 07, 2018 and further notification dated 30/11/2018 any request for physical transfer of shares shall not be processed w.e.f. April 01,2019

Further, in compliance with SEBI vide its circular SEBI/HO/ MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January 2022, the following requests received by the Company in physical form will be processed and the shares will be issued in dematerialization form only:

- i. Issue of duplicate share certificate
- ii. Claim from unclaimed suspense account
- iii. Renewal/Exchange of securities certificate
- iv. Endorsement
- v. Sub-division / splitting of securities certificate
- vi. Consolidation of securities certificates/folios
- vii. Transmission
- viii. Transposition

For this purpose, the securities holder/claimant shall submit a duly filled up Form ISR-4 which is hosted on the website of the company as well as on the website of MAS Services Ltd, Registrar and share transfer agent (RTA) at www.masserv.com under **download tab**. The aforementioned form shall be furnished in hard copy form.

Members holding shares in physical form are requested to dematerialize their holdings at the earliest.

12. The Securities and Exchange Board of India ('SEBI') vide its circular dated November 03, 2021 read with circular dated December 14, 2021 and 16/03/2023 has made it mandatory for the shareholders holding securities in physical form to furnish PAN, KYC (complete address with pin-code, bank detail with MICR-CODE & IFS CODE, Email-ID, Mobile Number) and Nomination details to the Registrar and Transfer Agent ('RTA') of the Company.

In view of the above, shareholders of the Company holding securities in physical form are requested to provide following documents/details to RTA:

- i. PAN; (using ISR-1)
- ii. Nomination in Form No.SH-13 or submit declaration to 'Opt-out' in Form ISR-13;
- iii. Contact details including Postal address with PIN code, Mobile Number, E-mail address;
- iv. Bank Account details including Bank name and branch, Bank account number, IFS code;
- v. Specimen signature. (using ISR-2).

Any cancellation or change in nomination shall be provided in Form No. SH-14.

All of above required documents/details to be sent at the address of registered office of the RTA. The shareholders can download the forms mentioned in SEBI circular from the website of the Company or RTA website i.e www.masserv.com under **download tab**.

A separate communication has already been sent to the respective shareholders.

In compliance with the aforesaid MCA and SEBI Circulars, the Notice of the AGM along with the Annual Report 2024- 25 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. For Members who have not registered their e-mail address, a letter containing web-link where the details pertaining to the notice along with the annual report is hosted for F.Y.2024-25, is being sent at the address registered in the records of RTA/Company/Depositories. The Company shall provide hard copy of the Annual Report for FY25 to the Members, upon request. Members may note that the Notice calling AGM along with the explanatory statement and Annual Report 2024-25 shall be available on the website of the Company at www.sangalpapers.com and on the website of the Stock Exchange i.e. BSE Limited at www.bseindia.com and on the website of National Securities Depository Limited (NSDL) i.e. www.evoting.nsdl.com (the Authorised agency for providing voting through electronic means and AGM through VC/OAVM).

13. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone / mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, etc., to their DPs if the shares are held by them in electronic form and to the Company/RTA if the shares are held by them in physical form.

14. Dissemination of the AGM Notice and Annual Report:

Electronic/digital copy of the Annual Report for FY25 and Notice convening the 45th AGM are being sent to all Members whose e-mail Id. are registered with the RTA/ Company/Depositories. Members who have not registered their e-mail Id. may get the same registered by following the instructions mentioned above.

For Members who have not registered their e-mail address, a letter containing exact web-link where the details pertaining to the Notice along with the Annual Report for the F.Y. 2024-2025 is hosted, is being sent at the address registered in the records of RTA/Company/Depositories. The Company shall provide hard copy of the Annual Report for FY25 to the Members, upon request.

15. In case a person has become a member of the Company after dispatch of the AGM Notice, but on or before the cut-off date for e-voting i.e. **Friday, September 19th, 2025**, such person may generate login id and password as given in e-voting instructions below.
16. 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.

17. In terms of SEBI Circular dated 09/12/2020, the depository shall send SMS/email alerts regarding the details of the upcoming AGM to the demat holders atleast 2 days prior to the date of commencement of e-voting. Hence members are requested to update the mobile no./email ID with their respective depository participants.
18. The relevant documents referred to in the notice along with relevant registers are available for inspections at the Registered Office of the Company during normal business hours on any working day except Sundays and public holidays, up-to the date of the AGM.
19. Instructions for e-voting and joining the AGM are as follows:

In terms of the provisions of section 108 of the Act, read with rule 20 of the Companies (Management and Administration) Rules, 2014, as amended (hereinafter called 'the Rules' for the purpose of this section of the Notice) and regulation 44 of the SEBI Listing Regulations, the Company is providing facility of remote e-voting to exercise votes on the items of business given in the Notice of **45th Annual General Meeting (AGM)** through electronic voting system, to members holding shares as on **Friday, September 19th, 2025**(end of day), being the cut-off date fixed for determining voting rights of members, entitled to participate in the remote e-voting process, through the e-voting platform provided by NSDL or to vote at the e-AGM.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:

The remote e-voting period begins on **Tuesday, September 23, 2025** at 9:00 A.M. and ends on **Thursday, September 25, 2025** at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. **Friday, September 19th, 2025**, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being **Friday, September 19, 2025**.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

- A) **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account

[maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.](#)

[Login method for Individual shareholders holding securities in demat mode is given below:](#)

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none">1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under “IDeAS” section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider – NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com/. Select “Register Online for IDeAS” Portal or click at https://eservices.nsdl.com/SecureWeb/ideasDirectReg.jsp3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digits demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <p>NSDL Mobile App is available on</p> <p> </p> <p> </p>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none">1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdsliindia.com/myeasi/home/login or www.cdsliindia.com and click on New System Myeasi.

	<ol style="list-style-type: none"> 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at: https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022-48867000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free n. 1800 22 55 33

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 122072 then user ID is 122072001***

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
- c) How to retrieve your ‘initial password’?
 - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**

6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:

- a) Click on “[Forgot User Details/Password?](#)”(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- b) [Physical User Reset Password?](#) (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.

8. Now, you will have to click on “Login” button.

9. After you click on the “Login” button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.

3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to dkgupta08@yahoo.co.in with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on no.: 1800 1020 990 and 022- 48867000 or send a request at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please update your mail id as per point no.12 of the notes.
2. In case shares are held in demat mode, please update your details with your DP and generate password as instructions given above in e-voting instructions.
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at sangalinvestors1980@gmail.com or accounts@sangalpapers.com. The same will be replied by the company suitably.

General Instructions

- i. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- ii. Shri Dinesh Kumar Gupta Proprietor D.K. Gupta & Co. Practicing Company Secretary (Membership No. FCS-5226 & CP No. 3599), has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- iii. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, for all those members who are present VC/OAVM at the AGM but have not cast their votes by availing the remote e-voting facility.
- iv. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- v. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.sangalpapers.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing and communicated to the BSE Limited.

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

SEBI vide its notification dated December 12, 2024, amended the SEBI Listing Regulations, 2015. The amended regulations require companies to obtain shareholder's approval for appointment of Secretarial Auditors, in addition to approval by the Board of Directors. Further, such Secretarial Auditor must be a peer viewed company secretary and should not have incurred any of the disqualifications as specified by SEBI.

The Board of Directors of the Company in its meeting held on 13.08.2025, pursuant to the recommendations of the Audit Committee, has appointed M/S D.K. Gupta & Co. Peer Reviewed Proprietorship Firm of Practicing Company Secretaries subject to the approval of shareholders as Secretarial Auditors of the Company, for a period of five (5) consecutive years commencing from 1st April, 2025 till 31st March, 2030 in compliance with the amended Regulation 24A of the SEBI(LODR) Regulations, 2015 vide SEBI Notification dated December, 12 2024 read with provisions of Section 2024 of the Companies Act, 2013 & Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Remuneration: Remuneration to be paid for the Financial Year ending 31st March, 2026 as determined by the Board of Directors of the Company (including its committee thereof) in consultation with the Secretarial Auditors. The Board of Directors in consultation with the Audit Committee may approve revisions to the remuneration of the Secretarial Auditors, on the balance part of the tenure based on review and any additional efforts on account of changes in the regulations, restructuring or other considerations.

Brief Profile: D.K. Gupta & Co. under the Proprietorship of Mr. Dinesh Kumar Gupta is one of the oldest and most reputed Company Secretarial Firm in this part of the region. The Firm is providing multi-disciplinary, multi-geographic, high quality legal and secretarial services.

None of the Directors or Key Managerial Personnel of the Company and their relatives is in any way concerned or interested in the resolution.

The Board recommends the Ordinary Resolution set out at item no. 4 of the notice for approval by the members.

Resolution at Item No.: 5

The Board of Directors of the Company on the recommendations of the Audit Committee approved the Appointment and Remuneration of MR. S. R. Kapur (M. No.: M-4926), Cost Accountants, to conduct the Audit of Cost Records of the Company for the Financial Year ending 31st March, 2025.

In terms of the provisions of Section 148 of the Companies Act, 2013, read with Rule 14 of the Companies (Audit and Auditors) Rules 2014, the Remuneration payable to the Cost Auditor is required to be ratified by the members of the Company.

None of the Directors or Key Managerial Personnel of the Company and their relatives is in any way concerned or interested in the resolution.

The Board recommends the Ordinary Resolution set out at item no. 5 of the notice for approval by the members.

Resolution at Item No.: 6

Mr. Himanshu Sangal was appointed Managing Director of the Company w.e.f. 01/04/2021 to hold office for a term of five years i.e. till March 31, 2026.

Keeping in view that Mr. Himanshu Sangal has rich and varied experience in the Papers Industry and has been involved in the operations of the Company over a long period of time. It would be in the interest of the Company to continue the employment of Mr. Himanshu Sangal as Managing Director of the company.

Board of Directors in their meeting held on 13.08.2025 on the recommendation of Nomination and Remuneration Committee has recommended the re-appointment of Mr. Himanshu Sangal as Managing Director for a further period of five (5) years beginning from 1st April, 2026 until 31st March, 2031 subject to the approval of members of the Company.

Himanshu Sangal will attain the age of 70 years on 22-10-2025, but he is fit and fine in terms of his health condition and capable of handling his managerial duties with all his zeal, dedication and honesty. In the opinion of the Board of Directors and Nomination and Remuneration Committee Himanshu Sangal is an asset to the Company as his outlook is visionary and his expertise in the paper industry is unmatched.

This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

The details of remuneration payable to Mr. Himanshu Sangal and term and condition of the re-appointment are given below:

- A) Salary: Rs.14,00,000 per month (Rupees Fourteen Lakh Only).
- B) Residential accommodation: As provided from time to time, if any.
- C) Perquisites and allowances: In addition to the above salary, he shall be entitled to the following perquisites and allowances restricted to an amount equal to two times his annual salary in a financial year, if any:
 - i) Gas, electricity, water, furnishing and other amenities, repairs, house maintenance expenses, servant(s), cook(s), security guard(s), etc., at his residence, if any;
 - ii) Club Fees: Actual fees of clubs will be reimbursed, if any;
 - iii) Leave travel concession: For self and family once in a year incurred in accordance with the rules of the company, as provided;

iv) Facility of car with driver;
v) Allowances and other perquisites: Special allowance and/ or any other allowances or perquisites as determined by the nomination & remuneration committee. The above perquisites and allowances shall be evaluated as per income-tax rules, wherever applicable. In the absence of any such rules, these shall be evaluated at actual cost.

D) Other Benefits:

- i) Contribution to provident fund, pension/superannuation/ gratuity fund schemes in accordance with the Company's rules and regulations in force from time to time;
- ii) One month's leave with full salary for every 11 months of service, leave accumulated but not availed will be allowed to be encashed. Leave encashment at the end of the tenure will be as per the rules of the Company, if any;
- iii) Reimbursement of actual medical expenses incurred in India or abroad for self and family including hospitalization expenses, treatment expenses and in case of medical treatment abroad, the air fare, boarding/lodging, travel, etc., for self and family and attendant;
- iv) Medical / Personal accident/Travel insurance/ Life Insurance: Actual premium to be paid by the Company for self & family (as per term and condition);
- v) Telephone: Free telephone facility at residence including mobile phone & other suitable communication facilities. The above benefits will not be included in the computation of the ceiling on perquisites and allowances.

E) Commission: as per recommended by the nomination and remuneration committee, if any.

F) Minimum remuneration: Notwithstanding anything to the contrary contained herein, where, in any financial year during the currency of the tenure of Mr. Himanshu Sangal, the Company has no profits or its profits are inadequate, the Company will pay remuneration to the maximum as laid down in Section I and Section II of Part II of Schedule V to the Companies Act, 2013 as minimum remuneration. As the terms of re-appointment and the remuneration proposed are in conformity with the relevant provisions of the Companies Act, 2013, read with Schedule V to the said Act, Central Government approval is not required for this re-appointment.

Except Shri Amit Sangal and Shri Tanmay Sangal the directors of the Company, none of the other Director 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 Special resolution as set out in Item No. 6 of this Notice for your approval.

Resolution at Item No: 7

Mr. Amit Sangal was appointed Mr. Amit Sangal as Whole Time Director designated as Executive Director of the Company from April, 1 2021 to hold office for a term of five years till March 31, 2026.

Keeping in view that Mr. Amit Sangal has rich and varied experience in the finance and marketing and he is involved in the administration of the company over a long period of time. It would be in the interest of the company to continue the employment of Mr. Amit Sangal as Mr. Amit Sangal as Whole Time Director designated as Executive Director of the company.

Board of Directors in their meeting held on 13/08/2025, on the recommendation of Nomination and Remuneration Committee has recommended the re-appointment of Mr. Amit Sangal as Whole Time Director designated as Executive Director for a further period of five (5) years beginning from 1st April, 2026 until 31st March, 2031 subject to the approval of members of the Company.

This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

The details of remuneration payable to Mr. Amit Sangal and term and condition of the re-appointment are given below:

A) Salary: Rs.14,00,000 per month (Rupees Fourteen Lakhs Only).

B) Residential accommodation: As provided from time to time, if any.

C) Perquisites and allowances: In addition to the above salary, he shall be entitled to the following perquisites and allowances restricted to an amount equal to two times his annual salary in a financial year, if any:

i) Gas, electricity, water, furnishing and other amenities, repairs, house maintenance expenses, servant(s), cook(s), security guard(s), etc., at his residence, if any;

ii) Club Fees: Actual fees of clubs will be reimbursed, if any;

iii) Leave travel concession: For self and family once in a year incurred in accordance with the rules of the company, as provided;

iv) Facility of car with driver;

v) Allowances and other perquisites: Special allowance and/ or any other allowances or perquisites as determined by the nomination & remuneration committee. The above perquisites and allowances shall be evaluated as per income-tax rules, wherever applicable. In the absence of any such rules, these shall be evaluated at actual cost.

D) Other Benefits:

i) Contribution to provident fund, pension/superannuation/ gratuity fund schemes in accordance with the Company's rules and regulations in force from time to time;

ii) One month's leave with full salary for every 11 months of service. Leave accumulated but not availed will be allowed to be encashed. Leave encashment at the end of the tenure will be as per the rules of the Company;

iii) Reimbursement of actual medical expenses incurred in India or abroad for self and family including hospitalization expenses, treatment expenses and in case of medical treatment abroad, the air fare, boarding/lodging, travel, etc., for self and family and attendant;

iv) Medical / Personal accident/Travel insurance/ Life Insurance: Actual premium to be paid by the Company for self & family (as per term and condition);

v) Telephone: Free telephone facility at residence including mobile phone & other suitable communication facilities. The above benefits will not be included in the computation of the ceiling on perquisites and allowances.

E) Commission: as per recommended by the nomination and remuneration committee, if any.

F) Minimum remuneration: Notwithstanding anything to the contrary contained herein, where, in any financial year during the currency of the tenure of Mr. Amit Sangal, the Company has no profits or its profits are inadequate, the Company will pay remuneration to the maximum as laid down in Section I and Section II of Part II of Schedule V to the Companies Act, 2013 as minimum remuneration. As the terms of re-appointment and the remuneration proposed are in conformity with the relevant provisions of the Companies Act, 2013, read with Schedule V to the said Act, Central Government approval is not required for this re-appointment.

Except Shri Himanshu Sangal and Shri Vinayak Sangal the directors of the Company, none of the other Director 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 Special resolution as set out in Item No. 7 of this Notice for your approval.

Annexure A

Additional Information on the director recommended for appointment/re-appointment as required under Regulation 36(3) of SEBI Listing Regulations, 2015.

Name of the Director	Vinayak Sangal	Tanmay Sangal	Himanshu Sangal	Amit Sangal
Age	33	39	69	60
Term and Conditions of Re-appointment	As per the resolution at item No.2 of this Notice	As per the resolution at item No. 3 of this Notice	As Per resolution at item no.6 of this Notice	As Per resolution at item no.7 of this Notice
Date of Initial Appointment on Board	01/03/2014	30/11/2003	25/11/1980	29/09/1996
Relationship of Directors	Relative (Son of Mr. Amit Sangal who is whole time director cum CFO)	Relative (Son of Mr. Himanshu Sangal who is Managing Director)	Relative (Elder Brother of Mr. Amit Sangal) Relative (Father of Mr. Tanmay Sangal)	Relative (Younger Brother of Mr. Himanshu Sangal) (Father of Mr. Vinayak Sangal)
Experience in Specific functional area	Operations, Raw Material and production Management Experience.	International Business, Marketing, Finance and Wide Business Administration Experience.	Wide experience in Pulp and Papers Industry and as a Managerial Person.	Finance, Sale, Raw Material and wide Management Experience.
Qualification	B.tech (Mechanical), MBA (Operation)	MBA (Finance)	Graduate, LL.B.	Graduate in Commerce
Directorship of other Boards (including directorship on the Board of Listed Companies) As on 31 st March,2025	NIL	NIL	1. Sangal Papers Limited	1. Sangal Papers Limited 2. Shree Ganesh Credits Pvt. Ltd. 3. Prerna Chits Pvt. Ltd.
Board Membership of Companies as on 31 st March, 2025 (including this Company) (Listed as well as Non-Listed)	1. Sangal Papers Limited (Listed Company)	1.Sangal Papers Limited (Listed Company)	1.Sangal Papers Limited (Listed Company)	1. Sangal Papers Limited (Listed) 2. Shree Ganesh Credits Pvt. Ltd. 3. Prerna Chits Pvt. Ltd.

Chairmanship / Membership of the Committees (including committees of boards of listed companies) as on 31 st March, 2025	Member of Nomination and Remuneration Committee of Sangal Papers Limited (Listed Company)	None	1.Audit Committee -Member of Sangal Papers Limited (Listed Company). 2. Stakeholder Relationship Committee- Member of Sangal Papers Limited (Listed Company)	NA
Shareholding in the Company (including shareholding as beneficial owner)	14487	45731	107940* (shares held by individual)	121100* (shares held by individual)
Remuneration drawn as Director	NIL	NIL	84 Lakh p.a.	84 Lakh p.a.
Salary Drawn as Employee	42 Lakhs per annum	42 Lakhs per annum	NIL	NIL
Names of the Listed Entities from which the appointee has resigned in the past three years	NIL	NIL	NIL	NIL

*100000 (One Lakh) shares individually are pledged out of total holdings, by the aforesaid directors

Mr. Amit Sangal and Mr. Himanshu Sangal with the Bank as guarantee.

By Order of the Board of Directors

For Sangal Papers Limited

Date: 13.08.2025

Place: Mawana

Anant Vats

Company Secretary cum Compliance Officer

Membership No. FCS- 5575

DIRECTORS' REPORT TO THE MEMBERS

To,

The Members,

Your Director's takes pleasure in presenting the 45th Annual Report of your Company for the Financial Year ended 31st March, 2025.

COMPANY OVERVIEW

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

Sangal Papers Limited believes that employees are the backbone of any organization and aims at safeguarding the health and wealth of our employees.

Our Strategic objectives are to build a sustainable organization that remains relevant to the agenda of all our stakeholders and creating growth opportunities for all our stakeholders.

FINANCIAL HIGHLIGHTS

The summarized financial results of the Company for the financial year 2024-2025 are given hereunder.

Details of financials as per IND AS:

(Rs. in Lakhs)

Particulars	Financial Year (2023-24)	Financial Year (2024-25)	% Increase/ % decrease (-)
Revenue from Operations	19033.87	18027.07	-5.29
Add: Other Income	99.16	63.67	-35.79
Total Income of the Company	19133.03	18090.74	-5.45
Profit before Depreciation, Finance Costs, Exceptional items and Tax Expense	771.17	845.03	9.58
Less: Depreciation/ Amortization/ Impairment	171.86	191.87	11.64
Profit before Finance Costs, Exceptional items and Tax Expense	599.31	653.16	8.99

Less: Finance Costs	252.49	253.07	0.23
Profit before Exceptional items and Tax Expense	346.82	400.09	15.36
Profit before Tax Expense	346.82	400.09	15.36
Less: Tax Expense (Current & Deferred)	99.76	117.51	17.79
Profit for the year (1)	247.06	282.58	14.38
Add: Other Comprehensive Income (2)	-4.71	-3.90	17.20
Total Comprehensive Income (1+2)	242.35	278.68	14.99
Add: Balance of profit /loss for earlier years	3733.95	3976.30	6.49
Add: Revaluation Reserve	48.56	48.56	0.00
Balance carried forward	4024.86	4303.54	6.92

OPERATIONAL REVIEW

Particulars	Financial Year (2023-24)	Financial Year (2024-2025)	% Increase/ % decrease (-)
Revenue from Operations	19033.87	18027.07	-5.29
Profit before Tax Expense	346.82	400.09	15.36
Profit for the year	247.06	282.58	14.38

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 net-worth of shareholders of the Company by legitimate and fair means, while discharging its obligations towards the society and environment. The management aims to be more economical and to bring maximum efficiency in the operations of the company. Despite of the decrease in Revenue due to geo-political issues, profits of the Company have increased showing efficiency in its operations by cost effective measures.

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.

SHARE CAPITAL

Particulars	No of Shares	Face value per share (in Rs.)	Amount (in Rs.)
Authorized Share Capital	70,00,000	10	7,00,00,000
Issued, subscribed and paid- up equity share capital	13,07,260	10	1,30,72,600

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

PRODUCTION CAPACITY

The Company's current production capacity is likely to increase from current level of 36,000 MT to 50,000 MT per annum as the Company is planning to install new Turbine of 4.5 MW in place of 3MW turbine so the Company may make some modification in the plant and machine to make it compatible with new Turbine.

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 change in status of the company.
3. There is no change in financial year of the company.
4. There was capital expenditure of Rs.517.02 lakhs during the year in plant and machinery for quality improvement, cost effectiveness and value addition.
5. Due to above there is modernization, expansion and diversification during the year.
6. There are no acquisitions or mergers during the year.

CASH AND EQUIVALENTS

Cash & Equivalents as on date 31st March, 2025 was **Rs. (In lakhs) 83.48**. 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.

EARING PER SHARE (EPS)

Particulars	2023-2024 (In Rs.)	2024-2025 (In Rs.)	% Increase/ decrease (-)
Earnings per share(EPS)	18.90	21.62	14.39%

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 took credit rating from Brickwork Ratings, The Brickwork Ratings India Pvt. Ltd. has granting credit rating to the company as **BWR BBB- (Pronounced as BWR Triple B Minus), Outlook: Stable (Reaffirm)** for Fund Based - Cash Credit and Term Loan (o/s) and **BWR A3 (Pronounced as BWR, A Three) (Reaffirm)** for Non- Fund Based: Bank Guarantee and ILC/FLC for the FY 2021-2022.

After F.Y. 2021-2022, we have not taken any credit ratings as we as it is not mandatorily applicable to us.

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, the company's profit or net worth or turnover is below the prescribed limit as defined under the act. Therefore, provisions of Section 135 of the Companies Act, 2013 are not applicable to the Company for the F.Y. ended 31st March 2025.

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

We have Renewable energy captive power plants (CPPs) as it reduces electricity costs especially in our area where there are high grid tariffs and it makes our Company self –sufficient and it reduces our reliability on grid system. It is also helping in the National Electricity Plan of the Government as Captive Power Plants supports de-carbonization efforts of the Government. It helps in nation building. Sangal Papers Limited is mostly using rice husk as fuel for boiler which has the de-carbonization effect on the environment as compared to usage of coal.

The company's total electricity consumption stood at 24 MU, of which 20 MU was sourced from renewable energy.

Captive Power Plants helps in:

1. Reduced electricity cost.
2. Reliable and Stable Power supply.
3. Environment Sustainability
4. Increased Energy Independence
5. Government Support and Incentives.

We are having turbine of 3 MW and we are planning to install new turbine of 4.5MW in place of 3 MW turbine. It will provide smooth supply of power for continuous un-disturbed production, which will result in quality product, capacity enhancement and reduction of cost in the form of lesser dependence on grid supply. By modification of Boiler to used RDF (Refused Derived Fuel), economy in the cost of fuel will be approximately 1.20 crore per year.

Paper manufacturing Industry is one of the fastest growing Industry in India. The basic need of paper industry is raw material i.e. waste paper and energy to produce the final product. Our company is always seeking to optimize use of energy by installing new equipment to reduce the consumption of energy and pollution at all its manufacturing facilities and registered office at Village 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) Discharge of Waste Water after Treating through ETP.

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 reducing 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 AND EXPENDITURE IN FOREIGN EXCHANGE**

Imported raw materials during the year, detailed as per note No.37 of the notes to financial statements of the company.

Value of Imports (C.I.F.)	Value in respect of	(Rs. in lakhs)
----------------------------------	----------------------------	-----------------------

Particulars	As at 31.03.2024	As at 31.03.2025
(a) Raw materials	1,374.42	1494.71
(b) Capital goods	-	-
(c) Stores & spare parts	37.41	10.56

B. EXPORTS AND EARNING IN FOREIGN EXCHANGE

(Rs. in lakhs)

Particulars	For the year ended on 31/03/2024	For the year ended on 31/03/2025	% Increase/decrease (-)
Earning in Foreign Currency on account of export of goods	2550.73	1533.57	-39.88%

The Company exports are to Gulf, European, Asian and other Countries all over the word, during the year there is decrease of 39.88% due to geo political issues going on in the world.

Details are provided under the note No. 37 of "Notes to Financial Statements" for the financial year ended as on 31stMarch 2025.

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

Employee wealth is main key to success of an organisation, it is our obligation to provide more facilities to the employees. The company is a paper manufacturing industry and is a labor -intensive industry, we are committed to maintain 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 there-under. An Internal Complaints Committee ("ICC") has been set up from the senior management which is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the Policy. During the year ended March 31, 2025. No complaints pertaining to sexual harassment have been received.

DIRECTORS CESSATION, RETIREMENT, APPOINTMENT AND RE-APPOINTMENT

Pursuant to the provisions of section 152 of the Companies Act, 2013 and Articles of Association of the Company, Mr. Vinayak Sangal (DIN: 06833351) Director (Non-Executive) retires by rotation and being eligible, 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.

The Board proposed for approval of shareholders for re-appointment of Managing Director and Whole Time Director based on the recommendation of the Nomination and Remuneration Committee as follows:

Mr. Himanshu Sangal's (**DIN- 00091324**) term of office as Managing Director is expiring on 31st March 2026. He was re-appointed by the Board of Directors (subject to the approval of members at General Meeting by special resolution) at the recommendation of Nomination and Remuneration Committee for a term of 5 years with effect from 1st April 2026 until 31st March 2031.

He will be 70 years of age on 22/10/2025, but nomination and remuneration committee and board of directors are of the view that despite his age he is fit and fine and is able carry out his duties with utmost faith, honesty and dedication and his contribution will be an added asset for the growth of the Company due to his immense knowledge and expertise in paper manufacturing industry.

Mr. Amit Sangal's (**DIN- 00091486**) term of office as Whole Time Director (Executive Director) is also expiring on 31st March, 2026. He was re-appointed by the Board of Directors (subject to the approval of members at General Meeting) at the recommendation of Nomination and Remuneration Committee for a term of 5 years with effect from 1st April 2026 upto 31st March 2031.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (“KMP”)

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.

Board of Directors

Mr. Himanshu Sangal (Managing Director) (DIN-00091324), Mr. Amit Sangal (Whole Time Director cum CFO) (DIN-00091486), Mr. Tanmay Sangal (Non-Executive Director) (DIN: 01297057), Mr. Vinayak Sangal (Non – Executive Director) (DIN: 06833351), Mrs. Vartika Malik (Independent Non-Executive Women Director) (DIN:00687839), Mr. Sapan Sodhi (Independent Non-Executive Director) (DIN:10178992).

Mr. Sapan Sodhi is the Chairman of the Board w.e.f.16/09/2023 who is Non-Executive Independent Director.

Key Managerial Personnel

Mr. Himanshu Sangal (Managing Director) (DIN-00091324), Mr. Amit Sangal (Whole Time Director cum CFO) (DIN-00091486) and Mr. Anant Vats (Membership No. F-5575) as Company Secretary and compliance officer of the Company.

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'S 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. You may find the Remuneration policy on website of the Company at www.sangalpapers.com. The Directors' appointment and Remuneration Policy also stated in Corporate Governance Report.

INDEPENDENT DIRECTORS AND THEIR DECLARATIONS

Mr. Sapan Sodhi (DIN- 10178992) was appointed as Independent Director by the shareholders in 43rd AGM held on 24th August, 2023 for 5 years till 48th AGM.

Mrs. Vartika Malik (DIN-00687839) was appointed as Independent Director by the shareholders in 43rd AGM held on 24th August, 2023 for 5 years till 48th AGM.

The Company received necessary declaration from each independent director under section 149(7) of Companies Act, 2013, Mr. Sapan Sodhi and Mrs. Vartika Malik (Independent women Director) for meeting the criteria of independency laid down in section 149(6) of Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

FAMILIARIZATION PROGRAM AND INDEPENDENT DIRECTORS MEETING

During the financial year, as per company policy the Board of Directors of the company conduct a separate meeting of the independent director for the purpose of evaluation of the Board of Directors as whole and individually and also conduct the familiarization program for introduction to the Board and to attend an orientation program. The Details of Training and familiarization program are provided in the corporate governance report and also available on website (www.sangalpapers.com) of the company.

BOARD DIVERSITY

We understand the value and importance of balanced and diverse board in the company. We always support a better/best board in the company. The Company believes that a truly diverse board will bring 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

BOARD OF DIRECTORS MEETING

Sl. No.	Date of Board Meeting	Total No. of Directors	Directors present	Directors on leave of absence
1.	30/05/2024	6	6	NIL
2.	05/08/2024	6	5	1
3.	13/08/2024	6	5	1
4.	12/11/2024	6	6	NIL
5.	13/02/2024	6	6	NIL

AUDIT COMMITTEE MEETING

Sl. No.	Date of Board Meeting	Total No. of Directors	Directors present	Directors on leave of absence
1.	30/05/2024	3	3	NIL
2.	05/08/2024	3	3	NIL
3.	13/08/2024	3	3	NIL
4.	12/11/2024	3	3	NIL
5.	13/02/2025	3	3	NIL

NOMINATION AND REMUNERATION COMMITTEE MEETING

Sl. No.	Date of Board Meeting	Total No. of Directors	Directors present	Directors on leave of absence
1.	15/07/2024	3	3	NIL

STAKEHOLDERS RELATIONSHIP COMMITTEE MEETING

Sl. No.	Date of Board Meeting	Total No. of Directors	Directors present	Directors on leave of absence
1.	15/07/2024	3	3	NIL

All the meetings were held in accordance with the applicable provisions of the Companies Act, 2013 and Rules made there under. The details of which are 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 reviewed and approved by the Board of Directors, if any.

MATERIAL CHANGES AND COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have no material changes and commitments affecting the financial position of the company which have occurred between the end of the Financial Year of the company to which the financial statements relate and the date of the report.

CHANGE IN THE NATURE OF BUSINESS

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

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

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the company's operations 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 controls 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;

INTERNAL FINANCIAL CONTROL SYSTEM

The Company's Internal Financial Control System is designed to help and ensure the effectiveness and efficiency of operations, proper financial reporting and compliance of laws and regulations. The Company has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including the adherence to the Companies Policies, the safeguarding of its assets, the prevention and detection of fraud and errors, the accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures.

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 fall 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 2024-2025.

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

In terms of provisions of Section 139 of the Companies Act, 2013, and the rules made there-under M/s Raj Viyom & Co., (formerly known as M/s Raj Sandhya & Co.) Chartered Accountants were appointed as statutory auditors by the shareholders of the Company in the 42nd Annual General Meeting for second consecutive term of Five (5) years i.e., from the conclusion of 42nd AGM till the conclusion of 47th AGM to be held in the year 2027.

COST AUDIT

COST AUDITORS Mr. S. R. Kapur, Cost Accountant (Membership No.: M-4926), Add.: A-16 (G.F.), Ansal Courtyard, Bye Pass Road, Modipuram Crossing, Meerut, UP- 250001 were appointed as Cost Auditors for conducting the cost audit of the Company for the year ended 31 March 2025. The said firm has been appointed as cost auditors of the Company for the financial year 2025-26 as well.

SECRETARIAL AUDIT

M/s D. K Gupta & Co., Practicing Company Secretary (Membership Number: 5226, Certificate of Practice Number: 3599) was appointed as Secretarial Auditors to conduct Secretarial Audit of the Company and have submitted the Secretarial Audit Report for the year ending 31 March 2025 which is annexed to this Board's Report as. As per amended SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in addition to the abovementioned Secretarial Audit Report, listed company is also required to obtain an Annual Secretarial Compliance Report from a practicing Company Secretary w.r.t. the compliances of all applicable SEBI Regulations, amendments, circulars or guidelines etc. by the Company. Accordingly, the same has been obtained and filed with the concerned Stock Exchanges.

Further pursuant to SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, read with Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) (Amendment) Regulations, 2018, the Company is required to obtain a certificate from Practicing Company Secretary that none of the directors on the Board of the company has been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority. The said Certificate has been obtained from M/s D. K Gupta & Co., Practicing Company Secretary (Membership Number: 5226, Certificate of Practice Number: 3599), which is annexed to this Board's Report.

SEBI vide its notification dated December 12, 2024, amended the SEBI Listing Regulations, 2015. The amended regulations require companies to obtain shareholder's approval for appointment of Secretarial Auditors, in addition to approval by the Board of Directors. Further, such Secretarial Auditor must be a peer viewed company secretary and should not have incurred any of the disqualifications as specified by SEBI.

The Board of Directors of the Company, pursuant to the recommendations of the Audit Committee, has recommended appointment of M/S D.K. Gupta & Co. Peer Reviewed Proprietorship Firm of Practicing Company Secretaries as Secretarial Auditors of the Company from the conclusion of 45thAGM until the conclusion of 50thAGM of the Company, for a period of five consecutive years commencing from 1st April, 2025 till 31st March, 2030 in compliance with the amended Regulation 24A of the SEBI(LODR) Regulations, 2015 vide SEBI Notification dated December, 12 2024 read with provisions of Section 2024 of the Companies Act, 2013 & Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Remuneration: Remuneration to be paid for the Financial Year ending 31st March, 2026 as determined by the Board of Directors of the Company (including its Committee thereof) in consultation with the Secretarial Auditors. The Board of Directors in consultation with the Audit Committee may approve revisions to the remuneration of the Secretarial Auditors, on the balance part of the tenure based on review and any additional efforts on account of changes in the regulations, restructuring or other considerations.

Brief Profile: D.K. Gupta & Co. under the Proprietorship of Mr. Dinesh Kumar Gupta is one of the oldest and most reputed Company Secretarial Firm in this part of the region. The Firm is providing multi- disciplinary, multi-geographic, high quality legal and secretarial services.

AUDITOR'S REPORT/ SECRETARIAL AUDIT REPORT:

There are no observations/qualifications in statutory audit report. The comments in the Auditors Report read with the notes to the accounts are self-explanatory and do not call for any explanation 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 therein are self-explanatory and read with Notes on Account of Financial Statement.

PREVENTION OF INSIDER TRADING:

SEBI have notified

In January 2015, SEBI notified the SEBI (Prohibition of Insider Trading) Regulations, 2015 with various amendments Pursuant thereto, the Company has formulated and adopted a 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 are in compliance with the Code and the same has been informed under Code of Conduct section of this report.

DETAILS OF APPLICATION MADE OR ANY PROCEEDINGS PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR:

The Company has neither made any application nor any proceeding pending under Insolvency and Bankruptcy Code, 2016 during the financial year 2024-25.

DETAILS OF DIFFERENCE BETWEEN THE AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTION:

The Company has not made any one-time settlement during the financial year 2024-25 with Banks or Financial Institution.

DISCLOSURE OF CERTAIN TYPE OF AGREEMENTS BINDING ON THE COMPANY

Pursuant to Clause 5A of Para A of Part A of Schedule III of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, that the Company/ Board did not receive any information (mentioned in Clause 5A of Para A of Part A of Schedule III of SEBI listing regulation) during the relevant financial year from its Shareholders, Promoters, Promoter Group Entities, Related Parties, Directors, Key Managerial Personnel, Employees of the Company or of its holding, subsidiary or associate company, among themselves or with the listed entity or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the listed entity or impose any restriction or create any liability upon the listed entity and also any rescission, amendment or alteration of such agreements thereto, whether or not the listed entity is a party to such agreements.

ANNUAL RETURN

Extract of the Annual Return in Form MGT-7 would be available at the website of the Company at
www.sangalpapers.com.

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 2024-2025.

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".

ACKNOWLEDGEMENT:

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 of
Sangal Papers Limited**

Date: 13.08.2025

Amit Sangal

Himanshu Sangal

Place: Mawana

Whole Time Director/CFO

Managing Director

DIN- 00091486

DIN -00091324

ANNEXURE "I" TO BOARD'S REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITIES (CSR) ACTIVITIES

Pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 including any amendments if any, the company's profit or turnover is below the prescribed limit as defined under the act. Therefore, provisions of Section 135 of the Companies Act, 2013 are not applicable to the Company for the FY ended 31st March 2025.

CSR is a commitment by business to behave ethically and contribute to economic development and to improve the quality of life of local community and society at large. It includes ensuring environmental sustainability, promoting gender equality, education etc. Business entities can no longer limit themselves to using resources, to engage in activities that increase their profits. They have to be socially responsible corporate citizens and also contribute to the social good.

We have assumed the above requirement to act in socially diligent manner. We have explored its impact on the economic, social and environmental sector which directly affects the relationships with employees, society, environment and other stake holders. The Company has developed and implemented a policy pursuant to the provisions of section 135 of Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy), Rules 2014.

- 1. Brief outline of the Company's CSR policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

Pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 including any amendments if any, the company's profit or net worth or turnover is below the prescribed limit as defined under the act. Therefore, provisions of Section 135 of the Companies Act, 2013 are not applicable to the Company for the F.Y. ended 31st March 2025.

- 2. Composition of the CSR Committee: NA**
- 3. Web-link of Composition of the CSR Committee and CSR Policy, and CSR Projects, if any, and approved by the Board of Directors will be disclosed on the website of the company at <https://www.sangalpapers.com>.**

As the company is not required to constitute the CSR Committee and the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 are not applicable for the financial year 2024-25, therefore, other information in this report are not applicable to the Company.

For and on behalf of the Board of Directors of

Sangal Papers Limited

Date: 13.08.2025

Amit Sangal

Himanshu Sangal

Place: Mawana

Whole Time Director/CFO

Managing Director

DIN- 00091486

DIN -00091324

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 not at arm's length during F.Y. 2024-25. 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 during the year 2024-2025

S.No.	Name of Related Party	Nature of Relationship	Nature of contracts or Relationship	Duration of contract/transaction	Salient terms of the contracts or transactions including value (Rupees in Lakhs)	Amount paid as advances if any
1.	Mr. Tanmay Sangal (DIN No.:01297057)	Son of MD (Mr. Himanshu Sangal)	Salary for holding office or place of profit	Regular Service	42	NIL
2.	Mr. Vinayak Sangal (DIN No.: 06833351)	Son of WTD (Mr. Amit Sangal)	Salary for holding office or place of profit	Regular Service	42	NIL
3.	Smt. Renu Sangal-PAN-ATBPS2221F	Wife of Sh. Himanshu Sangal, Managing Director of the Company	Rent	Regular	4.44	NIL

For and on behalf of the Board of Directors of

Sangal Papers Limited

Date: 13.08.2025

Amit Sangal

Himanshu Sangal

Place: Mawana

Whole Time Director/CFO

Managing Director

DIN- 00091486

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**

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:

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

Name of Director	Directors Identification Number (DIN)	Designation	Remuneration in the year 2025 (Rs. In Lakhs)	Remuneration in the year 2024 (Rs. In Lakhs)	% increase of remuneration in fiscal 2024 as compared to 2023	The ratio of the remuneration of each director to the median of remuneration of employees of the company for the Financial Year 2024-2025
Himanshu Sangal	00091324	Managing Director	84	84	NIL	68.16:1
Amit Sangal	00091486	Whole Time Director/CFO	84	84	NIL	68.16:1

*includes benefits provided by the company to concern MD and WTD during the financial year and remuneration drawn during the FY 2024-2025.

Note:

- a. The details in the table are on accrual basis.
- b. Remuneration provided to MD and WTD recommended by the Nomination and Remuneration Committee and approved by Board of Directors.
- c. Remuneration calculation of MD and WTD/CFO as per Schedule V of Companies Act, 2013 and others applicable rules and regulations if any.

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

Name of KMP	Title	Remuneration in the year 2023-2024 (Rs. In Lakhs)	Remuneration in the year 2024-2025 (Rs. In Lakhs)	% increase/decrease of remuneration in fiscal 2024-25 as compared to 2023-24
Anant Vats	Company Secretary cum Compliance officer (appointed w.e.f 01/06/2023)	6.32	7.60	Not Applicable

The details in the above table are on accrual basis. For the purpose of comparison annualized remuneration/salaries for both the financial year 2024 and financial year 2025 are taken for the purpose of calculation.

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

Name of Director	Directors Identification Number (DIN)	Designation	Remuneration in the year 2025 (Rs. In Lakhs)	Remuneration in the year 2024 (Rs. In Lakhs)	% increase of remuneration in fiscal 2025 as compared to 2024	The ratio of the remuneration of each director to the median of remuneration of employees of the company for the Financial Year 2024-2025
Tanmay Sangal*	01297057	Director	NIL	NIL	NA	NA
Vinayak Sangal*	06833351	Director	NIL	NIL	NA	NA
Sapan Sodhi	10178992	Director	NIL	NIL	NA	NA
Vartika Malik	00687839	Director	NIL	NIL	NA	NA

Note:

The details in the above table are on accrual basis. For the purpose of comparison annualized remuneration/salaries for both the financial year 2024 and financial year 2025 are taken for the purpose of calculation.

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

4. 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 drawn during the year:

Employee Name	Designation	Educational Qualification	Experience (in years)	Remuneration in 2024-25(in Lakhs)	Previous employment and designation	Date of Commencement of employment	Date of Birth/Age as on 01.01.24(in years)	No of share held as on date 31 st March 2023	Relationship with Director
Tanmay Sangal	President Marketing	MBA	14	42	Deloitte/ Business Valuation Analysis	01/01/2017	16/10/1985/39	45731	Son of Mr. Himanshu Sangal, MD
Vinayak Sangal	President Operation	B.tech., MBA	8	42	Godrej boyce Manufacturing co.ltd./ Purchasing Manager	01/04/2017	21/11/1991/33	14487	Son of Mr. Amit Sangal, WTD/CFO
Praveen Agarwal	VP Plant	B.E., P.G.	41	12	Ruchi Paper Mill,/GM	03/04/2017	15/05/1960/64	NA	NA
Dinesh Kumar Sharma	GM Productio n	Diploma in Paper Tech.	35	8.40	Shree Krishna Paper Mill, / Work Manager	21/12/2018	15/07/1966/58	NA	NA
Rakesh Paspolo	Sales Manager	B.A.	29	7.91	NA	01/06/2014	20/06/1968/56	NA	NA
Anant Vats	Company Secretary	C.S.	22	7.60	EB Saavy Infotech Private Limited	01/06/2023	15/03/1974	NA	NA
Yashveer Tyagi	GM Power Plant	B.O.E.	22	7.20	Rama Paper Mills Limited	20/01/2022	20/03/1969/56	NA	NA
Kesho Singh	Electric Manager	M.Tech.	40	6.88	NA	01/07/2008	12/01/1959/65	NA	NA
Sanjay Kumar Agarwal	GM Finance	M.Com, L.LB., CA	39	6.60	Anand Triplex Board Ltd./GM Finance	01/08/2009	01/07/1966/58	60	NA
Rakesh Kumar Singh	Manager Pulp	Pulp Manager	12	6.38	Kamakshi Papers Private Limited	28/06/2024	15/01/1988	NA	NA

5.The percentage increase in the median remuneration of employee in the financial year: 4.76%

Note: During the year median remuneration of employee increases due to number of employees for the financial year 2024-2025 is less than number of employees during the financial year 2023-2024 and the salaries of employees also increased.

6.The number of permanent employees on the rolls of company as on 31st March, 2025: 217 for the year 2024-2025.

7.The number of permanent employees on the rolls of company as on 31st March, 2024: 230 for the year 2023-2024.

8.Key parameter for any variable component of remuneration availed by the Director-Variance in managerial remuneration as per Managerial Remuneration Policy.

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

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

Closing date of the Financial Year	Issued Capital (Shares)	Closing Market Price Per Share	EPS	PE Ratio	Market Capitalization (Rs. in Lakhs)
31.03.2024	1307260	186.90	18.90	9.89	2443.27
31.03.2025	1307260	191.90	21.62	8.88	2508.63
Increase/(Decrease)	-	5	2.72	1.01	64.35
% of Increase/(Decrease)	-	2.67%	14.39%	-10.21%	2.67%

11. 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 at a price of Rs. 10/- per equity share. As on 31st March, 2025 the market quotation of the Company's share price (closing price) was Rs. 191.90.

12. 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 for increase in the managerial remuneration:

Average percentage increase in the salaries of employees other than the managerial personnel in the financial year 2024-2025 was 4.76% (estimated) and increase in the managerial remuneration for the same financial year was 1.76%. 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 are as per Managerial Remuneration Policy.

13. Comparison of remuneration of the KMP against the performance of the company:

Name	Remuneration of KMP and Directors for the period 2024-2025 (Rs. In Lakhs)	Performance of the Company PAT as on 31 st March 2025 (Rs. In Lakhs)
Himanshu Sangal Managing Director	84	282.58
Amit Sangal Whole Time Director cum CFO	84	282.58
Tanmay Sangal President Marketing/ Director	NIL	282.58
Vinayak Sangal President Operation/Director	NIL	282.58
Anant Vats Company Secretary	7.60	282.58

Note: Mr. Tanmay Sangal, President Marketing and Mr. Vinayak Sangal, President Operation are receiving remuneration of Rs. 42Lakh each p.a. in the capacity of Place of Profit and not in the capacity of Directors, refer to AOC-2 for disclosure regarding this.

14.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 of
Sangal Papers Limited**

Date: 13.08.2025

Amit Sangal

Himanshu Sangal

Place: Mawana

Whole Time Director/CFO

Managing Director

DIN- 00091486

DIN -00091324

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

FORM NO. MR – 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH 2025

[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 LIMITED

CIN: L21015UP1980PLC005138

Registered Office: Village Bhainsa, 22 K. M. Stone, Meerut – Mawana Road, Mawana, Dist. Meerut, UP - 250401

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by **Sangal papers Ltd.** ('the Company') its officers, agents, and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on **31st March 2025** 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, 2025 according to the provision of:

- I. The Companies Act, 2013 and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder and as amended from time to time;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI ACT'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 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. Employee's Compensation Act, 1923
3. Employees' Pension Scheme, 1995
4. Employees' Provident Fund Scheme, 1952
5. Employees Provident Funds And Miscellaneous Provisions Act, 1952
6. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008
7. Industrial Disputes Act, 1947
8. The Contract Labour (Regulation & Abolition) Act, 1970
9. The Payment of Bonus Act, 1965
10. The Payment of Gratuity Act, 1972
11. The Payment of Wages Act, 1936
12. Water (Prevention and Control of Pollution) Act, 1974 read with Water (Prevention & Control of Pollution) Rules, 1975
13. Child Labour (Prohibition and Regulation) Act, 1986
14. Employees Deposit-Linked Insurance Scheme, 1976
15. Explosives Act, 1884
16. Foreign Exchange Management Act, 1999
17. Income-Tax Act, 1961 | Income-Tax Rules, 1962
18. Industrial Employment (Standing Orders) Act, 1946
19. Legal Metrology Act, 2009
20. Competition Act, 2002
21. Goods and Services Act, 2016 and Rules thereunder,

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.

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

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

B. I Further Report that:

The Board of Directors of the Company is duly constituted with executive, non-executive and independent directors. Based on our examination, the Company has complied with the provisions of the Act in respect of changes in the composition of the Board of Directors that took place during the period under review.

As informed adequate notices were given to all Directors to schedule the Board Meetings, Agenda and detailed notes on Agenda were sent at generally 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 meetings and committee meetings are carried out unanimously as recorded in the minutes of the meetings of Board of Directors or the Committees of the Board as the case may be.

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.

D. I Further Report that:

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

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

Place: Meerut
Date: 11th August 2025
ICSI UDIN: F005226G000976350 Dated 11th August 2025

DINESH KUMAR GUPTA
(Proprietor)
C. P. No. 3599
FCS No. 5226
Peer Review Certificate no. 1993/2022

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.

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

'ANNEXURE - A'

To
The Members,
Sangal Papers Ltd.
CIN: L21015UP1980PLC005138

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

Management's Responsibility

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.

Auditor's Responsibility

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. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
4. 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.

Disclaimer

5. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
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.

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

Place: Meerut
Date: 11th August 2025
ICSI UDIN: F005226G000976350 Dated 11th August 2025

DINESH KUMAR GUPTA
(Proprietor)
C. P. No. 3599
FCS No. 5226
Peer Review Certificate no. 1993/2022

Secretarial Compliance Report of Sangal Papers LimitedFor the Financial Year Ended On 31st March 2025

[Pursuant to SEBI Circular No.CIR/CFD/CMD1/27/2019 dated 8th Feb. 2019 for the purpose of compliance with Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To

The Members,

Sangal Papers Limited

CIN: L21015UP1980PLC005138

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

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

- (a) All the documents and records made available to us and explanation provided by Sangal Papers Limited ("the Company"),
- (b) The filings/submissions made by the Company to the stock exchanges,
- (c) Website of the Company,
- (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 2025 ("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 there under; and
- b. the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made there under and the Regulations, circulars, guidelines issued there under by the Securities and Exchange Board of India ("SEBI");

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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; **(Not applicable to the company during the period under review)**
- (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 and Sweat Equity)Regulations,2021;**(Not applicable to the company during the period under review)**
- (f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations,2021; **(Not applicable to the company during the period under review)**
- (g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (h) Other regulations as applicable;

And circulars/guidelines issued thereunder

Based on my examination and verification of the documents and information and explanations given to me by the Company, I report that:

- (a) The Company 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)	Regulation/ circular No.	Deviations	Action taken by Company	Type of Action	Detail of violation	Fine Amt.	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

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

Sl. No.	Observations/ Remarks of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended 31 st March 2025	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Detail of violation / deviations and actions taken / penalty imposed, if any, on the listed entity	Remedial actions, if any, taken by the listed entity	Comments of the PCS on the actions taken by the listed entity
	NIL	NIL	NIL	NIL	NIL	NIL

(C) I hereby report that, during the review period the compliance status of the listed entity with the following requirements:

Sl. No.	Particulars	Compliance status (Yes/No/NA)	Observations /Remarks by PCS*
1.	<p><u>Secretarial Standard</u></p> <p>The compliances of the Company are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI)</p>	Yes	
2.	<p>Adoption and timely updation of the Policies:</p>		

	<ul style="list-style-type: none"> ■ All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the Company ■ All the policies are in conformity of with SEBI Regulations and has been reviewed & timely updated as per the regulations/circulars/ guidelines issued by SEBI. 	Yes	
3.	<p>Maintenance and disclosure on website:</p> <ul style="list-style-type: none"> • The Company is maintaining a functional website. • Timely dissemination of the documents/information under a separate section on the website. • Web-links provided in annual corporate governance reports under Regulation 27(21) are accurate and specific which redirects to the relevant document(s)/ section of the website 	Yes	All disclosures generally required to be uploaded on company's website are available on https://sangalpapers.com/financials/ for financial year 2024-25 as on the date of our report.
4.	<p>Disqualification of Director:</p> <p>None of the Director of the Company are disqualified under Section 164 of Companies Act, 2013</p>	Yes	
5.	<p>Examined the details related to Subsidiaries of the Company:</p> <p>(a) Identification of material subsidiary companies;</p> <p>(b) Requirement with respect to disclosure of material as well as</p>	NA	The Company had identified and there were no Material Subsidiary Company of the Company during the review period.

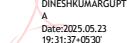
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	Other subsidiaries. (Company is not having any material subsidiaries)		
6.	Preservation of Documents: The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODRRegulations, 2015	Yes	
7.	Performance Evaluation: The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year as prescribed in SEBI Regulations	Yes	
8.	Related Party Transactions: (a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions. (b) In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit committee	(a)Yes (b)NA	The Company has obtained the prior approval of Audit Committee for all Related party transactions
9.	Disclosure of events or information: The listed entity has provided all the required disclosure(s)under Regulation 30 along with Schedule III of SEBI LODR	Yes	

	Regulations, 2015 within the timelimits prescribed thereunder.		
10.	Prohibition of InsiderTrading: The listed entity is in compliance with Regulation3(5)&3(6)SEBI(Prohibition of Insider Trading) Regulations, 2015	Yes	
11.	Actions taken by SEBI or Stock Exchange(s), if any: No Actions taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder.	Yes	
12.	Resignation of statutory auditors from the listed entity or its material subsidiaries: In case of resignation of statutory auditor from the listed entity or any of its material subsidiaries during the financial year, the listed entity and/or its material subsidiary(ies) has / have complied with paragraph 6.1 and 6.2 of section V-D of chapter V of the Master Circular on compliance with the provisions of the LODR Regulations by listed entities.	NA	There was no such event during the year.
13.	Additional Non- compliances, if any: Additional non-compliance observed for all SEBI regulation/circular/guidance note etc.	NA	No non-compliance observed for all SEBI regulation/circular/guidance note etc

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Assumptions & limitation of scope and review:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to report based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial records and books of account of the listed entity.
4. This report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (LODR) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

Place: Meerut

Date: 23rd May 2025

UDIN: F005226G000426988 dated 23rdMay2025

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

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DINESH KUMAR GUPTA
(Proprietor)

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

Peer Review Certificate no. **1993/2022**

SANGAL PAPERS LIMITED (CIN- L21045UP1980PLC005138)

22- Km – Meerut Mawana Road, Mawana- 250401, District – Meerut (U.P)

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

This report on Corporate Governance forms part of the Directors Report for the financial year ended 31st March, 2025.

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 Chapter IV read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

Chapter IV read with Schedule V of 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 objective 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 2025:

Director Name	Category of Directors	Qualification of director	Experience in years	Expertise in area	Subject to retirement by rotation	No. of Directorship in other Company (including private limited company)	Number of Committee positions held in other public companies	
							Chairman	Member
Mr. Himanshu Sangal	Managing Director/ Promoter / Executive	Graduate, LLB.	45(Paper industries) 10(Pharma)	Operation, production, administrative management	No	NIL	NA	NA
Mr. Amit Sangal	Whole Time Director/CFO/ Promoter / Executive	Graduation in commerce	32(Paper industries) 12 (Finance)	Finance, sale, operation, raw material management	No	TWO (2)	NA	NA
Mr. Tanmay Sangal	Director/ Promoter / Non-Executive	MBA (Finance)	16	International business, Marketing, finance and business administration	Yes	NIL	NA	NA
Mr. Vinayak Sangal	Director/ Promoter / Non-Executive	B.tech., MBA	11	Operation, raw material and production management	Yes	NIL	NA	NA
Mr. Sapan Sodhi	Independent Director/ Non-Executive	Law Graduate	31	Administration, legal	No	NIL	NA	NA
Mrs. Vartika Malik	Independent Director/ Non-Executive / Women Director	Law Graduate	31	Management, taxation, Legal	No	ONE (1)	NA	NA

Pursuant to the applicable provisions of Companies Act, 2013 and 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. Sapan Sodhi, Non-Executive Independent Director is the Chairperson of the Board of Directors.

(ii) Details of Board Meetings:

The total number of Board Meetings held during the financial year ended as on 31st March 2025 was Five (5).

The details are as follows:

Board Meetings

S.No.	Date of Board Meeting
1	30/05/2024
2	05/08/2024
3	13/08/2024
4	12/11/2024
5	13/02/2024

(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	5	5	Yes
Amit Sangal	Whole Time Director cum CFO/ Promoter/ Executive Director	5	5	Yes
Tanmay Sangal	Director/Promoter/ Non-Executive Director	5	5	Yes
Vinayak Sangal	Director/Promoter/ Non-Executive Director	5	3	Yes
Sapan Sodhi	Independent Director/ Non-Executive Director	5	5	Yes
Mrs. Vartika Malik	Independent Director/ Non-Executive Director	5	5	Yes

3. COMMITTEES OF THE BOARD

1. Audit Committee

i) Terms of Reference:

Apart from all the matters provided in Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and section 177 of the Companies Act 2013, the Audit Committee reviews reports/findings 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. Audit Committee charter containing terms and condition is available on the website of the Company at <https://sangalpapers.com>

ii) Composition :

Audit Committee consists of three directors as follows:

Name of Director	Category	Designation
Mrs. Vartika Malik	Chairperson	Independent/Non-Executive Director
Mr. Sapan Sodhi	Member	Independent/Non-Executive Director
Mr. Himanshu Sangal	Member	Managing Director

Five audit committee meetings were held during the year ended 31st March, 2025 as follows:

Audit Committee Meetings

S.No.	Date of Board Meeting
1	30/05/2024
2	05/08/2024
3	13/08/2024
4	12/11/2024
5	13/02/2025

The attendance records of the members at the meeting are as follows:

Name of the Member	No. of Meetings Held	No. of Meetings Attended

Himanshu Sangal	5	5
Vartika Malik	5	5
Sapan Sodhi	5	5

2. STAKEHOLDERS RELATIONSHIP COMMITTEE

Pursuant to the provisions of the Regulation 20 read with part D of Schedule II of the SEBI Listing Regulation and Section 178 of the Act, the Company has constituted "Stakeholders Relationship Committee" ("SRC") to consider and resolve the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of annual report etc.

Stakeholder Relationship Committee consists of three directors as follows:

Name of Director	Category	Designation
Mrs. Vartika Malik	Member	Independent/Non-Executive Director
Mr. Sapan Sodhi	Chairperson	Independent/Non-Executive Director
Mr. Himanshu Sangal	Member	Managing Director

One stakeholder Relationship Committee meeting was held during the year ended on 31st March, as follows:

Stakeholder Relationship Committee Meetings

S.No.	Date of Board Meeting
1	15/07/2024

The attendance records of the members at the meeting are as follows:

Name of the Member	No. of Meetings Held	No. of Meetings Attended
Himanshu Sangal	1	1
Vartika Malik	1	1
Sapan Sodhi	1	1

Investors' complaints attended and resolved during the year 2024-2025

Investors' complaints	Attended/resolved during 2024- 25
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

Stakeholder Relationship Committee charter containing terms and condition is available on the website of the Company at <https://sangalpapers.com>

3. NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration committee inter alia include Succession planning for Board of Directors and Senior Management Employees, identifying and selection of candidates for appointment of Directors/Independent Directors based on certain laid down criteria, identifying potential individuals for appointment of Key Managerial Personnel and other senior managerial position and review the performance of the Board of Directors and Senior Management personnel including Key Managerial personnel based on certain criteria approved by the Board.

The Nomination and Remuneration Committee before re-constitution consists of Three (3) Directors as follows:

The Nomination and Remuneration Committee consists of three members as follows:

Name of Director	Category	Designation
Mrs. Vartika Malik	Chairperson	Independent/Non-Executive Director
Mr. Sapan Sodhi	Member	Independent/Non-Executive Director
Mr. Vinayak Sangal	Member	Managing Director

One Meeting of Nomination and Remuneration Committee was held during the year ended on 31st March, 2025 as follows:

Nomination and Relationship Committee Meetings

S.No.	Date of Board Meeting
1	15/07/2024

The attendance records of the members at the meeting are as follows:

Name of the Member	No. of Meetings Held	No. of Meetings Attended
Vinayak Sangal	1	1
Vartika Malik	1	1
Sapan Sodhi	1	1

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 Nomination and Remuneration Committee charter containing terms and condition is available on the website of the Company at <https://sangalpapers.com>

Payment to Managing Director and Whole Time Director/CFO: On Annual basis

Name of the Director	Designation	Remuneration (Rs. In Lakhs) p.a.
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) p.a.
Mr. Tanmay Sangal	As President Marketing	42 Lakhs
	As Non-Executive Director	NIL
Mr. Vinayak Sangal	As President Operations	42 Lakhs
	As Non-Executive Director	NIL
Mr. Sapan Sodhi	Independent Director	NIL
Mrs. Vartika Malik	Independent Director	NIL

*Mr. Tanmay Sangal, President Marketing and Mr. Vinayak Sangal, President Operations receiving salary in the capacity of employee of the company and not in the capacity of directors of the Company.

Sitting Fees to non-executive-independent - director is Rs. 2,000 per meeting.

The Company is paying sitting fees only to Independent Directors and not to other Promoter-Directors.

4. BOARD MEMBERS AND INDEPENDENT DIRECTOR'S PERFORMANCE EVALUATION

Pursuant to the provision of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board and Nomination and Remuneration Committee have carried out the annual evaluation of performance of individual Board of Directors and Independent Directors as individual for the financial year 2024-

25. 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 found out in evaluation of Board of Directors of the company, so it does not require any action.

5. DIRECTOR'S APPOINTMENT AND REMUNERATION POLICY:

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

i. Appointment criteria and qualifications

- a)** The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his/her appointment.

- b)** A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

- c)** The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years, subject to the conditions. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

ii. Term / Tenure

- a)** Managing Director/Whole-time Director: The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

- b)** Independent Director: - An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company

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

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

iv. Removal- Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

v. Retirement 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.

6. POLICY RELATING TO THE REMUNERATION FOR THE WHOLE-TIME-DIRECTOR, KMP, AND SENIOR MANAGEMENT

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 the amount of such fees shall not exceed Rupees One Lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

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

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

7. GENERAL BODY MEETINGS

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

Financial Year	Date	Time	Venue and Medium	No. of Special Resolution Passed
2023-2024	12/09/2024	1:30 P.M.	Vill. Bhainsa,22km stone., Meerut-Mawana Road, Mawana, 250401 "Other audio- visual means" (OAVM)	Zero (0)
2022-23	24/08/2023	1:30 P.M.	Vill. Bhainsa, 22km stone., Meerut-Mawana Road ,Mawana,- 250401 "Other audio- visual means" (OAVM)	Two (2)
2021-22	28/09/2022	1:30 P.M.	Vill. Bhainsa, 22km stone., Meerut-Mawana Road, Mawana-250401 "Other audio- visual means" (OAVM)	Two (2)

ii) Postal Ballot :

For the year ended as on 31st March, 2025, there was no ordinary or special resolution passed by the company through postal ballot.

8. 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.

9. RISK MANAGEMENT POLICY:

Pursuant to the Section 134(3) of Companies Act, 2013, The Company has a risk management program 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.

10. FAMILIARIZATION PROGRAM AND INDEPENDENT DIRECTORS MEETING:

As per Company annual strategy and planning, a Familiarization program of the independent directors of the company conducted by the company during the financial year ended on 31st March 2025. All Independent Director of the company introduce to the Board attend an orientation program. In accordance with the provisions of Schedule IV of the Companies Act, 2013 and Regulation 25 of the SEBI (LODR) Regulation, 2015 a separate meeting of the Independent Directors of the Company was held on 22nd Day of February, 2025. Mr. Sapan Sodhi was unanimously elected as Chairman of the meeting and Mrs. Vartika Malik was present at the said Meeting.

During the year under review, the Independent Directors met on 22nd Day of February, 2025 inter alia, to discuss:

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

11. SHAREHOLDERS:

(a) MEANS OF COMMUNICATION WITH SHAREHOLDERS:

The quarterly, half yearly and annual 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 Financial Express (English language newspaper) and Jansatta (Hindi language News Paper). 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 > Click Investors Tab > Click on Financials Tab.

As per SEBI guideline the Company has maintained website namely <https://sangalpapers.com> providing the 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.

Complaints and Grievances:

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.

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, investor@masserv.com, Phone No.: 011- 26387281-82-83.

Share Transfer System:

Share Transfer system: It may be noted that any service request can be processed only after the folio is KYC compliant. SEBI, vide its notification dated January 24, 2022, has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialised form. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants. The Registrar & Share Transfer Agents, process every fortnight requests for approving share transfers. The processing activities with respect to requests received for share transfers are completed within the time prescribed by the authorities. After such processing, the facility of simultaneous transfer and dematerialisation of shares is provided to the shareholders. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or RTA, for assistance in this regard. Further pursuant to Regulation 40(9) of SEBI Listing Regulations, certificate on yearly basis confirming the due compliance of share transfer formalities by the Company from Practicing Company Secretary have been submitted to Stock Exchanges within stipulated time. Reconciliation of Share Capital Audit Report for the Quarter ended 31st March 2025, confirming that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL as on 31st March 2025, was obtained from practicing Chartered Accountant and submitted to the stock exchanges within stipulated time. The Company's Shares are traded at the Stock Exchange in compulsory demat form. Accordingly, Shareholders are requested to make service requests by submitting a duly filled and signed Form ISR-4. The shares in physical mode which are lodged for transfer/Demat may be sent to our RTA M/s. Mas Services Limited, T-34, 2nd Floor Okhla Industrial Area, Phase-II, New Delhi-110020, E-mail: investor@masserv.com, Phone No.: 011- 26387281-82-83.

12. 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 redressing of complaints related to sexual harassment and follows the guidelines provided in the Policy.

During the year ended March 31, 2025 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

13. 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.

14. 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	Friday, 26th September, 2025
Time	01:30 P.M.
Place	Through Video Conferencing/OAVM

Please note that Annual Report and Notice shall be mailed to the shareholders who have registered or updated their email id's with the company. Members who have not update their email address will receive a letter with a weblink where the notice along with annual report for F.Y. 2024-2025 is hosted.

NOTE :

Investors/Shareholders are requested to update their PAN,email id, mobile no., Bank details and Nominee details with the company by contacting our Company's RTA (Registrar and Share Transfer Agent) by emailing at investor@masserv.com and Contact No. – 01126387281-82-83 or visit www.masserv.com.

Postal Ballot

There was no Postal Ballot in the year, pursuant to Section 110 of the Companies Act, 2013 read with relevant Rules.

Financial Year

The Financial Year of the Company is from 1stApril 2024 to 31stMarch 2025 for which this report is prepared.

Financial Calendar (tentative dates)

First quarter results (June 30)	By first half of August 2025
Second quarter results (September 30)	By first half of November 2025
Third quarter results (December 31)	By first half of February 2025
Fourth quarter & annual audited results of the current Financial Year (March 31)	By Second half of May 2026

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, IIInd Floor, OkhlaIndustrial Area, Phase- II, New Delhi- 110020.

Phone No.: 011-26387281 - 82 – 83

Mail ID: investor@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 2024-2025 and 2025-2026.

Market Price Data:

High/Low of Market price of Company's equity share traded on BSE, during the financial year ended on 31stMarch, 2025 was as follows:

Month	High	Low
April 2024	208	173.05
May 2024	230	186
June 2024	238.90	191.05
July 2024	249.80	212.40
August 2024	262.05	201.45
September 2024	314	217.05
October 2024	324.40	248
November 2024	312	256.50
December 2024	325	264.65
January 2025	305	233.05

February 2025	279.90	172.10
March 2025	216	170.60

Share held in physical and Dematerialized Form:

As on 31.03.2025

Mode of Shareholding	No. of Shares	%
SHARES HELD IN NSDL	200844	15.36
SHARED HELD IN CDSL	715216	54.71
SHARES HELD IN PHYSICAL	391200	29.93
TOTAL	1307260	100.00

Distribution of Shareholding as on March 31, 2025.

No. of shareholders	Percentage total (%)	Size of Shareholding	No. of Share	Amount in Rs.	Percentage total (%)
7857	98.249	1 to 5000	471742	4717420	36.086
71	0.888	5001 to 10000	52300	523000	4.001
28	0.350	10001 to 20000	35464	354640	2.713
8	0.100	20001to 30000	18839	188390	1.441
6	0.075	30001 to 40000	19629	196290	1.502
4	0.050	40001 to 50000	18474	184740	1.413
10	0.125	50001 to 100000	74787	747870	5.721
13	0.163	100001 to above	616025	6160250	47.123
8128	100.000	Total	1307260	13072600	100.000

Shareholding Pattern: Shareholding pattern of the company as on 31st March, 2025.

Sr. No.	Category	No. of Share	% of Shareholding
1.	Promoters (Individuals)	516042	39.48
2.	Other than promoters (Individuals)	760993	58.21
3.	Corporate bodies	22245	1.70

4.	Financial Institutions/Bank and Mutual Funds	0	0.00
6.	Venture capital Fund	0	0.00
7.	NRI's (Repatriated and Non-Repatriated)	7400	0.57
8.	Clearing Members	580	0.04
	Total	1307260	100.00

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 **20th September, 2025 to 26th September, 2025 (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 , Meerut, Mawana, UP- 250401

CREDIT RATING:

Your Company enjoys credit rating from Brickwork Ratings, The Brickwork Ratings India Pvt. Ltd. has granting credit rating to the company as **BWR BBB- (Pronounced as BWR Triple B Minus), Outlook: Stable (Reaffirm)** for Fund Based(Cash Credit and Term Loan (o/s)) and **BWR A3 (Pronounced as BWR, A Three) (Reaffirm)** for Non Fund Based: Bank Guarantee and ILC/FLC for the F.Y. 2021-2022. We have not taken any credit rating from any credit rating agency as we do not require the same after F.Y.2021-2022.

The rating shall be uploaded on company's website www.sangalpapers.com > under Investors Tab > under Financials Tab and to the BSE (www.bseindia.com) whenever applicable.

DISCLOSURE:

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

During the financial year 2024-2025, the Company's transactions with the related parties are in compliance with the applicable provisions of the Act and SEBI Listing Regulations and do not have potential conflicts with the interest of the Company. Further, the details of related party transactions are presented in Notes to the financials statements of the company. In line with requirement of the Act and SEBI Listing Regulations, the Company has formulated a policy for determining Materially Significant Related Party Transactions and the same is disclosed on website of the Company at www.sangalpapers.com.

Total fees for all services paid by the company to the statutory auditors for the financial year 2024-2025:

Total fees of INR 2.00 Lakhs (including out of pocket expenses) for financial year 2024-25, for all services, was paid by the Company, to the Statutory Auditors.

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 D.K. 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:

No penalty is imposed by SEBI or any other regulatory authority on matters related to the capital market during the last three year.

The Company always strives to comply with the requirements of the Stock exchange, SEBI and other statutory authorities on all matters related to capital markets from time to time as required through circulars and notifications etc.

Suspense Escrow Demat Account:

SEBI, vide its letter No. SEBI/HO/MIRSD/POD-1/OW/P/2022/ 64923 dated December 30, 2022, had issued Guidelines with respect to procedural aspects of 'Unclaimed securities- Suspense Escrow Demat Account' to be opened by listed entities pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/6 dated January 25, 2022, latest by January 31, 2023. The Company has opened the 'Unclaimed Securities Suspense Escrow demat Account' within the stipulated timeline in the name of Sangal Papers Limited Suspense Escrow Demat Account.

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 vigil mechanism, whistle blower can be found out on our website at <https://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 complied with all the Corporate Governance requirements specified in regulation 17 to 27, clause (b) to (i) of sub-regulation (2) of regulation 46 or any other relevant regulation of SEBI (Listing Obligations and 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. <https://sangalpapers.com>. All Board Members have affirmed compliance with the code of conduct for the financial year 2024-25.

For and on behalf of the Board of Directors of

Sangal Papers Limited

Date: 13.08.2025

Amit Sangal

Himanshu Sangal

Place: Mawana

Whole Time Director/CFO

Managing Director

DIN- 00091486

DIN -00091324

Ref. No.

Dated

AUDITOR'S COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

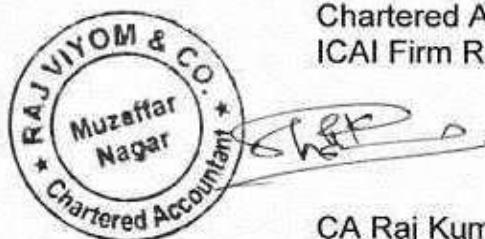
**The Members
Sangal Papers Limited,
Vill. Bhainsa, 22km stone, Meerut-Mawana road,
Mawana, Meerut, UP**

We have examined the compliance of conditions of Corporate Governance by Sangal Papers Limited For the year ended March 31st, 2025 stipulated in Chapter IV of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 of the said company with stock exchanges.

The Compliance of condition of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company to ensure Compliance with the condition of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has fully complied with all mandatory Conditions of Corporate Governance as stipulated in Chapter IV of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

**For RAJ VIYOM & CO.,
Chartered Accountants,
ICAI Firm Regn. No. 002011C.**



CA Raj Kumar Sharma
Partner
Membership No.: 077650
UDIN: 25077650BMJGSR7058

Dated: 04.08.2025
Place: Muzaffarnagar

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, your directors have great pleasure in presenting the management discussion and analysis report for the year ended on March 31st, 2025.

Sangal Papers Limited (hereinafter called “The Company”) incorporated in the year 1980 and having its registered office in the State of Uttar Pradesh. The company is engaged in manufacturing of Writing and Printing Paper, News Print paper, Kraft and wide range of color papers. Sangal Papers Limited manufactures paper on customized requirement of the customers. The management discussed the various aspects and come out with this summary:

A) INDUSTRY STRUCTURE AND DEVELOPMENT:

The outlook for the Indian Paper Industry is seen as positive, due to the strong growth expected in the coming years, driven by increasing demand for paper products and a growing economy. The industry is forecast to reach a market value of USD 35 billion by 2030, expanding at a CAGR of 13.4%.

Factors Driving Growth are:

- a. Rising Demand
- b. E- Commerce growth
- c. Focus on sustainability
- d. Government Initiatives
- e. Focus on Education and Literacy

Despite several infrastructural and geo- political hurdles there is strong growth in demand in various segments of the Indian Paper Industry. There is a shift in preference for higher quality products in the market and players are seeing opportunities for profitable growth. For meeting the growing demand, capacity upgrading, improvement in the quality, is the need of the hour. Industry needs to have cost effective funds and availability of good quality and cost- effective raw material and low- cost energy.

Paper pervades all sectors of our activity from books to bullets and from morning newspaper to nuclear technology. Indian paper industry is highly fragmented with varying sizes.

Paper Industry in India, despite facing challenges, holds considerable promise for the future. By embracing technological advancements, focusing on sustainability, and adopting to changing market dynamics, the industry can continue to thrive and contribute to India’s economic and environmental goals.

**Financial Performance of
Sangal Papers Limited**

Particulars	Financial Year (2024-25)	Financial Year (2023-24)	% Increase/ % Decrease (-)
Turnover (Revenue from Operations) (Rupees In lakhs)	18,027.07	19,033.87	-5.58
Profit Before Tax (Rupees in lakhs)	400.09	346.82	15.36
Profit After Tax (Rupees in lakhs)	282.58	247.06	14.38
Profit After Tax and other comprehensive income (Rupees in lakhs)	278.68	242.35	14.99
Earnings per share (in Rupees)	21.62	18.90	14.39

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 optimistic on increasing the sale of the paper product in India and abroad. There is opportunity to explore global markets due to restrictions on China and the global players are eying on India for their needs.

Population growth, urbanization, increasing consumer demand for eco-friendly products, e-commerce market is all going to help in the overall growth of the industry.

Our best practice is that we are sourcing recycled materials so that we can reduce reliance on virgin pulp and have certification of FSC as we are making FSC Certified products. We are enhancing water and energy efficiency through re-cycling and renewable energy use.

The paper industry is increasingly relying on waste paper as a raw-material, with import of waste paper also growing steadily.

The Government has also prioritized policies aimed at promoting rapid up-gradation in supply chain systems for retail distribution and export of food materials. The footwear and garment export segment are growing. All these and other trends indicate that there will be better demand for high- quality, world class packaging material.

For Indian paper industry, biggest concern is the use of high volume of water and electricity consumption in manufacturing process which creates pollution in the environment. Due to which to reduce such pollution filters and up-gradation in technology requires from time to time which involves heavy investment in CAPEX which is a continuous challenge to small scale paper manufacturers in this price sensitive commodity (paper) market.

Industry needs Government intervention such as government subsidies for sustainable practices, stabilization of raw-material prices, energy incentives and improved supply chain infrastructure. These interventions can help industry to become more competitive, resilient and sustainable in the long run.

STATE OF THE COMPANY

The following statements are on the affairs of the company under review:

1. The Company is engaged in single segment i.e. company is engaged in manufacturing of Paper.
2. There is no change in status of the company.
3. There is no change in financial year of the company.
4. There was capital expenditure of Rs. 517.02 lakhs during the year in plant and machinery for quality improvement, cost effectiveness and value addition.
5. Due to above there is modernization, expansion and diversification during the year.

Your company is manufacturing paper on demand of the customer. In 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.

The company is trying hard to utilize the capacity to its optimum level, making use of the best of operational techniques and economical use of the resources. Raw materials used by the company are of the best quality in their category with strong quality checks, the availability of raw material for production depends on the availability in the market as well as price consideration.

Manufacturing of paper involves very high volume of water and electricity, which results in creating pollution to the environment which is one of the biggest threats to the paper industry. To overcome this challenge, industry needs latest technology-based machines and pollution reducing equipment's or filters to curb pollution which involves high cost and also it takes time to get the environmental clearance from the government.

C) Segment:

Sangal Papers Limited engaged in single segment of business. Manufacturing of Paper is our primary business activity.

In geographic segment, the company is selling its paper in India and exporting to Sri Lanka, Singapore, Nepal, Iran, United Arab Emirates and other various countries.

We have good network of dealers and significant customers base which are scattered around the country and the world.

**Financial Performance of
Sangal Papers Limited**

Particulars	Financial Year (2024-25)	Financial Year (2023-24)	% Increase/ % Decrease (-)
Turnover (Revenue from Operations) (Rupees In lakhs)	18,027.07	19,033.87	-5.58
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Earnings per share (in Rupees)	21.62	18.90	14.39

There is a dip in the Turnover this year as compared to last year due to geopolitical issues around the world and its effect on the Demand side. Despite of this there is improvement in the profit side due to operational efficiency by your Company. Your management hopes are high for the coming years and are of the view that the pressure of geo political issues will ease out and the demand of paper will rise.

D) Outlook and other concerns:

The paper industry in India is set for significant growth. The growth of the paper industry in India not only generates substantial revenue but also contributes to the nation's economy and creates employment opportunities. With current conditions, the paper industry employs around 5 lakh employees directly and 15 lakhs indirectly. The rising literacy rates, increased industrial activity, advancement in technology, e-commerce are all enablers in the growth of paper industry which is expected to be 6% to 7% annually.

The Government of India is also focusing on overall development of all the sectors with the aim of improving infrastructural facilities. This has resulted in opening of the global markets and more of foreign players are coming in India for fulfilling their demand. This will give boost to the Paper Industry as well. There is better flow of materials across the country due to improved infrastructure facilities.

Government has banned the single use plastic. Industries are looking for eco-friendly alternatives to plastic. Paper products are promising substitute. Sign of growth in e-commerce market and quick service restaurants will give boost to the paper industry.

There has also been witnessed strong demand of packaging paper due to increase in organized retail sector. Focus on education sector and other organizations added demand of writing and printing paper too.

For Indian paper industry, biggest concern is the use of high volume of water and electricity consumption in manufacturing process which creates pollution in the environment. Due to which to reduce such pollution filters and up-gradation in technology, funds are required in CAPEX, which is a challenge to small scale paper manufacturers in this price sensitive commodity (paper) market.

Demand supply imbalance in almost all sectors is affecting not only sales revenue but profitability as well. Imports from South East Asia and other Countries duty free are posing threats to paper industry. As the global scenario is not stabilized, it is a challenge to the industries. However, despite the challenges pulp and paper industry is likely to grow in the coming years.

CARE Ratings or IPMA (Indian Paper Manufacturers Association) estimates a growth of 6 – 7 % on year on year basis and will reach 30 million tons by FY 2026-2027 largely driven by emphasis on education and literacy coupled with growth in organized retail, according to industry body IPMA.

The growth will be largely driven by writing & printing 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, and 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 as a result of varied 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 try to increase the percentage to 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 could 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):

Equity Share Capital	No of Shares	Face value per share	Share Capital (in Rupees)
Authorized capital	70,00,000	10	7,00,00,000
Issue subscribed and paid up capital	13,07,260	10	1,30,72,600

There is no change in the Capital Structure during the year.

Other Funds (Other equity):

Particulars	Financial Year (2024-25)	Financial Year (2023-24)	% Increase/ % Decrease (-)
Revaluation Reserve (Rs. In lakhs)	48.56	48.56	0
Retained Earnings(Rs. In lakhs)	4,254.98	3,976.30	7.01

Revenue from Operations:

Particulars	Financial Year (2024-25)	Financial Year (2023-24)	% Increase/ % Decrease (-)
Turnover (Revenue from Operations) (Rupees In lakhs)	18,027.07	19,033.87	-5.58
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Earnings per share (in Rupees)	21.62	18.90	14.39

G) Human Resources Relationship:

Human resources relationship policy of the company recognizes the importance of human value and ensures that proper encouragement both moral and financial is to be extended to the employees to motivate them and protect the right of the employees. We try to provide a comfortable environment to the employees.

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.

Employees of the company are essential assets of the company. Our company believes for welfare and development of the company as well as employees. As at 31st March, 2025, the company employed 217 permanent employees.

H) Details of significant changes:

During the financial year 2024-2025, changes in financials and operating position of the company.

Financial Ratios:

Sr.no.	Ratio	Definition	Unit of measure	2024-25	2023-24	Variance
1	Debtor Turnover	Net credit Sale/Average Account Receivable	Days	6.96	7.12	-2.25%
2	Inventory Turnover	Sale/Avg. Inventory	Days	7.87	8.44	-6.75%
3	Interest Coverage ratio	EBIT/Finance Cost	Times	2.58	2.37	8.86%
4	Current Ratio	Current Assets/ Current Liabilities	Times	1.60	1.54	3.90%
5	Debt equity Ratio	Debt/Equity	Times	0.63	0.66	-4.55%
6	Operation Profit Margin	EBIT/Sale	%	3.62	3.15	14.92%
7	Net Profit Margin	Net profit/Total Revenue	%	1.57	1.30	20.77%

The Company reported a decline of 15.82% in its sales due to geopolitical issues which has the effect of reducing demand. The Company reported decrease of 2.25 % in Debtor Turnover Ratio during the financial year 2024-2025 as compared to last year due to better operations. Company reported decrease of 6.75% in Inventory Turnover Ratio during the financial year 2024-2025 due to better operations. The Company reported increase of 8.86% in

Interest Coverage Ratio during the financial year 2024-25 due to better earnings. The Company reported 5.48% increase in Current Ratio during the financial year 2024-2025 due to increase in current assets. There is decrease of 4.55% in Debt Equity Ratio during the financial year 2024-2025 due to retained earnings effect on equity. The Company reported a growth of 14.92% in Operating Profit Margin during the financial year 2024-25 due to better operations. Company reported increase of 20.77% in Net Profit Margin due to taxation effect.

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 of
Sangal Papers Limited**

Date: 13.08.2025

Amit Sangal

Himanshu Sangal

Place: Mawana

Whole Time Director/CFO

Managing Director

DIN- 00091486

DIN -00091324

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

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 Directors of Sangal Papers Limited having CIN: L21015UP1980PLC005138 and having registered office at "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, 2025** 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	Date of Cessation
1.	HIMANSHU SANGAL	00091324	25/11/1980	
2.	AMIT SANGAL	00091486	27/09/1996	
3.	TANMAY SANGAL	01297057	30/11/2003	
4.	VINAYAK SANGAL	06833351	01/03/2014	
5.	SAPAN SODHI	10178992	27/05/2023	
6.	VARTIKA MALIK	00687839	27/05/2023	

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 the Company.

for D. K. GUPTA & CO.

(Company Secretaries)

Place: Meerut

DINESH KUMAR GUPTA

(Proprietor)

Date: 11th August 2025

ICSI UDIN: F005226G000976031 dated 11th August 2025
Peer Review Certificate no. 1993/2022

C. P. No. 3599

M. No. F-5226

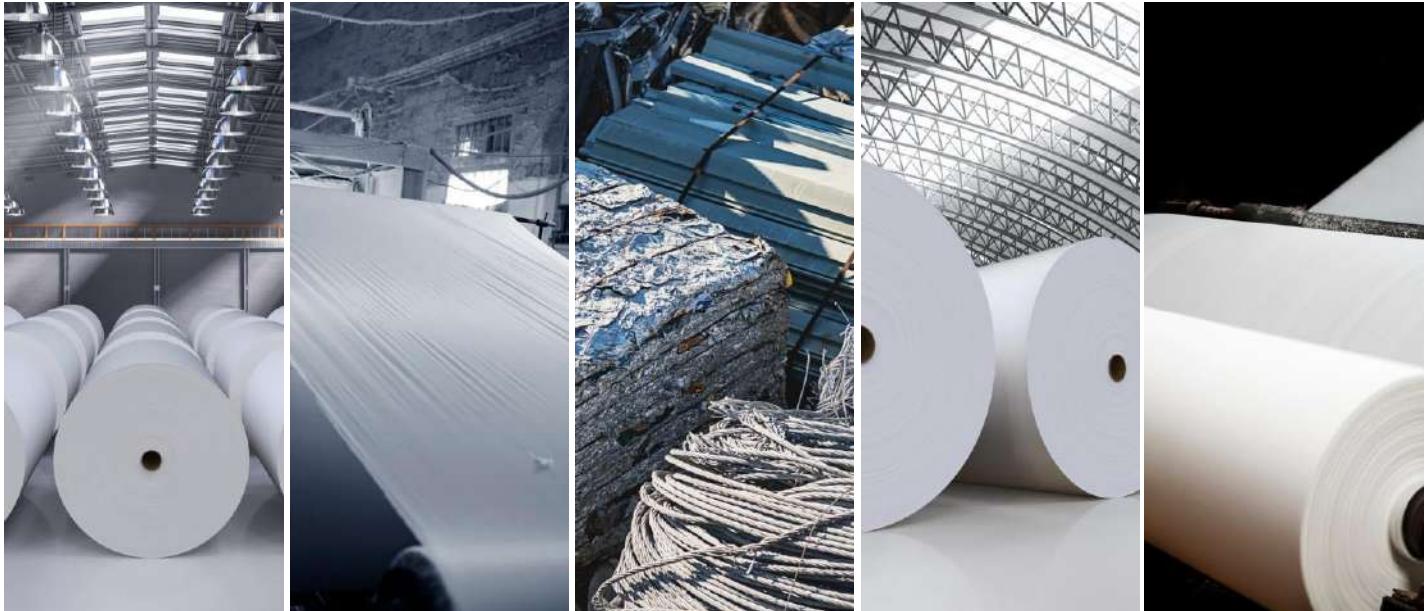


Sangal Papers Ltd

VOLUNTARY ESG REPORT

2024-2025

MESSAGE FROM OUR LEADERS



At Sangal Papers, sustainability is not just part of what we do, it defines how we operate. For over four decades, we've built our growth on principles of environmental responsibility, ethical governance, and social impact.

This year, we advanced our renewable energy transition, strengthened circular practices, and deepened our commitment to water stewardship and waste reduction. Our workplace remains safe, inclusive, and compliant, with strong internal systems to support transparency and accountability.

Good governance continues to anchor our decisions, while our focus on ESG risks ensures we stay resilient in a changing world. We view ESG not as a report, but as a reflection of our values and a promise to do better, year after year.

Driving growth with purpose, accountability, and a commitment to shaping a more sustainable tomorrow.

- Sangal Papers Ltd.

INTRODUCTION

Sangal Papers Limited is a leading manufacturer of recycled paper and a pioneer in sustainable practices within the Indian paper and pulp industry. Established with a mission to promote circular production and responsible growth, the company specializes in converting waste paper into high-quality writing, printing, and packaging grades.

With operations rooted in eco-efficiency, Sangal Papers utilizes 100% recycled raw materials, integrates renewable energy sources like bagasse and rice husk into its power generation, and invests in water and energy-saving technologies to reduce its environmental footprint.

The company's advanced co-generation system, effluent treatment infrastructure, and zero-deforestation approach position it among the most environmentally responsible paper manufacturers in the country.

Sangal Papers maintains robust governance systems, adheres to the highest standards of ethical conduct, and is guided by a long-term vision that aligns industrial excellence with environmental and social responsibility.

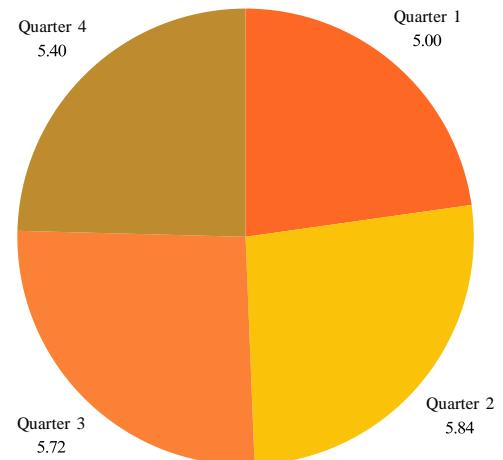
ENVIRONMENTAL PERFORMANCE

Renewable Consumption Obligation (RCO) Compliance

In FY 2024-25, Sangal Papers demonstrated industry-leading environmental stewardship by achieving a ~83% Renewable Consumption Obligation (RCO) compliance rate, significantly exceeding the mandated target of 29.91% set by the Ministry of Power under S.O. 4617(E).

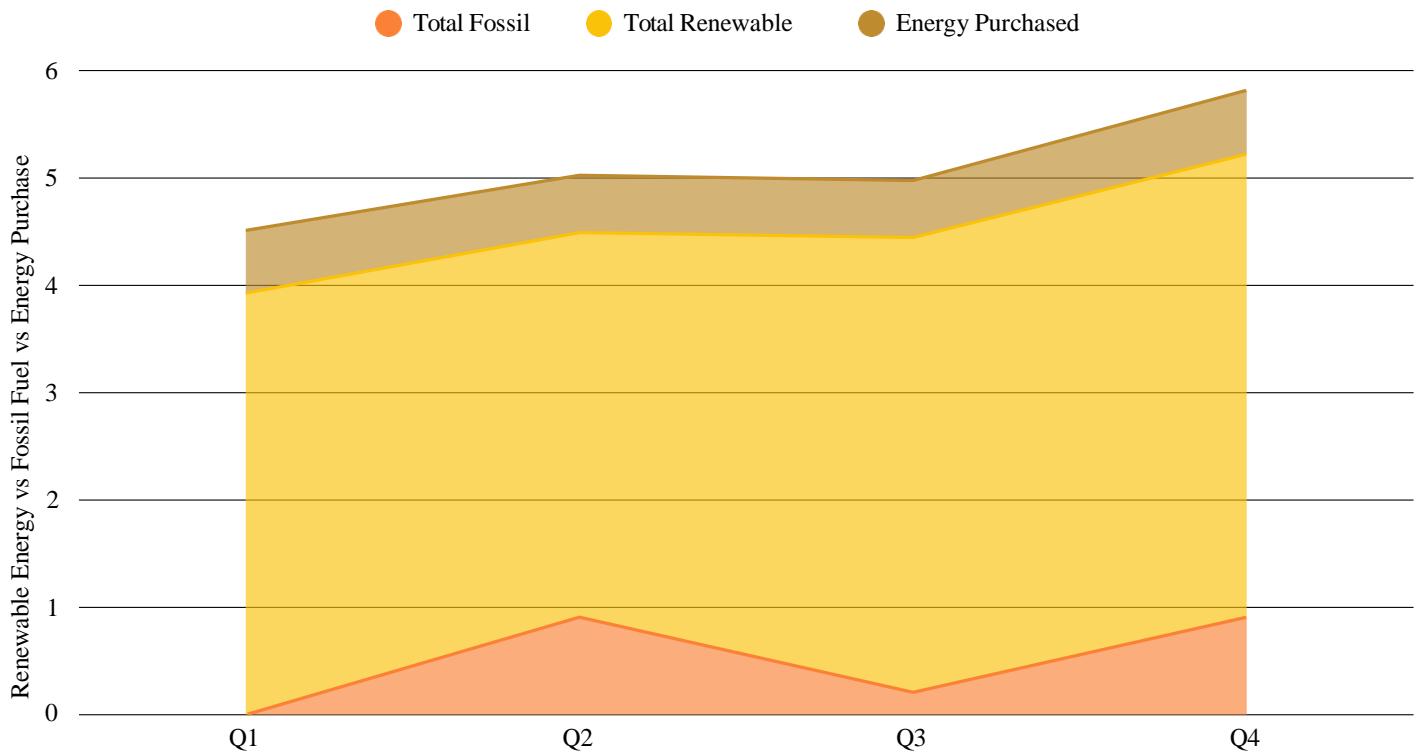
The company's total electricity consumption stood at ~24 MU, of which ~20 MU was sourced from renewable energy. This was made possible through an integrated approach combining biomass-based captive power generation, open access green power procurement, and the strategic use of Renewable Energy Certificates to address seasonal or operational gaps.

By using carbon-neutral bagasse, rice husk, and agro-waste from local farms, the company cut fossil energy to just ~17% of consumption, reducing GHGs, supporting rural livelihoods, and advancing India's industrial decarbonisation. This shift enhances energy security and shows how sustainable sourcing delivers environmental and socio-economic value.



↑ ~83%

RENEWABLE



Sangal's total electricity consumption for the financial year stood at ~24 million units (MU), as reported across all four quarters. Of this, ~20 MU was derived from renewable sources, primarily through in- house biomass-based power generation, supplemented by open access renewable procurement and Renewable Energy Certificates to ensure complete compliance and operational flexibility.

The company's renewable energy mix includes carbon-neutral fuels such as bagasse, rice husk, and agro-waste, sourced from agricultural residues that support rural economies. This transition has reduced dependence on fossil fuels, with non-renewable sources accounting for just ~17% of total electricity consumption. This shift enabled the generation of over ~20 million units of clean energy in FY 2024–25, a key milestone in industrial decarbonisation.

The ability to monitor energy and resource flows in real time has become a key enabler of its sustainability strategy. By integrating live data from power generation units, production lines, & water treatment infrastructure, the company ensures visibility into consumption patterns and environmental performance, allowing for faster corrective actions, continuous optimization, and seamless audit readiness.

Sustainable Raw Material Use

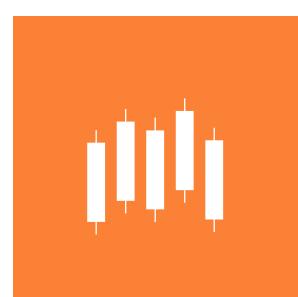
Sangal's environmental strategy goes beyond energy. The company operates on 100% recycled waste paper, avoiding virgin wood pulp. This circular approach conserves forests and diverts over 125 metric tonnes of waste paper daily from landfills. In total, it prevents over 41,500 tonnes of solid waste annually, reinforcing the company's zero-waste commitment and aligning with national circular economy priorities.

Energy Efficiency and Co-generation

To improve energy efficiency, Sangal employs a biomass-based co-generation system using steam for electricity generation and paper production. This dual-use system optimizes thermal efficiency and lowers GHG intensity. Additionally, it invested in energy-efficient machinery to reduce electricity consumption per unit, supporting long-term sustainability and resilience.

Effluent and Water Management

Water conservation is a key pillar of Sangal's environmental management. The company operates a closed-loop Effluent Treatment Plant (ETP) that recycles process water, significantly reducing freshwater intake. A planned tertiary treatment unit is expected to save an additional 1,000 kilolitres per day, enhancing future water resilience and reducing environmental risk.



A greener process today means a livable planet tomorrow.

ADVANCING INDIA'S CLIMATE COMMITMENTS

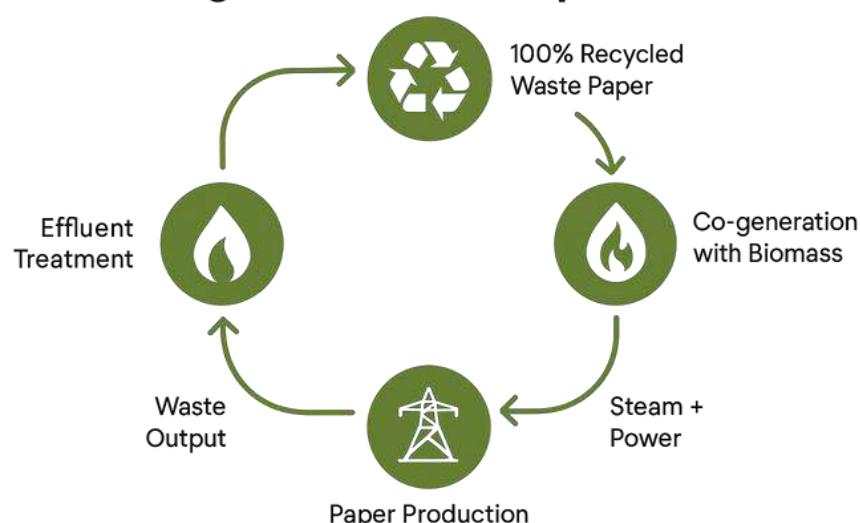
Together, these initiatives position Sangal Papers as a pioneer in low-carbon, circular manufacturing within the Indian pulp and paper sector. The company's ability to integrate renewable energy at scale, through biomass-based co-generation, green power procurement, and smart use of RECs, demonstrates a mature, systems-level approach to decarbonisation. Coupled with its 100% recycled raw material strategy and closed-loop water reuse practices, Sangal is setting a new operational benchmark for climate-aligned production in resource-intensive industries.

This integrated model, linking energy, materials, and water with compliance, efficiency, and innovation, offers a replicable blueprint for other manufacturers across India and the Global South.

More importantly, it addresses the global demand for low-carbon, traceable supply chains, positioning Sangal as a globally competitive sustainability partner. As stakeholder expectations rise, the company's model demonstrates how ESG performance can enhance operational efficiency and long-term value.



Sangal's Closed-Loop Model



SOCIAL RESPONSIBILITY

Sangal Papers ensures strong governance through a diverse Board and active committees in line with SEBI's LODR. Regular meetings and annual evaluations drive accountability and performance.

We maintain transparency in decision-making and prioritize long-term stakeholder trust.

We comply with all labor laws, enforce zero tolerance for child or forced labor, and undergo regular training to ensure a safe, inclusive work environment.

While no CSR-mandated in FY 2024-25, we support water conservation and local welfare through initiatives like the Living Ganga project, local hiring, and minimal impact on nearby communities.

GOVERNANCE PRACTISES

Sangal Papers maintains a balanced and diverse Board with executive, non-executive, and independent directors, in compliance with SEBI's LODR regulations. Key committees Audit, Nomination & Remuneration, and Stakeholder Relationship meet regularly to address governance issues. Annual board evaluations help strengthen oversight and effectiveness.

A formal Code of Conduct governs ethical behavior, legal compliance, and conflict of interest for all senior leaders. Annual declarations are submitted and disclosed in the Annual Report. The company also operates a Vigil Mechanism (Whistleblower Policy) and an Internal Complaints Committee to ensure transparency, grievance redressal, and protection against retaliation or harassment.

Strong governance is not just a responsibility, it's the foundation of sustainable growth

Sangal follows a structured internal audit program to ensure full regulatory and environmental compliance. No major violations or penalties were reported in FY 2024-25. The risk management framework actively monitors and mitigates ESG-related risks including pollution, raw material scarcity, and climate impacts.



We extend our sincere gratitude to all our stakeholders - employees, customers, investors, partners, and communities, for your continued trust and collaboration.

Together, we move forward toward a cleaner, more equitable, and resilient future.

We thank you for your continued support in our efforts to contribute to the Society.

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

Report on the Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **SANGAL PAPERS LIMITED, MEERUT** ("the Company") which comprise the Balance sheet as at **31 March 2025**, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 standards prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) rules, 2015, as amended, ("Ind As") and other accounting policies generally accepted in India, of the state of affairs of the Company as at **31 March 2025** and 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) 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 (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS financial statements.

Our opinion is not modified in respect of this matter.

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 2025**. These matters were addressed in the context of our audit of the Standalone IND AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. During the year under consideration, we have no key audit matters to 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 2024-25, 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 the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained during the course of our 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 Other Comprehensive Income, Cash Flows and the Statement of Changes in Equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 statements, 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

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

influence the economic decisions of users taken on the basis of these Standalone Ind AS financial statements.

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

- Identify and assess the risks of material misstatements of the Standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(1) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis 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 standalone 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.

Materiality is the magnitude of misstatements in the Ind AS standalone financial statements that, individually or in aggregate, make it probable that the economic decisions of a reasonably knowledgeable user of the Ind AS standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone IND AS financial statements.

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 to 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, 2025 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, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) 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, based on our audit 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 Ind AS specified under section 133 of the Act.
 - e. On the basis of written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
 - g. With respect to the matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h. 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 as at 31 March, 2025. – 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 as at 31 March, 2025;
- (iii) There has been no amount required to be transferred, to the Investor Education and Protection Fund by the Company;
- (iv) (a) The Management has represented that, to the best of it's knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entities, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
(b) The Management has represented, that, to the best of it's knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
(v) The company has not declared or paid dividend during the year covered by our audit.

(vi) Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.

For **RAJ VIYOM & CO.,**
Chartered Accountants,
Firm Regn. No. 002011C

Dated: 30.05.2025
Place: MUZAFFARNAGAR

CA Raj Kumar Sharma
Partner
Membership No.077650
UDIN: 25077650BMJGRK3585

ANNEXURE A TO THE INDEPENDENT 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 2025.

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant & equipment.

(b) The Company does not have any intangible asset.

(c) According to the information and explanations given to us, physical verification of property, plant & equipment have been carried out by the management. According to the information and explanations given to us, 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.

(d) The Company has not revalued any of its Property, plant & equipment during the year.

(e) 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.

(f) In our opinion and according to the information and explanations given to us, no proceedings have been initiated or are pending against the company as at 31 March, 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988(As amended in 2016) and rules made thereunder.

(ii)(a) The inventories (except for goods in transit) were physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on such physical verification. In our opinion and according the information and explanations given to us the coverage and procedure of such verification by the management is appropriate having regard to the size of the company and the nature of its operations. In respect of goods in transit, the goods have been received subsequent to the year-end. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories by the management as compared with book of account.

(b) According to the information and explanations given to us, the company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, at any point of time during the year, from bank on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements filed by the company with such bank are in agreement with the audited books of account of the Company, the differences, if any are either not material or minor in nature.

(iii) The Company has not made any investments, provided any guarantee or given any security, or provided any loans or advances in the nature of 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, hence clause (iii) of the Order is not applicable to the Company.

- (iv) In our opinion and according to the information and explanations given to us, the company has not made any investments or given any loans, or provided any guaranty or security as specified under Section 185 & 186 of the Companies Act, 2013, hence provision of the clause (iv) of the Order is not applicable to the Company.
- (v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government for maintenance of cost records under section 148(1) of The Companies Act, 2013, and are of the opinion, that *prima facie*, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii)(a) According to the records of company and information and explanations given to us, the company is regular in depositing undisputed statutory dues including, provident fund employees' state insurance, income-tax, duty of customs, goods and service tax, cess and any other statutory dues with the appropriate authorities during the year. There is no undisputed amounts payable, as at 31.03.2025 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.
- (viii) In our opinion and according to the information and explanations given to us, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix)(a) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) According to the information and explanations given to us, the company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) 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 has been applied to the purpose for which they were raised.
- (d) In our opinion and according to the information and explanations given to us, funds raised on short term basis have, *prima facie*, not been used during the year for long term purposes by the company.

- (e) In our opinion and according to the information and explanations given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associates.
- (f) In our opinion and according to the information and explanations given to us, the company has not raised any loans during the year on the pledge of securities held in its subsidiaries or associate companies.
- (x) (a) The Company has not issued any of its securities (including debt instruments) during the year hence reporting under clause (x) (a) is not applicable.
(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- (xi)(a) According to information and explanations given to us, no fraud by the Company and no material fraud on the company by its officers or employees has been noticed or reported during the year.
(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act 2013 has been filed by the auditors in form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
(c) As represented to us by the management, there were no whistle blower complaints received by the Company during the year and up to the date of this report.
- (xii) In our opinion, the Company is not a Nidhi Company hence reporting under clause (xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 , where applicable and the details of related party transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
(b) We have considered, the internal audit reports of the Company issued till the date of the audit report, for the period under audit.
- (xv) According to the information and explanations provided by the management, the Company has not entered into any non-cash transactions with any of its directors or persons connected with such directors and hence provisions of section 192 of Companies Act, 2013 are not applicable to the Company.
- (xvi) According to the information and explanations provided to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause(xvi) of the Order is not applicable to the Company.

(xvii) In our opinion and according to the information and explanations given to us, the company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) According to the information and explanations provided to us, there has no resignation of the statutory auditors of the Company during the year.

(xix) According to the information and explanations provided to us and On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanation given to us, the provision of section 135 are not applicable on the company hence, the provisions of clause (xx) of the Order is not applicable to the Company.

(xxi) In our opinion and according to the information and explanation given to us, the company is not required to prepare Consolidate financial statement hence, the provisions of clause (xxi) of the Order is not applicable to the Company.

For **RAJ VIYOM & CO.,**
Chartered Accountants,
Firm Regn. No. 002011C

Dated: 30.05.2025
Place: MUZAFFARNAGAR

CA Raj Kumar Sharma
Partner
Membership No.077650
UDIN: 25077650BMJGRK3585

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 (f) under 'Report on other Legal and Requirements' section of our report of even date)

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

We have audited the internal financial controls with reference to financial statements of **SANGAL PAPERS LIMITED, MEERUT** ('the company') as of **31 March 2025** 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 with reference to financial statements based on the internal control with reference to financial statements 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 with reference to financial statements of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements was 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements, to future periods are subject to the risk that the internal financial control with reference to financial statements 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, to the best of our information and according to the explanations given to us. The Company has, in all material respects, an adequate internal financial controls system and such internal financial controls with reference to financial statements, were operating effectively as at 31 March 2025, based on the criteria for internal financial control with reference to financial statements 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 VIYOM & CO.,**
Chartered Accountants,
Firm Regn. No. 002011C

Dated: 30.05.2025
Place: MUZAFFARNAGAR

CA Raj Kumar Sharma
Partner
Membership No.077650
UDIN: 25077650BMJGRK3585

Sangal Papers Limited
Balance Sheet as at 31 March 2025

(Amounts in INR Lakhs, unless otherwise)

	Notes	As at 31 March 2025	As at 31 March 2024
I Assets			
1. Non-current assets			
(a) Property, plant and equipment	3	3,950.09	3,497.43
(b) Capital work in progress	4	-	264.49
(c) Financial assets			
(i) Other financial assets	5	15.05	14.55
(ii) Other non-current assets	6	-	130.18
Total non-current assets		3,965.14	3,906.65
2. Current assets			
(a) Inventories	7	2,293.22	2,285.75
(b) Financial assets			
(i) Trade receivables	8	2,693.89	2,487.96
(ii) Cash and cash equivalents	9	83.48	131.38
(iii) Bank balances other than cash and cash equivalents	10	11.28	10.62
(c) Other current assets	11	202.39	139.92
Total current assets		5,284.26	5,055.63
Total assets		9,249.40	8,962.28
II Equity and liabilities			
1. Equity			
(a) Equity share capital	12	130.73	130.73
(b) Other equity	13	4,303.54	4,024.86
Total equity		4,434.27	4,155.59
2. Non-current liabilities			
(a) Financial liabilities			
Borrowings	14	936.07	1,018.98
(b) Provisions	15	87.20	78.22
(c) Deferred tax liabilities (net)	16	483.99	435.74
Total non-current liabilities		1,507.26	1,532.94
3. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	1,748.49	1,630.63
(ii) Trade payables	18	-	
Total outstanding dues of micro enterprises and small enterprises		47.75	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,193.62	1,372.91
(iii) Other current financial liabilities	19	131.24	136.56
(b) Other current liabilities	20	118.94	75.02
(c) Provisions	21	62.13	55.88
(d) Current tax liability (net)	22	5.70	2.75
Total current liabilities		3,307.87	3,273.75
Total liabilities		4,815.13	4,806.69
Total equity and liabilities		9,249.40	8,962.28

Material accounting policies

1-2

The accompanying notes are an integral part of the financial statements

As per our report of even date

For and on behalf of the Board of Directors
For RAJ VIYOM & CO.,

ICAI Firm Registration No.: 002011C

Chartered Accountants

CA Raj Kumar Sharma

Managing Director
(Himanshu Sangal)

Partner

DIN- 00091324

Membership No.: 077650

Place: Muzaffarnagar

Date: 30.05.2025

UDIN: 25077650BMJGRK3585

DIN: 00091486

Executive Director & Chief Financial Officer

(Amit Sangal)

DIN: 00091486

Sangal Papers Limited

Statement of Profit and Loss for the year ended 31 March 2025

(Amounts in INR Lakhs, unless otherwise stated)

	Notes	For the year ended 31 March 2025	For the year ended 31 March 2024
I Income:			
Revenue from operations	23	18,027.07	19,033.87
Other income	24	63.67	99.16
Total income		18,090.74	19,133.03
II Expenses:			
Cost of material consumed	25	15,466.26	16,821.63
Purchase of stock in trade	26	9.40	-
Changes in inventories of finished goods, work-in-progress and stock-in-trade	27	103.29	(61.49)
Employee benefit expenses	28	874.42	849.32
Finance costs	29	253.07	252.49
Depreciation	3	191.87	171.86
Other expenses	30	792.34	752.40
Total expenses		17,690.65	18,786.21
III Profit before exceptional items and tax		400.09	346.82
IV Exceptional items		-	-
V Profit before tax		400.09	346.82
VI Tax expense			
Current tax		67.88	57.88
Less: MAT credit entitlement		3.97	17.33
Deferred tax		45.66	24.55
VII Profit for the period		282.58	247.06
VIII Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gains/(losses) on defined benefit plan		(5.27)	(6.37)
Income tax effect		1.37	1.66
Other comprehensive income		(3.90)	(4.71)
IX Total comprehensive income		278.68	242.35
X Earnings per equity share of face value of Rs. 10 each :			
Basic (in Rs.)		21.62	18.90
Diluted (in Rs.)		21.62	18.90
Material accounting policies		1-2	
The accompanying notes are an integral part of the financial statements			
As per our report of even date		For and on behalf of the Board of Directors	
For RAJ VIYOM & CO.,			
ICAI Firm Registration No.: 002011C			
Chartered Accountants			
CA Raj Kumar Sharma		Managing Director	Director
Partner		(Himanshu Sangal)	(Tanmay Sangal)
Membership No.: 077650		DIN- 00091324	DIN- 01297057
Place: Muzaffarnagar		Executive Director & Chief Financial Officer	Company Secretary
Date: 30.05.2025		(Amit Sangal)	(Anant Vats)
UDIN: 25077650BMJGRK3585		DIN: 00091486	PAN : ADXPV9886B

Sangal Papers Limited

Statement of changes in equity for the year ended 31 March 2025

(Amounts in INR Lakhs, unless otherwise stated)

A Equity share capital (Refer Note 12)

(1) Current reporting period

Balance at the beginning of the current reporting period	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
130.73	-	130.73	-	130.73

(2) Previous reporting period

Balance at the beginning of the reporting period	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the current reporting period
130.73	-	130.73	-	130.73

B Other equity (Refer Note 13)

Particulars	Reserve & surplus				Total other equity	
	Revaluation reserve		Retained earnings			
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
	(refer note 13.1)				(refer note 13.2)	
Balance at the beginning of the reporting period	48.56	48.56	3,976.30	3,733.95	4,024.86	3,782.51
Profit/(loss) for the year	-	-	282.58	247.06	282.58	247.06
Other comprehensive income	-	-	(3.90)	(4.71)	(3.90)	(4.71)
Total Comprehensive Income	-	-	278.68	242.35	278.68	242.35
Balance at the end of the reporting period	48.56	48.56	4,254.98	3,976.30	4,303.54	4,024.86

Material accounting policies

1-2

The accompanying notes are an integral part of the financial statements

For and on behalf of the Board of Directors

As per our report of even date

For RAJ VIYOM & CO.,

ICAI Firm Registration No.: 002011C

Chartered Accountants

Managing Director

(Himanshu Sangal)

DIN- 00091324

Director

(Tanmay Sangal)

DIN- 01297057

CA Raj Kumar Sharma

Partner

Membership No.: 077650

Place: Muzaffarnagar

Date: 30.05.2025

UDIN: 25077650BMJGRK3585

Executive Director & Chief Financial Officer

(Amit Sangal)

DIN: 00091486

Company Secretary

(Anant Vats)

PAN : ADXPV9886B

Sangal Papers Limited

Statement of Cash Flows for the year ended 31 March 2025

(Amounts in INR, unless otherwise stated)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Profit before tax	400.09	346.82
Adjustments for:		
Depreciation	191.87	171.86
Interest expenses	253.07	252.49
Loss on sale of property, plant & equipment	28.02	0.19
Interest income	(1.70)	(2.60)
Operating profit before working capital changes	871.35	768.76
Movement in working capital		
(Increase)/decrease in trade receivables	(205.93)	368.37
(Increase)/decrease in bank balances other than cash and cash equivalents	(0.66)	(0.62)
(Increase)/decrease in inventories	(7.47)	(61.97)
(Increase)/decrease in other current assets	-	(14.55)
(Increase)/decrease in other non-current assets	133.64	(83.90)
(Increase)/decrease in other current tax assets	(62.47)	25.40
Increase/(decrease) in trade payables	(131.55)	(448.32)
Increase/(decrease) in other current financial liabilities	(5.32)	28.34
Increase/(decrease) in other current liabilities	43.92	(88.30)
Increase/(decrease) in current tax liability	2.95	2.75
Increase/(decrease) in long term provisions	8.98	2.37
Increase/(decrease) in short term provisions	0.98	6.80
Cash generated from/(used in) operations	648.42	505.13
Direct taxes paid (net of refunds)	(71.85)	(75.21)
Net cash generated from/(used in) operating activities	576.57	429.92
Cash flow from investing activities		
Purchase of property, plant & equipment including capital work in progress	(444.69)	(301.89)
Proceeds from disposal of assets	36.64	0.90
Interest received	1.70	2.60
Net cash (used in)/generated from investing activities	(406.35)	(298.39)
Cash flow from financing activities		
Proceeds/(Repayment) from long-term borrowings	(82.91)	50.92
Proceeds from short-term borrowings	117.86	105.40
Interest paid	(253.07)	(252.49)
Net cash (used in)/generated from financing activities	(218.12)	(96.17)
Net (decrease) / increase in cash and cash equivalents	(47.90)	35.36
Cash and cash equivalents at the beginning of the year	131.38	96.02
Cash and cash equivalents at the end of the year	83.48	131.38

Components of cash and cash equivalents

Cash and cheques on hand	3.07	18.92
Balances with banks:		
- On current accounts	80.41	112.46
(refer note 9)	83.48	131.38

Note:

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

As per our report of even date

For RAJ VIYOM & CO.,

ICAI Firm Registration No.: 002011C

Chartered Accountants

CA Raj Kumar Sharma

Partner

Membership No.: 077650

Place: Muzaffarnagar

Date: 30.05.2025

UDIN: 25077650BMJGRK3585

For and on behalf of the Board of Directors

Managing Director
(Himanshu Sangal)
DIN- 00091324

Director
(Tanmay Sangal)
DIN- 01297057

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

Company Secretary
(Anant Vats)
PAN : ADXPV9886B

Sangal Papers Limited

(Amounts in INR Lakhs, unless otherwise stated)

1. Material Accounting Policies

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 Stone, 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 Comapny's board of directors on May 30, 2025"

This note provides a list of the material 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 statement have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities are measured at fair value; and
- defined benefit plans and their liabilites 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 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 and loss, respectively).

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

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

Financial Assets

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

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

Derecognition of financial assets

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

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

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

Financial Liabilities

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

Financial liabilities at fair value through profit or loss

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

Financial liabilities measured at amortised cost

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method ('EIR') except for those designated in an effective hedging relationship. The carrying value of borrowings that are designated as hedged items in fair value hedges that would otherwise be carried at amortised cost are adjusted to record changes in fair values attributable to the risks that are hedged in effective hedging relationship.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the Statement of Profit and Loss.

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

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

De-recognition of financial liability

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

Offsetting financial instruments

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

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

(f) Trade and other payables

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

(g) Cash Flow statements

Cash flows are reported using the Indirect Method, whereby 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 security 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. 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.

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

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects company's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables of the Company, are recognised initially at the transaction price as they do not contain significant financing components. The company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

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.

(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

(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.

(iii) GST paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of GST paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognized as part of the cost of acquisition of the assets or as part of the expenses item, as applicable
- When receivables and payables are stated with the amount of tax included the net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

(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 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"

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.

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 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.

Borrowings are de-recognised in the balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

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

(r) Borrowing costs

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

(s) Employee benefits

(i) Short-term obligations

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

(ii) Post-employment obligations

The group operates the following post-employment schemes:

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

(a) Defined benefit plan

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

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

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

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

(b) Defined contribution plans

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

(iii) Leave encashment

Entitlement of annual leave is recognised when they accrue to employees. Annual leave can either be availed or encashed subject to a restriction on the maximum number of accumulation of leaves.

(t) Exceptional items

When items of income and expense within statement of profit and loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

(u) Rounding of amounts

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

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.

Recent accounting developments

The Ministry of Corporate Affairs notified new standards or amendment to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. The Company applied following amendments for the first-time during the current year which are effective from April 1, 2024:

Amendments to Ind AS 116 -Lease liability in a sale and leaseback

The amendments require an entity to recognise lease liability including variable lease payments which are not linked to index or a rate in a way it does not result into gain on Right of use assets it retains.

Introduction of Ind AS 117

MCA notified Ind AS 117, a comprehensive standard that prescribe, recognition, measurement and disclosure requirements, to avoid diversities in it applies to all companies i.e., to all "insurance contracts" regardless of the issuer. However, Ind AS 117 is not applicable to the entities which are insurance companies registered with IRDAI.

The Company has reviewed the new pronouncements and based on its evaluation has determined that these amendments do not have a significant impact on the Company's Financial Statements.

Sangal Papers Limited

(Amounts in INR Lakhs, unless otherwise stated)

3 Property, plant & equipment

	Land & Site development	Building	Building others	Plant & machinery	Co-generation system	Office furniture & equipment	Computer	Vehicles	Total
Gross carrying value as of March 31, 2024	237.14	641.09	33.48	4,115.06	1,376.18	37.54	10.95	291.31	6,742.75
Additions during the year	-	-	-	517.02	-	10.21	1.81	180.14	709.18
Deletions during the year	-	-	-	29.00	-	-	-	59.81	88.81
Gross carrying value as of March 31, 2025	237.14	641.09	33.48	4,603.08	1,376.18	47.75	12.76	411.64	7,363.12
 Accumulated Depreciation as of March 31, 2024	 -	 331.64	 5.37	 2,218.32	 546.80	 28.31	 7.95	 106.93	 3,245.32
Depreciation	-	14.40	0.26	112.14	27.12	2.79	1.24	33.92	191.87
Accumulated Depreciation on deletions	-	-	-	4.04	-	-	-	20.12	24.16
Accumulated Depreciation as of March 31, 2025	-	346.04	5.63	2,326.42	573.92	31.10	9.19	120.73	3,413.03
 Carrying value as of March 31, 2025	 237.14	 295.05	 27.85	 2,276.66	 802.26	 16.65	 3.57	 290.91	 3,950.09
Carrying value as of March 31, 2024	237.14	309.45	28.11	1,896.74	829.38	9.23	3.00	184.38	3,497.43
 Gross carrying value as of March 31, 2023	 237.14	 641.09	 33.48	 4,115.06	 1,376.18	 33.17	 9.46	 267.08	 6,712.66
Additions during the year	-	-	-	-	-	4.37	1.49	31.54	37.40
Deletions during the year	-	-	-	-	-	-	-	7.31	7.31
Gross carrying value as of March 31, 2024	237.14	641.09	33.48	4,115.06	1,376.18	37.54	10.95	291.31	6,742.75
 Accumulated Depreciation as of March 31, 2023	 -	 317.22	 5.11	 2,121.83	 519.68	 26.67	 6.73	 82.44	 3,079.68
Depreciation	-	14.42	0.26	96.49	27.12	1.64	1.22	30.71	171.86
Accumulated Depreciation on deletions	-	-	-	-	-	-	-	6.22	6.22
Accumulated Depreciation as of March 31, 2024	-	331.64	5.37	2,218.32	546.80	28.31	7.95	106.93	3,245.32
 Carrying value as of March 31, 2024	 237.14	 309.45	 28.11	 1,896.74	 829.38	 9.23	 3.00	 184.38	 3,497.43
Carrying value as of March 31, 2023	237.14	323.87	28.37	1,993.23	856.50	6.50	2.73	184.64	3,632.98

Sangal Papers Limited

(Amounts in INR Lakhs, unless otherwise stated)

4 Capital work in progress

Capital work in progress
Total

	<u>As at 31 March 2025</u>	<u>As at 31 March 2024</u>
Capital work in progress	-	264.49
Total	-	264.49

Particulars

Project in progress
Project Temporarily Suspended
Total

	Amount in CWIP for a period of				<u>As at 31 March 2025</u>
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in progress	-	-	-	-	-
Project Temporarily Suspended	-	-	-	-	-
Total	-	-	-	-	-

Particulars

Project in progress
Project Temporarily Suspended
Total

	Amount in CWIP for a period of				<u>As at 31 March 2024</u>
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in progress	264.49	-	-	-	264.49
Project Temporarily Suspended	-	-	-	-	-
Total	264.49	-	-	-	264.49

5 Non Current Other Financial assets

Unsecured, considered good
Security deposit
Total

	<u>As at 31 March 2025</u>	<u>As at 31 March 2024</u>
Unsecured, considered good		
Security deposit	15.05	14.55
Total	15.05	14.55

6 Other non current assets

(Unsecured, considered good unless otherwise stated)

Prepaid expenses
Capital advance
Total

	<u>As at 31 March 2025</u>	<u>As at 31 March 2024</u>
Prepaid expenses	-	6.26
Capital advance	-	123.92
Total	-	130.18

7 Inventories

Raw material
Raw material in transit
Work-in-progress
Semi finished
Finished goods
Traded goods
Stores and spares
Stores and spares in transit
Power & fuel
Chemical
Packing material

	<u>As at 31 March 2025</u>	<u>As at 31 March 2024</u>
Raw material	978.48	959.91
Raw material in transit	18.58	22.66
Work-in-progress	22.51	22.56
Semi finished	151.28	220.16
Finished goods	336.32	376.57
Traded goods	5.89	-
Stores and spares	471.42	400.77
Stores and spares in transit	7.62	-
Power & fuel	14.13	9.44
Chemical	216.65	207.46
Packing material	70.34	66.22
	2,293.22	2,285.75

8 Trade receivables	As at 31 March 2025	As at 31 March 2024
Unsecured		
(i) Undisputed - considered good	2,457.93	2,247.61
(ii) Undisputed - which have significant increase in credit risk	169.89	174.28
(iii) Undisputed - credit impaired	-	-
(iv) Disputed - considered good	-	-
(v) Disputed - which have significant increase in credit risk	66.07	66.07
(vi) Disputed - credit impaired	-	-
Total	2,693.89	2,487.96

Note: 8A

Particulars	Outstanding for following periods from due date of payment						31.03.2025
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed - considered good	-	2,067.31	233.21	44.10	108.39	4.92	2,457.93
(ii) Undisputed - which have significant increase in credit risk	-	-	-	-	-	169.89	169.89
(iii) Undisputed - credit impaired	-	-	-	-	-	-	-
(iv) Disputed - considered good	-	-	-	-	-	-	-
(v) Disputed - which have significant increase in credit risk	-	-	-	-	-	66.07	66.07
(vi) Disputed - credit impaired	-	-	-	-	-	-	-
Total	-	2,067.31	233.21	44.10	108.39	240.88	2,693.89

Note: 8B

Particulars	Outstanding for following periods from due date of payment						31.03.2024
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed - considered good	-	2,061.81	53.52	125.14	7.14	-	2,247.61
(ii) Undisputed - which have significant increase in credit risk	-	-	-	-	-	174.28	174.28
(iii) Undisputed - credit impaired	-	-	-	-	-	-	-
(iv) Disputed - considered good	-	-	-	-	-	-	-
(v) Disputed - which have significant increase in credit risk	-	-	-	-	30.08	35.99	66.07
(vi) Disputed - credit impaired	-	-	-	-	-	-	-
Total	-	2,061.81	53.52	125.14	37.22	210.27	2,487.96

	<u>As at 31 March 2025</u>	<u>As at 31 March 2024</u>
9 Cash and cash equivalents		
Cash on hand	3.07	5.22
Cheques on hand	-	13.70
Balance with bank	80.41	112.46
	<u>83.48</u>	<u>131.38</u>
10 Bank balances other than cash and cash equivalents		
Other bank balances		
Margin money deposited*	11.28	10.62
	<u>11.28</u>	<u>10.62</u>
* Margin money held with banks for F.Y. 2024-25 is `11.28 lakhs and for F.Y. 2023-24 is `10.62 lakhs against U.P. Pollution Control Board.		
11 Other current assets		
(Unsecured, considered good unless otherwise stated)		
Prepaid expenses	36.40	19.34
Advances to suppliers	120.03	67.84
Balances with government authorities	12.34	6.57
Others	33.62	46.17
Total	<u>202.39</u>	<u>139.92</u>

Sangal Papers Limited

(Amounts in INR Lakhs, unless otherwise stated)

12 Share capital

Authorised share capital

Equity shares of INR 10 each

As at 31 March 2024

Increase during the year

As at 31 March 2025

Number of shares	Amount
7,000,000	700.00
-	-
7,000,000	700.00

12 A Issued share capital

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

As at 31 March 2024

Shares issued during the year

As at 31 March 2025

Number of shares	Amount
1,307,260	130.73
-	-
1,307,260	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.

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

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

Name of the shareholder	As at 31 March 2025		As at 31 March 2024	
	Number	% Holding	Number	% Holding
Equity shares of INR 10 each				
Shri Himanshu Sangal	107,940	8.26%	107,940	8.26%
Shri Amit Sangal	121,100	9.26%	121,100	9.26%
Smt. Charu Sangal	93,500	7.15%	93,500	7.15%
Smt. Renu Sangal	112,540	8.61%	112,540	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 C Details of shareholding of Promoters

Name of the shareholder	As at 31 March 2025		As at 31 March 2024		% Change during the year
	Number	% Holding	Number	% Holding	
Equity shares of INR 10 each					
Shri Himanshu Sangal	107,940	8.26%	107,940	8.26%	-
Shri Amit Sangal	121,100	9.26%	121,100	9.26%	-
Shri Tanmay Sangal	45,731	3.50%	45,731	3.50%	-
Shri Vinayak Sangal	14,487	1.11%	14,487	1.11%	-

13 Other equity

13.1 Revaluation reserve

As at 31 March 2024

48.56

Addition/Reduction during the year

-

As at 31 March 2025

(a) 48.56

48.56

13.2 Retained earnings

Statement of profit & loss

As at 31 March 2024

3,976.30

3,733.95

Profit for the year

278.68

242.35

As at 31 March 2025

(b) 4,254.98

3,976.30

Total

(a+b) 4,303.54

4,024.86

Sangal Papers Limited

(Amounts in INR Lakhs, unless otherwise stated)

	<u>As at 31 March 2025</u>	<u>As at 31 March 2024</u>
14 Non-current borrowings		
Borrowings		
Secured		
Term loans from banks	390.78	554.30
Vehicle loans from NBFC	53.46	-
	<u>(a) 444.24</u>	<u>554.30</u>
Unsecured		
From directors	70.60	66.03
From director's relative	75.44	70.55
From bodies corporate	345.79	328.10
	<u>(b) 491.83</u>	<u>464.68</u>
Total	(a+b) 936.07	1,018.98

Notes:

Details of terms of repayment and security provided in respect of the secured non-current borrowings:

Term loan from Axis Bank Limited is secured by way of :-

Security:

1. Equitable mortgage of land & building and hypothecation of Plant & Machinery
2. Personal guarantee by Directors of the Company
3. Pledge of 1,00,000 equity shares each of Shri Himanshu Sangal and Shri Amit Sangal, director of the company

Other information:

From Axis Bank Limited (for term loan of Rs. 290 Lakhs)

At the rate of Repo rate + 2.65% p.a. i.e. 9.10% p.a. (previous year Repo rate + 2.65% p.a. i.e. 9.15% p.a.) Repayable in 58 Monthly installments of Rs.5.00 Lakh each starting from letter issued by the bank to the borrower immediately upon first disbursement.

From Axis Bank Limited (for term loan of Rs. 192 Lakhs)

At the rate of Repo rate + 2.65% p.a. i.e. 9.10% p.a. (Previous year Repo rate + 2.65% p.a. i.e. 9.15% p.a.) Repayable in 60 Monthly installments of Rs.3.20 Lakhs each starting from 6 months above from letter issued by the bank to the borrower immediately upon first disbursement including moratorium of 6 months.

From Axis Bank Limited (for term loan of Rs. 150 Lakhs)

At the rate of Repo rate + 2.65% p.a. i.e. 9.10% p.a. (Previous year Repo rate + 2.65% p.a. i.e. 9.15% p.a.) Repayable in 35 Monthly installments of Rs.4.16 Lakhs each and last installment of Rs. 4.40 Lakhs starting from letter issued by the bank to the borrower immediately upon first disbursement including moratorium of 15 months.

From Axis Bank Limited (for term loan of Rs. 300 Lakhs)

At the rate of Repo rate + 2.65% p.a. i.e. 9.10% p.a. (Previous year Repo rate + 2.65% p.a. i.e. 9.15% p.a.) Repayable in 63 Monthly installments of Rs.5.00 Lakhs each starting from letter issued by the bank to the borrower immediately upon first disbursement including moratorium of 3 months.

Vehicle Loan

Security:

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

From HDFC Bank Limited (Original loan Amount 50 lakhs)

At the Present effective rate is 7.90 % p.a. (Previous year 7.90% p.a.) Repayable in 48 monthly EMI of Rs. 1.22 Lakhs each starting from 07.10.2022.

From Mercedes Benz Financial Services India Private Limited (Original loan Amount 80 lakhs)

At the Present effective rate is 8.95 % p.a. Repayable in 60 monthly EMI of Rs. 1.66 Lakhs each starting from 11.04.2024.

From Punjab National Bank (Original loan Amount 50 lakhs)

At the Present effective rate is 8.80 % p.a. Repayable in 36 monthly EMI of Rs. 1.58 Lakhs each starting from 31.12.2024.

15 Provisions

	<u>As at 31 March 2025</u>	<u>As at 31 March 2024</u>
Provision for gratuity (Refer Note 32)	87.20	78.22
Total	<u>87.20</u>	<u>78.22</u>

Sangal Papers Limited

(Amounts in INR Lakhs, unless otherwise stated)

16 Deferred Tax Liabilities (net)		As at 31 March 2025	As at 31 March 2024
Deferred Tax Liabilities			
Property, plant & equipment: Impact of differences between tax depreciation charged as per Financial Reporting	(a)	603.39	554.07
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)	54.48	49.45
MAT Credit Entitlement			
MAT credit entitlement	(c)	64.92	68.88
Total	(a-b+c)	483.99	435.74

Income Tax

The major components of income tax expense for the years ended March 31, 2025 and March 31, 2024 are:

Statement of profit and loss:
Profit or loss section

	As at 31 March 2025	As at 31 March 2024
Current income tax:		
Current income tax charge	67.88	57.88
Mat credit entitlement	3.97	17.33
Deferred tax:		
Relating to origination and reversal of temporary differences	45.66	24.55
Income tax expense reported in the statement of profit or loss	117.51	99.76

OCI section

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

	As at 31 March 2025	As at 31 March 2024
Net loss/(gain) on remeasurements of defined benefit plans		
Income tax charged to OCI	1.37	1.66

Accounting profit before tax
Non deductible income for tax purposes:

Add: Loss on sale of property, plant & equipment

	As at 31 March 2025	As at 31 March 2024
400.09	346.82	
Taxable Profit		
At India's statutory income tax rate of 27.82% (previous year statutory income tax of 27.82%)	428.11	346.82
MAT credit entitlement	-	-
Income tax expenses	1.10	(0.01)
Deferred tax expenses reported in the statement of profit and loss*	45.66	24.55

Non deductible expenses for tax purposes:

Depreciation expense (net)	(57.12)	(27.14)
Bonus	0.05	(0.02)
Gratuity	2.67	2.55
Other non deductible expenses	6.05	3.34
	117.51	99.76

Income tax expense reported in the statement of profit and loss	67.88	57.88
MAT credit entitlement	3.97	17.33
Deferred tax expenses reported in the statement of profit and loss	45.66	24.55
	117.51	99.76

17 Borrowings (Current)

	As at 31 March 2025	As at 31 March 2024
Secured		
Working capital loan from bank*	1,496.61	1,352.25
Current maturities of long term debt	251.88	278.38
Total	1,748.49	1,630.63

*The above loan is secured by primarily through a hypothecation charge over the entire current assets of the Company including inventory, stock in trade, store and spares, consumables, book debts, etc. both present and future and entire movable fixed assets of the company both present and future.

18 Trade payables

	As at 31 March 2025	As at 31 March 2024
Trade payable		
(i) MSME	47.75	-
(ii) Others	1,193.62	1,372.91
(iii) Disputed dues-MSME	-	-
(iv) Disputed dues-Others	-	-
Total	1,241.37	1,372.91

Note : 18A

Particulars	Outstanding for following periods from due date of the payment					31.03.2025
	Less Not due	than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	47.75	-	-	-	47.75
(ii) Others	-	1,129.90	54.40	9.32	-	1,193.62
(iii) Disputed dues-MSME	-	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-	-
Total	-	1,177.65	54.40	9.32	-	1,241.37

Note : 18B

Particulars	Outstanding for following periods from due date of the payment					31.03.2024
	Less Not due	than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	-	1,356.41	16.50	-	-	1,372.91
(iii) Disputed dues-MSME	-	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-	-
Total	-	1,356.41	16.50	-	-	1,372.91

19 Other current financial liabilities	As at 31 March 2025	As at 31 March 2024
Interest accrued but not due on borrowings	9.39	-
Salaries & wages payable	86.06	96.95
Cheque payable	1.46	14.94
Other payable	34.33	24.67
Total	131.24	136.56

20 Other current liabilities	As at 31 March 2025	As at 31 March 2024
Advance from customers	8.63	25.34
Statutory dues	110.31	49.68
Total	118.94	75.02

21 Provisions	As at 31 March 2025	As at 31 March 2024
Provision for gratuity (Refer Note 32)	62.13	55.88
Total	62.13	55.88

22 Current tax liability (net)	As at 31 March 2025	As at 31 March 2024
Income tax	5.70	2.75
Total	5.70	2.75

Sangal Papers Limited

(Amounts in INR Lakhs, unless otherwise stated)

23 Revenue from operations

Particulars

Sale of products

Other operating revenue

Sale of scrap

Total

	For the year ended 31 March 2025	For the year ended 31 March 2024
Sale of products	17,959.13	18,964.44
Other operating revenue	67.94	69.43
Sale of scrap	67.94	69.43
Total	18,027.07	19,033.87

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

Sale of manufactured products
Sale of scrap
Total

	For the year ended 31 March 2025	For the year ended 31 March 2024
Sale of manufactured products	17,959.13	18,964.44
Sale of scrap	67.94	69.43
Total	18,027.07	19,033.87

(ii) Based on Geography

Domestic
Export
Total

	For the year ended 31 March 2025	For the year ended 31 March 2024
Domestic	16,419.48	16,404.59
Export	1,607.59	2,629.28
Total	18,027.07	19,033.87

B. Contract balances

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

Particulars

Trade receivables (Refer Note 8)

Contract liabilities

Advances from customers (Refer Note 20)

	As at 31 March 2025	As at 31 March 2024
Trade receivables (Refer Note 8)	2,693.89	2,487.96
Advances from customers (Refer Note 20)	8.63	25.34

C. Reconciliation of revenue recognised with contract price:

Particulars

Revenue as per contracted price

Total

	For the year ended 31 March 2025	For the year ended 31 March 2024
Revenue as per contracted price	18,027.07	19,033.87
Total	18,027.07	19,033.87

D. The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) as at

Particulars

Advances from customers (Refer Note 20)

	As at 31 March 2025	As at 31 March 2024
Advances from customers (Refer Note 20)	8.63	25.34

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.

	For the year ended 31 March 2025	For the year ended 31 March 2024
24 Other income		
Interest received	1.70	2.60
Duty draw back	17.75	30.71
Rodtep	19.56	32.69
Rental income	-	4.00
Unclaimed balance written back	1.42	4.33
Net gain of foreign exchange transactions	23.24	21.62
Miscellaneous income	-	3.21
Total	63.67	99.16
25 Cost of raw material and components consumed		
	For the year ended 31 March 2025	For the year ended 31 March 2024
Cost of raw materials (Waste Paper)	9,859.96	10,809.98
Other components consumed		
Chemicals	1,832.34	1,795.89
Packing material	202.48	206.65
Stores & spares	652.52	480.93
Power & fuel	2,797.21	3,436.62
Repairs - plant & machinery	121.75	91.56
Total	15,466.26	16,821.63
26 Purchase of stock in trade		
	For the year ended 31 March 2025	For the year ended 31 March 2024
Purchase of stock in trade	9.40	-
Total	9.40	-
27 (Increase)/decrease in inventories of finished goods, work-in-progress and stock in trade		
	For the year ended 31 March 2025	For the year ended 31 March 2024
Opening stock		
Work-in -progress	22.56	25.95
Semi finished goods	220.16	99.71
Finished goods	376.57	424.05
Stock in trade	-	8.09
Total (a)	619.29	557.80
Closing stock		
Work-in -progress	22.51	22.56
Semi finished goods	151.28	220.16
Finished goods	336.32	376.57
Stock in trade	5.89	-
Total (b)	516.00	619.29
Total (a) - (b)	103.29	(61.49)

	For the year ended 31 March 2025	For the year ended 31 March 2024
28 Employee benefit expenses		
Salaries, wages and incentives	642.96	613.73
Director salary	168.00	168.00
Contribution to provident and other funds	38.66	38.30
Gratuity expenses	18.41	18.79
Staff welfare expenses	6.39	10.50
Total	874.42	849.32
29 Finance costs		
Interest expense on:		
- term loans	70.87	64.16
- bank borrowings	141.86	144.93
- unsecured borrowings	39.14	40.28
- government dues	0.01	0.49
- processing fees	3.33	4.58
Total	255.21	254.44
Less: Amount included in capital work in progress	2.14	1.95
Total	253.07	252.49
30 Other expenses		
Printing & stationery	7.89	4.96
Communication expenses	8.39	9.02
Traveling & conveyance	26.58	12.42
Insurance charges	45.80	50.89
Legal & professional charges	24.51	21.76
Bank charges	5.33	4.98
Rent	4.44	8.64
Rates & taxes	10.89	18.96
Repair to building	50.46	28.40
Payment to auditors	2.00	2.00
Vehicle running & maintenance	42.61	38.91
Loss on sale of property, plant & equipment	28.02	0.19
Charity & donation	0.27	1.63
Miscellaneous expenses	17.17	16.24
Advertisement	1.97	2.00
Bad debts	5.00	3.50
Business promotion expenses	1.97	21.87
Rebate & discount	5.49	1.37
Freight outward & loading charges	396.49	390.14
Commission on sales	107.06	114.52
Total	792.34	752.40

Detail of Payment to Auditors	For the year ended 31 March 2025	For the year ended 31 March 2024
As auditor:		
Audit fee	1.50	1.50
Tax audit fee	0.50	0.50
Total	2.00	2.00

31 Earnings per share (EPS)

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

	For the year ended 31 March 2025	For the year ended 31 March 2024
Net profit/(loss) for calculation of basic EPS	282.58	247.06
Weighted average number of equity shares for calculating basic EPS	1,307,260	1,307,260
Basic earnings/(loss) per share	21.62	18.90
Net profit/(loss) for calculation of diluted EPS	282.58	247.06
Weighted average number of equity shares for calculating diluted EPS	1,307,260	1,307,260
Diluted earnings/(loss) per share	21.62	18.90
Weighted average number of equity shares in calculating basic EPS	1,307,260	1,307,260
Effect of dilution	-	-
Weighted average number of equity shares in calculating diluted EPS	1,307,260	1,307,260

Sangal Papers Limited

(Amounts in INR Lakhs, unless otherwise stated)

32 Employee benefit obligations**a) Defined contribution plan**

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

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

Particulars	2024-25	2023-24
Contribution to provident and other fund	38.66	38.30
Total	38.66	38.30

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:

	For the year ended	For the year ended
	31 March 2025	31 March 2024
Statement of profit and Loss		
Net employees benefit expense recognised in employee cost		
Current service cost	11.03	11.79
Interest cost on benefit obligation	7.38	7.00
Net benefit expense recognised in profit & loss	18.41	18.79
Balance sheet		
Benefit asset/(liability)		
Present value of unfunded obligation	149.33	134.10
Fair value of plan assets	-	-
Net liability	149.33	134.10
Changes in the present value of the defined benefit obligation		
	For the year ended	For the year ended
	31 March 2025	31 March 2024
Opening defined benefit obligation	134.10	118.56
Current service cost	11.03	11.79
Interest cost	7.38	7.00
Benefit paid	(8.45)	(9.61)
Actuarial (gains)/ losses on obligation	5.27	6.36
Closing defined benefit obligation	149.33	134.10

Closing defined benefit obligation

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

The principal assumptions used in determining gratuity obligation

	For the year ended	For the year ended
	31 March 2025	31 March 2024
Discount rate	6.60%	6.95%
Salary escalation	2.50%	2.50%
Rate of employee turnover	0.00%	0.00%
Retirement age	58 Years	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.

<u>Particulars</u>	<u>Change in assumptions</u>	For the year ended	For the year ended
		31 March 2025	31 March 2024
Defined benefit obligation based on current assumptions		149.33	134.10
Discount rate	+0.50%	4.00	3.58
	-0.50%	(4.30)	(3.85)
Salary escalation	+0.50%	(3.64)	(3.35)
	-0.50%	3.43	3.15
Employee Turnover	+0%	-	-
	-0%	-	-

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

<u>Maturity Profile</u>	For the year ended	For the year ended
	31 March 2025	31 March 2024
Within next 12 months	62.13	55.88
Between 2 and 5 years	41.25	36.57
Between 5 and 10 years	32.29	27.68
Beyond 10 years	-	-

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

33 Financial instruments-fair values and accounting classification

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

	As at 31 March 2025		As at 31 March 2024	
	Amortised Cost	FVTPL	Amortised Cost	FVTPL
Financial Assets				
Trade receivables	2,693.89	-	2,487.96	-
Cash and cash equivalents	83.48	-	131.38	-
Bank balance other than cash and cash equivalents	11.28	-	10.62	-
Other financial assets				
Security deposits	15.05	-	14.55	-
Total	2,803.70	-	2,644.51	-
Financial Liabilities				
Borrowings-non current				
Term loans (Secured)	390.78	-	554.30	-
Vehicle loans from NBFC (Secured)	53.46	-	-	-
Loans from directors (Unsecured)	70.60	-	66.03	-
Loans from directors & their relative (Unsecured)	75.44	-	70.55	-
Loans from bodies corporate (Unsecured)	345.79	-	328.10	-
Borrowings-current				
Working capital loan from bank	1,496.61	-	1,352.25	-
Current maturities of long term debt	251.88	-	278.38	-
Trade payables	1,241.37	-	1,372.91	-
Other financial liabilities				
Interest accrued but not due on borrowings	9.39	-	-	-
Salaries & wages payable	86.06	-	96.95	-
Cheque payable	1.46	-	14.94	-
Other payable	34.33	-	24.67	-
Total	4,057.17	-	4,159.08	-

Financial Instruments-Fair value hierarchy

The company categorizes financial assets and financial liabilities measured at fair value into one of three levels 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.

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 2025		As at 31 March 2024	
		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	2,693.89	2,693.89	2,487.96	2,487.96
Cash and cash equivalents	Level 3	83.48	83.48	131.38	131.38
Bank balance other than cash and cash equivalents	Level 3	11.28	11.28	10.62	10.62
Financial assets (non-current)					
Security deposits	Level 3	15.05	15.05	14.55	14.55
Total		2,803.70	2,803.70	2,644.51	2,644.51
Financial liabilities not measured at fair value					
Measured at amortised cost					
Borrowings-Non-current					
Term loans (Secured)	Level 3	390.78	390.78	554.30	554.30
Vehicle loans from NBFC (Secured)	Level 3	53.46	53.46	-	-
Loans from directors (Unsecured)	Level 3	70.60	70.60	66.03	66.03
Loans from directors & their relative (Unsecured)	Level 3	75.44	75.44	70.55	70.55
Loans from bodies corporate (Unsecured)	Level 3	345.79	345.79	328.10	328.10
Total (a)		936.07	936.07	1,018.98	1,018.98
Borrowings-Current					
Short term borrowings	Level 3	1,496.61	1,496.61	1,352.25	1,352.25
Current maturities of long term debt	Level 3	251.88	251.88	278.38	278.38
Total (b)		1,748.49	1,748.49	1,630.63	1,630.63
Trade payables	Level 3	1,241.37	1,241.37	1,372.91	1,372.91
Total (c)		1,241.37	1,241.37	1,372.91	1,372.91
Other current financial liabilities					
Interest accrued but not due on borrowings	Level 3	9.39	9.39	-	-
Salaries & wages payable	Level 3	86.06	86.06	96.95	96.95
Cheque payable	Level 3	1.46	1.46	14.94	14.94
Other payable	Level 3	34.33	34.33	24.67	24.67
Total (d)		131.24	131.24	136.56	136.56
Total (a+b+c+d)		4,057.17	4,057.17	4,159.08	4,159.08

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 2025 and 31 March 2024.

34 Financial Risk Management objectives and

Financial risk factors

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

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

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

Credit risk

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

Provision for expected credit losses

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

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

For the year ended 31 March 2025

Particulars	Estimated gross carrying	Expected credit loss	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	2,693.89	-	-	2,693.89
Cash and cash equivalents	83.48	-	-	83.48

For the year ended 31 March 2024

Particulars	Estimated gross carrying	Expected credit loss	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	2,487.96	-	-	2,487.96
Cash and cash equivalents	131.38	-	-	131.38

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 2025	On demand	Within 1 year	1 to 5 years	> 5 years	Total
Borrowings Non-current					
Term loans (Secured)	-	-	390.78	-	390.78
Vehicle loan (Secured)	-	-	53.46	-	53.46
Loans from director (Unsecured)	-	-	-	70.60	70.60
Loans from directors & their relative (Unsecured)	-	-	-	75.44	75.44
Loans from bodies corporate (Unsecured)	-	-	-	345.79	345.79
Borrowings Current					
Working capital loan from bank	-	1,496.61	-	-	1,496.61
Current maturities of long term borrowings	-	251.88	-	-	251.88
Other financial liabilities					
Interest accrued and due on borrowings	-	9.39	-	-	9.39
Trade payables					
Trade payables	-	1,241.37	-	-	1,241.37

For the year ended 31 March 2024	On demand	Within 1 year	1 to 5 years	> 5 years	Total
Borrowings Non-current					
Term loans (Secured)	-	-	554.30	-	554.30
Vehicle loans (Secured)	-	-	-	-	-
Loans from director (Unsecured)	-	-	-	66.03	66.03
Loans from directors & their relative (Unsecured)	-	-	-	70.55	70.55
Loans from body corporate (Unsecured)	-	-	-	328.10	328.10
Borrowings Current					
Working capital loan from bank	-	1,352.25	-	-	1,352.25
Current maturities of long term borrowings	-	278.38	-	-	278.38
Other financial liabilities					
Interest accrued and due on borrowings	-	-	-	-	-
Trade payables					
Trade payables	-	1372.91	-	-	1,372.91

35 Market Risk

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

(a) Foreign currency risk exposure:

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

Particulars	As at 31 March 2025		As at 31 March 2024	
	USD	USD	USD	USD
Financial assets				
Trade receivables	2.84		2.84	3.94
Advance to suppliers	-		-	-
Net exposure to foreign currency risk (assets)	2.84		2.84	3.94
Financial liabilities				
Advance from customers	-		-	0.10
Net exposure to foreign currency risk (liability)	-		-	0.10

(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.

Particulars	Impact on Profit after Tax	
	For the year ended 31 March 2025	For the year ended 31 March 2024
USD Sensitivity		
INR/USD -Increase by .5% (31 March 2024-.5%)	-	(0.00)
INR/USD -Decrease by .5% (31 March 2024-.5%)	-	0.00

(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	For the year ended 31 March 2025	For the year ended 31 March 2024
Variable Rate Borrowings		
Term loans from Banks	390.78	554.30
Vehicle loans from NBFC	53.46	-
Total	444.24	554.30

(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 2025	For the year ended 31 March 2024
Interest rates – increase by 50 basis points*	4.03	3.69
Interest rates – decrease by 50 basis points*	(4.03)	(3.69)
Total		

* Holding all other variable constant

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

	As at 31 March 2025	As at 31 March 2024
--	------------------------	------------------------

Contingent Liabilities

Commitment

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

151.30

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

Particulars	As at 31 March 2025	As at 31 March 2024
(a) Raw materials	1,494.71	1,374.42
(b) Stores & spare parts	-	-
(c) Plant & machinery	10.56	37.41
Expenditure in foreign currency	-	-
Remittance in foreign currency	1,505.27	1,411.83
Earning in foreign currency	1,533.57	2,550.73

38 Consumption of Imported and Indigenous Raw Material, Stores & Spares Parts etc :

Particulars	As at 31 March 2025		As at 31 March 2024	
	Amount	Percentage	Amount	Percentage
1. Raw Material				
Indigenous	7,810.68	79.22%	9,299.60	86.03%
Imported	2,049.28	20.78%	1,510.38	13.97%
Total Rs.	9,859.96	100.00%	10,809.98	100.00%
2. Stores & Spares				
Indigenous	638.17	97.80%	436.00	90.66%
Imported	14.35	2.20%	44.93	9.34%
Total Rs.	652.52	100.00%	480.93	100.00%
3. Chemical (Indigenous)	1,832.34	100.00%	1,795.89	100.00%
4. Packing Material (Indigenous)	202.48	100.00%	206.65	100.00%

39 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, 2025 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; 47.75 -
- 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. - -

40 Related Party Disclosure

Related Parties names and relationship

Name of Party	Principal Place of Operation	Principal Activitites	Relation
Shri Himanshu Sangal	India	Remuneration/Investing	Key Management Personnel
Shri Amit Sangal	India	Remuneration/Investing	Key Management Personnel
Shri Anant Vats	India	Remuneration	Key Management Personnel
Shri Tanmay Sangal	India	Remuneration/Investing	Relative of Key Management Personnel
Shri Vinayak Sangal	India	Remuneration/Investing	Relative of Key Management Personnel
Smt. Renu Sangal	India	Investing	Relative of Key Management Personnel
Smt. Charu 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

Nature of related party transactions	Key Management Personnel		Companies controlled by directors / relatives	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
Unsecured borrowings				
Unsecured Loans taken	-	-	-	-
Unsecured Loans repayment	-	-	4.87	5.12
Interest on Unsecured Loan	5.08	4.76	30.49	32.00
Outstanding Payable				
Shri Himanshu Sangal	57.92	54.17	-	-
Shri Amit Sangal	12.68	11.86	-	-
Shri Tanmay Sangal	-	-	0.94	0.88
Shri Vinayak Sangal	-	-	10.68	9.99
Smt. Renu Sangal	-	-	63.83	59.69
Shri Ganesh Credits (P) Ltd.	-	-	169.83	161.12
Prerna Chits (P) Ltd.	-	-	175.95	166.98
Salary to:-				
Shri Himanshu Sangal, Managing Director	84.00	84.00	-	-
Shri Amit Sangal, Whole Time Director & CFO	84.00	84.00	-	-
Shri Tanmay Sangal, Director/ President Marketing	-	-	42.00	40.00
Shri Vinayak Sangal, Director/ President Operation	-	-	42.00	40.00
Shri Anant Vats, Company Secretary & Compliance Officer	7.60	6.32	-	-
Shri Arpit Jain, Company Secretary & Compliance Officer	-	0.94	-	-
Rent to:-				
Smt. Renu Sangal	-	-	4.44	4.44
Other payable				
Shri Himanshu Sangal, Managing Director	-	4.60	-	-
Shri Amit Sangal, Whole Time Director & CFO	-	4.60	-	-
Shri Tanmay Sangal, Director/ President Marketing	-	-	2.59	2.59
Shri Vinayak Sangal, Director/ President Operation	-	-	2.59	2.59
Shri Anant Vats, Company Secretary & Compliance Officer	0.65	0.65	-	-
Smt. Renu Sangal	-	-	0.33	5.99

41 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 2024-25

Non current assets

	As at 31 March 2025	As at 31 March 2024
(Other than financial instruments; post employment benefits; deferred tax		
Within India	-	130.18
Outside India	-	-

42 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 following 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 2025	As at 31 March 2024
Net debt	2,601.08	2518.23
Total equity	4,434.27	4155.59
Net debt to equity ratio	58.66%	60.60%

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.

43 Other Statutory Information

- The title deeds of all the immovable properties disclosed in the financial statements included in property, plant and equipment are held in the name of the Company as at the balance sheet date.
- The Company has not revalued any of its Property, Plant and Equipment during the current reporting period and also for previous year's reporting period.
- The Company has not granted any loans or advances to promoters, directors, KMPs and the related parties (as defined under the Companies Act 2013, either severally or jointly with any other person, that are (a) repayable on demand, or (b) without specifying any terms or period of repayment.
- The company does not have any capital work in progress during the year.
- The Company does not have any intangible assets under development during the current and previous year reporting period.
- The Company does not hold any Benami Property and hence there were no proceedings initiated or pending against the Company for holding any benami property under the Benami Property Transaction Act, 1988 and the Rules made there under.
- The company has borrowings from banks or financial institutions on the basis of security of current assets and quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.
- The company is not declared willful defaulter by any bank or financial institution or other lender during the year.

(ix) Transactions with companies struck off under section 248 of the Companies Act,2013 or section 560 of Companies Act, 1956.

	31.03.2025	31.03.2024			
(a) Transactions other than shareholding with struck off Companies	NIL	NIL			
(b) On the basis of information available, details of shares held by struck off company (Face value of ₹ 10) are as under:-					
Name of the Struck off Company	Nature of transaction with struck off	No. of shares 31.03.2025	No. of shares 31.03.2024	Face Value 31.03.2025	Face Value 31.03.2024
Maharaja Finance & Investment Ltd.	Shares held by struck	160	160	0.02	0.02
Silla Investments Ltd.	Shares held by struck	120	120	0.01	0.01
Competent Marketing Private Ltd.	Shares held by struck	100	100	0.01	0.01
Dove Finance Private Ltd.	Shares held by struck	60	60	0.01	0.01
Parsani Investments & Leasing Pvt. Ltd.	Shares held by struck	40	40	0.00	0.00

(x) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(xi) The Company does not have investment in any downstream companies for which it has to comply with the number of layers prescribed under Clause (87) of Section 2 of the Companies Act, 2013 read with Companies (Restriction on number of layers) Rules, 2017.

(xii) The Company has used the borrowings from banks and financial institutions for the purpose for which it was obtained.

(xiii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:-

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(xiv) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(xv) The Company does not have any such transactions which was not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(xvi) The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

(xvii) The Company is not required to comply with the provisions of Section 135 of the Companies Act, 2013.

44 Financial Ratio Analysis

Type of Ratios	Formula	31.03.2025	31.03.2024	Variance	Reason for variance
		Ratio	Ratio		
Current Ratio (Times)	Current Assets/Current	1.60	1.54	3.90%	--
Debt Equity Ratio (Times)	Total Debt/Shareholders' Equity	0.63	0.66	(4.55%)	--
Debt Service Coverage Ratio (Times)	Earnings available for debt service (EBIDTA) / (Interest +	1.98	2.39	(17.15%)	--
Return on Equity Ratio (%)	PAT/Average Equity Shareholders' Fund	6.58%	6.12%	7.52%	--
Inventory Turnover Ratio (Times)	Sales/Average Inventory	7.87	8.44	(6.75%)	--
Trade Receivable Turnover Ratio (Times)	Net Credit Sales/Average Trade Receivables	6.96	7.12	(2.25%)	--
Trade Payable Turnover Ratio (Times)	Net Purchase / Average Trade	11.56	10.28	12.45%	--
Net Capital Turnover Ratio	Sales/Working Capital	9.12	10.68	(14.61%)	--
Net Profit Ratio (%)	Net Profit (PAT)/Sales	1.57%	1.30%	20.77%	--
Return on Capital Employed (%)	EBIT/Average Capital Employed	8.80%	8.54%	3.04%	--
Return on Investment	Income on investment / Cost of investment	-	-	-	--

45 Other points

(a) In the opinion of the Board of Directors, trades receivables, other current financial assets and other current assets have value on realisation in the ordinary course of the company's business which is at least equal to the amount at which they are stated in the balance sheet.

(b) Balances of trade receivables, trade payable and advances as at 31st March, 2025 are subject to confirmation.

(c) Audit trail feature, as mandated by the Companies (Accounts) Rules, 2014 (as amended) with effect from April 01, 2023, has been enabled in the accounting software used by the Company, and the same has been operated throughout the year for all transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the company as per the statutory requirement for record retention.

(d) Previous year figures have been re-arranged and re-grouped wherever necessary as to make them comparable. Figures have been rounded off to nearest lakhs as per the provisions of schedule III of Companies Act, 2013.

Material accounting policies

1-2

The accompanying notes are an integral part of the financial statements

As per our report of even date

For and on behalf of the Board of Directors

For RAJ VIYOM & CO.

ICAI Firm Registration No.: 00202011C

Chartered Accountants

CA Raj Kumar Sharma

Managing Director
(Himanshu Sangal)
DIN- 00091324

Partner

Membership No.: 077650

Director
(Tanmay Sangal)
DIN- 01297057

Place: Muzaffarnagar

Date: 30.05.2025

UDIN: 25077650BMJGRK3585

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

Company Secretary
(Anant Vats)
PAN : ADXPV9886B