

33RD ANNUAL REPORT 2012 - 2013

Sangal PAPERS LTD.



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BOARD OF DIRECTORS

Managing Director :
Shri Himanshu Sangal

Executive Director :
Shri Amit Sangal

Director :
Shri Tanmay Sangal

Auditors :
M/s Shyam & Co.
Chartered Accountants.
Aggarwal Market, Mahaveer Chowk,
MUZAFFARNAGAR.

Bankers :
Axis Bank Ltd.
Boundry Road, Meerut

Registered Office & Works :
22 - Km., Meerut-Mawana Road,
MAWANA - 250 401, Distt. Meerut (U.P.)
E-mail : sangalpapers@hotmail.com

Branch :
22, East End Enclave, Laxmi Nagar
Opp. Radhu Palace, Delhi-110092

Registrar & Share Transfer Agent :
MAS SERVICES LTD.
T - 34, IInd Follor, Okhla Indl. Area, Phase II,
New Delhi.
PHONES : 011 - 26387281 - 82 - 83
FAX : 91 - 11- 26387384
E-mail : mas_serv@yahoo.com

NOTICE

Is hereby given that 33rd ANNUAL GENERAL MEETING of the share holders of SANGAL PAPERS LIMITED will be held on Monday the 30th Day of September, 2013 at 12:00 Noon at the registered office of the Company at village Bhainsa, 22K.M., Meerut Mawana Road, Mawana, Meerut (U.P.) to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt for audited Balance Sheet as on 31st March, 2013 and Profit & Loss A/c for the year ended on that date and the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Tanmay Sangal who retire by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors who shall hold office from conclusion at this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

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

"RESOLVED THAT in supersession of the earlier resolution passed in this regard and pursuant to the provisions of Sections 198, 309, 310 & 311 read with Schedule XIII and other applicable provisions, if any, of the companies Act, 1956 or any statutory amendment or re-enactment thereof, and subject to approval of Central Government, if necessary, and such other approvals, as may be necessary, consent of the Company be and is hereby accorded to the payment as revised remuneration of Rs. 75000/- (Rupees Seventy Five Thousands) per month to Mr. Himanshu Sangal, Managing Director, effective from 01.10.2013 for the remaining period of his term as Managing Director i.e. upto 30.09.2016."

"RESOLVED FURTHER THAT the said appointment be made in accordance with the terms and conditions as set out in Explanatory statement annexed hereto."

"RESOLVED FURTHER THAT the Board of Directors or a committee thereof be and is hereby authorized to alter or vary the remuneration within the provisions of schedule XIII of the Companies Act, 1956, to the extent the Board of Directors or Committee thereof may consider appropriate, as may be permitted or authorized in accordance with any provision (s) under the Companies Act, 1956 or schedule (s) appended thereto, for the time being in force or any statutory modification or re-enactment thereof and/or any rules or regulations there under and to do all such acts deeds and things in order to give effect to this resolution or as otherwise considered by the Board to be in the best interest of the Company, as it may deem fit."

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

"RESOLVED THAT in supersession of the earlier resolution passed in this regard and pursuant to the provisions of Section 198, 309, 310 & 311 read with Schedule XIII and other applicable provisions, if any, of the companies Act, 1956 or any statutory amendment or re-enactment thereof, and subject to

consent of the Company be and is hereby accorded to the payment as revised remuneration of Rs. 75000/- (Rupees seventy Five Thousands) per month to Mr. Amit Sangal, Executive Director, effective from 01.10.2013 for the remaining period of his term as Executive Director i.e. upto 30.09.2016."

"RESOLVED FURTHER THAT the said appointment be made in accordance with the terms and conditions as set out in explanatory Statement annexed hereto."

"RESOLVED FURTHER THAT the board of Directors or a Committee thereof and is hereby authorized to alter or vary the remuneration within the provisions of schedule XIII of the Companies Act, 1956 to the extent the Board of Directors or Committee thereof may consider appropriate, as may be permitted or authorized in accordance with any provision (s) under the Companies Act, 1956 or schedule (s) appended thereto, for the time being in force or any statutory modification or re-enactment thereof and/or any rules or regulations there under and to do all such acts, deeds and things in order to give effect to this resolution or as otherwise considered by the Board to be in the best interest of the Company, as it may deem fit."

For and on behalf of the board

SANGAL PAPERS LTD.

(HIMANSHU SANGAL)

Managing Director

Date : 14 August 2013

Place : MEERUT

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE (ON A POLL ONLY) INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY IN ORDER TO BE EFFECTED SHOULD BE DULY STAMPED, COMPLETED, SIGNED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and share Transfer Books of the Company will remain closed on Monday 30th Sept. 2013.
3. Members are requested to bring their copies of the annual report at the meeting. Members seeking any information regarding accounts should write to the company at its Registered office at least seven days before the date of the meeting so as to enable the management to keep the information ready, if the Chairman so permits.
4. Members are requested to produce the enclosed attendance slip duly signed in accordance with specimen signatures registered with the company for admission to the meeting hall.
5. Members are requested to notify the change in their address (if any) to the company immediately.
6. The Company has joined as a member of depository services with National Security Depository Ltd. (NSDL) and Central Depository Services (INDIA) Ltd. (CDSL), as issuer company for dematerialization of shares. Shareholders can their shares dematerialized with either NSDL or CDSL.
The depository services have allotted the following code to the Company **INE384D01022**.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956.

ITEM NO. 4:

At the Extra-Ordinary General Meeting of the Company, held on 31.08.2011, Mr. Himanshu Sangal was re-appointed as Managing Director of the Company, w.e.f. 01.10.2011 for a period of five years. In view of the contributions made by Mr. Himanshu Sangal and his extensive knowledge of Company's operations and rich experience and expertise in managing the affairs of the Company, and in view of remuneration paid to persons of similar experience, work profile and responsibility, in the industry, the Board has, subject to the approval of Members revised the remuneration to be paid to Mr. Himanshu Sangal, Managing Director, w.e.f. 01.10.2013, for the remaining period of his term as Managing Director i.e. upto 30.09.2016 on the terms and conditions as set out hereunder. The revision is subject to the approval of members of the company by way of a special resolution and approval from the Central Government, if necessary.

Consolidated Salary, Perquisites and performance Bonus etc. Rs. 75000/- per month.

- (a) Gratuity as per the rules of the Company, but not exceeding half a month's salary for each completed year of service.
- (b) Encashment of leave at the end of tenure.
- (c) Perquisite of Car for use on Company's business.
- (d) Fixed landline telephone facility at residence along with free mobile telephone facility. Long distance personal calls to be recovered by the Company.
- (e) He shall also be entitled to reimbursement of entertainment expenses actually and properly incurred in the course of business of the Company.

In the event of loss in the Company in any financial year(s), during the currency of tenure of Mr. Himanshu Sangal as Managing Director, the remuneration as mentioned in the resolution be paid to Mr. Himanshu Sangal, as minimum remuneration, subject to the approval of Central Government, if necessary.

The Board recommends the special resolution set forth at item no. 4 of the Notice for approval of the members.

None of the Directors of the Company, except Mr. Himanshu Sangal, is in any way concerned or interested in this resolution.

ITEM NO. 5:

At the Extra-ordinary General Meeting of the Company, held on 31.08.2011, Mr. Amit Sangal was re-appointed as Executive Director of the Company, w.e.f. 01.10.2011 for a period of five years. In view of the contributions made by Mr. Amit Sangal and his extensive knowledge of Company's operations and rich experience and expertise in managing the affairs of the company; and in view of remuneration paid to persons of similar experience, work profile and responsibility, in the industry, the Board has, subject to the approval of Members revised the remuneration to be paid to Mr. Amit Sangal, Executive Director, w.e.f. 01.10.2013, for the remaining period of his term as Executive Director i.e. upto 30.09.2016 on the terms and conditions as set out hereunder. The revision is subject to the approval

of members of the Company by way of a special resolution and approval from the Central Government, if necessary.

Consolidated Salary, Perquisites and performance Bonus etc. Rs. 75000/-per month.

- (a) Gratuity as per the rules of the Company, but not exceeding half a month's salary for each completed year of service.
- (b) Encashment of leave at the end of tenure.
- (c) perquisite of Car for use on Company's business.
- (d) Fixed landline telephone facility at residence along with free mobile telephone facility. Long distance personal calls to be recovered by the Company.
- (e) He shall also be entitled to reimbursement of entertainment expenses actually and properly incurred in the course of business of the Company.

In the event of loss in the Company in any financial year(s), during the currency of tenure of Mr. Amit Sangal as Executive Director, the remuneration as mentioned in the resolution be paid to Mr. Amit Sangal, as minimum remuneration, Subject to the approval of Central Government, if necessary.

The Board recommends the special resolution set forth at item no.5 of the Notice for approval of the members.

None of the Directors of the Company, except Mr. Amit Sangal, is in any way concerned or interested in this resolution.

For and on behalf of the board
SANGAL PAPERS LTD.

Date : 14 August 2013
Place : MEERUT

(HIMANSHU SANGAL)
Managing Director

DIRECTOR'S REPORT

The Members,

Your Directors have pleasure in submitting herewith Audited Statement of accounts of the Company for the year ended on 31st March, 2013 along-with their 33rd Annual Report :-

WORKING RESULTS :

(Amount in ₹)

PARTICULARS	CURRENT YEAR FIGURES (in)	PREVIOUS YEAR FIGURES (in)
Profit before Finance Charges depreciation	63206492.00	60334322.00
Less-		
Finance Charges	28284199.00	27219143.00
Depreciation	15880381.00	15036372.00
Net Profit for the year	19041912.00	18078807.00
Paid/Provision for Tax		
Current Tax	7650887.00	3999013.00
Deferred Tax Liability	(1517000.00)	(490000.00)
Mat Credit Entitlement	6133887.00	3509013.00
Profit After Tax	12908025.00	14569794.00
Add: Profit b/f from last year	131614711.00	117044917.00
Profit c/o to Balance Sheet	144522736.00	131614711.00

OPERATIONS :

During the year the company has achieved sales of Rs. 9255.56 Lacs as against Rs. 8357.30 Lacs during the last year and earned profit before tax of Rs. 190.41 Lacs as against a profit of Rs. 180.79 Lacs during last year.

DIVIDEND

Your Directors feel that it is prudent to plough back the profits for future growth of the Company and do not recommend any dividend for the year ended March, 2013.

Directors

Shri Tanmay Sangal will retire by rotation and being eligible, offers himself for re-appointment. It has been decided to increase the remuneration of Mr. Himanshu Sangal and Mr. Amit Sangal Managing Director and Executive Director respectively w.e.f. 01.10.2013.

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

The information as required under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988, with respect to these matters forms part of this report and is annexed hereto as Annexure-A.

INDUSTRIAL RELATIONS :

Industrial relation during the year remained cordial at all levels of the Company. The Management appreciates the whole-hearted Co-operation given by the employees of the Company.

PARTICULARS OF EMPLOYEES :

There is no employee covered under the provisions of Section-217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees), Rules, 1975.

DIRECTOR'S RESPONSIBILITY STATEMENT :

Pursuant to section 217 (2AA) of the Companies Act, 1956, it is hereby confirmed :

- (i) That in the preparation of the annual accounts, the applicable accounting standards have been followed.
- (ii) That the Directors have selected such accounting policies and applied them consistently, and made judgments and estimates that are reasonable and prudent as to give a true and fair view of the state of affairs of the company at the end of the financial year ended 31st March, 2013 and of the profit for the year.
- (iii) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- (iv) That the Directors have prepared the annual accounts on a going concern basis.

DEPOSITS:

The Company has not accepted any should be deposited from the public during the year attracting the provisions of section 58-A of the Companies Act, 1956.

INSURANCE

All properties and insurable assets of the Company, including Building, Plant & Machinery and Stocks have been adequately insured, wherever necessary.

STATUTORY AUDITORS AND AUDITOR'S REPORT

M/S SHIAM & CO., Chartered Accountants, Muzaffarnagar retire at this meeting and are eligible for re-appointment. They have confirmed their eligibility for The Board recommends their appointment. The report of the Auditors is self-explanatory, therefore does not require any specific comments.

ACKNOWLEDGEMENT:

Your Directors wish to place on record their appreciation for the assistance and co-operation that your company has received from the Govt. of U.P., Bankers, Stakeholders and all others, whose continued support has been a source of strength to the company. Your Directors also wish to place on record their sincere appreciation to the devotion and commitment of every employee of the company.

Your Directors recommend that Annual Accounts may be passed by you and said appointments may be approved by you.

For and on behalf of the Board
SANGAL PAPERS LTD.

(HIMANSHU SANGAL)
CHAIRMAN

Date : 14.08.2013
Place : MEERUT

Annexure Form - "A" To The Report Of Board Of Directors
(See Rule 2)

Form for disclosure particulars with respect to conservation of energy.

Information as required under Section 217 (a) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors), 1988 and forming part of Directors' Report for the year ended 31st March 2013.

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
(A) POWER & FUEL CONSUMPTION :	2012-13	2011-12
1. Electricity :		
(a) Purchased		
Purchased	NIL	NIL
Total Amount Rs.	NIL	NIL
Rate/Unit Rs.	NIL	NIL
(b) Own Generation		
Through Diesel Generation (Unit)	-----	1152
Unit/Ltr. of Diesel oil	-----	-----
Total Amount Rs.	-----	12,368
Rate /Unit Rs.	-----	10.74
(c) Through Steam Turbine Generation Unit		
Unit	27211141	24947361
Rate/Unit	9.37	7.24
2. Coal & Fuel :		
(A) Qty. (Tones)	20994.581	39982.655
Total Cost Rs.	106374868	140235707
Average Rate Rs.	5066.78	3507.41
3. Other / Internal Generation :		
Qty. (D'olled Paddy Husk. etc.) (Tones)	32658.755	14011.984
Total Cost Rs.	148690660	40443764
Average Rate Rs.	4552.86	2886.37
(B) CONSUMPTION PER UNIT OF PRODUCTION (IN ONE TON) :		
Unit Standard (If any)		
Production with details Unit Standard (If any)		
Electricity	750 UNIT	750 UNIT

"Form -B"

Technology Absorption, Adaption and Innovation

The Company is taking all the steps to practice the latest technology available in the industry.

"Form -C"

Research and Development

The research and development activities are ongoing process in your company.

"Form -D"

Foreign Exchange Earnings and Outgo

Particulars regarding foreign exchange, earnings and outgo is as per Schedule-25 to 27 of Balance Sheet.

For and on behalf of the Board
SANGAL PAPERS LTD.

Sd/-

(HIMANSHU SANGAL)
Managing Director

Date : 14.08.2013
Place : MEERUT



SANGAL PAPERS LIMITED
Village Bhainsa, 22 K.M., Mawana Road, Meerut

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

SALES

During the year ended 31st March, 2013 your Company has gross sales of Rs. 92,55,56,194/- as against Rs. 83,57,29,776/- during the previous year. This represents 10.75% growth.

PRODUCT CHARACTERISTICS

Paper is totally customized product. Main characteristics of paper are brightness, grammage and bursting factor. Since we produce material as per order received from customer in advance, hence our product can be said to be customer friendly. In such a situation aspects like product range, product quality, support service facilities and customizations of product are very favorable for us as well as for entire paper industry.

COMPETITIVE SITUATION

Competitiveness would harm only in such a situation when demand of product is very low and supply is high. In the case of paper industry no such adverse demand and supply ration exist. Even gap in demand and supply is set out by high cost imports. Hence if we look at our position, we don't have to face number of competitors. There is no much parallel market, Hence this may be treated as neutral or runs. As far as cost of product is concerned, we are efficient Company due to our experience in the segment.

IMPACT OF GOVERNMENT REGULATIONS / LEGISLATION / DIRECTIVES

One of our main products is Newsprint that is totally exempted from Central Excise and Sales tax. Import of Newsprint is already allowed under OGL. Secondly newsprint linked with mass media hence newsprint product concerned is totally unaffected by government policies. Other products of Company viz. Kraft paper, writing and printing paper are also not exposed to any type of threat due to government policies.

CHAIRMAN



Sangal papers Ltd.

SHIAM & CO.,
Chartered Accountants

AUDITOR'S REPORT

33/46-A, 1st Floor, Agarwal Market
Arya Samaj Road, Muzaffarnagar

Independent Auditor's Report

To,
**THE MEMBERS,
SANGAL PAPERS LIMITED, MEERUT.**

Report on the Financial Statements

We have audited the accompanying financial statements of **SANGAL PAPERS LIMITED, MEERUT** ("Company") which comprise the Balance sheet as at 31st March, 2013, the Statement of Profit & Loss and the Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanation given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2013;
- (ii) in the case of the statement of Profit and Loss, of the profit for the year ended on that date; and
- (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c. The Balance Sheet Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956; and
- e. On the basis of written representations received from the directors as on 31 March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

Rajesh Kumar Jain
Partner
Membership No. 073352

Date: 29.05.2013
Place: MUZAFFARNAGAR

ANNEXURE TO THE AUDITOR'S REPORT

ANNEXURE REFERRED TO IN PARAGRAPH 1 OF THE AUDITORS' REPORT OF EVEN DATE TO THE MEMBERS OF SANGAL PAPERS LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED MARCH, 31st 2013.

(I) IN RESPECT OF FIXED ASSETS :

- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, the fixed assets have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its business. No material discrepancies were noticed on such verification.
- (c) During the year, the Company has not made any substantial disposals of fixed assets.

(II) IN RESPECT OF INVENTORIES :

- (a) As explained to us, inventories has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of inventories. The discrepancies noticed on verification between the physical stock and the book records were not material.

(III) In respect of loans, secured or unsecured, granted/taken by the company to or from companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act, 1956 :

- (a) The Company had not granted any loan to any one. Accordingly, clauses (iii) (b) to (iii) (d) of paragraph 4 of the Order are not applicable to the Company for the current year.
- (b) The Company had taken loan from five parties. The maximum amount involved during the year was Rs. 469.34 Lac and the year end balance of loans taken from such parties was Rs. 455.69 Lacs.
- (c) In our opinion and according to the information and explanations given to us, the rate of interest wherever applicable and other terms and conditions of loans taken by the company are not, prima facie, prejudicial to the interest of the Company.
- (d) The company is regular in payment of the principal amount and interest as stipulated.
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weaknesses in internal controls.

(v) IN RESPECT OF TRANSACTIONS COVERED u/s 301 OF THE COMPANIES ACT, 1956 :

- (a) According to the information and explanations given to us, the particulars of contracts or arrangements that need to be entered in the register maintained under section 301 of Companies Act 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, there is no transaction made in pursuance of any contracts or arrangements exceeding the value of rupees five lacs in respect of any party during the year.

(vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from the public within the meaning of section 58A and 58AA or any other relevant provision of the Companies Act 1956 and the rules framed there under.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) As informed by the management, cost records for the year are under preparation.

(ix) IN RESPECT OF STATUTORY DUES :

- (a) According to the records of company and information and explanations to us, the company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Trade Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues with appropriate authorities during the year. Except water cess Rs. 2,55,735 lac, there is no undisputed amounts payable, as at 31.03.2013 for a period of more than six months from the date they became payable.
- (b) According to information and explanations given to us, there is no undisputed amount payable in respect of dues of income tax wealth tax, Trade Tax, Customs duty, Service Tax, Custom Duty, Excise Duty, cess which have not been deposited on account of any dispute.
- (c) According to information and explanations given to us, the disputed dues in respect of Trade / Commercial Tax is as under :

NAME OF THE STATUE	YEAR	AMOUNT (Rs.)	FORUM WHERE IS DISPUTE IS PENDING STATUE
Trade Tax	1991 - 1992	117000.00	Hon'ble High Court, Allahabad
Trade Tax	2001 - 2002	200000.00	Hon'ble High Court, Allahabad
Trade Tax	2008 - 2009	1039591.00	Joint Commissioner Appeal, U.P. Commercial Tax Department.

- (x) The company has no accumulated losses and has not incurred any cash losses in such financial year and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to banks.
- (xii) In our opinion, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore the provision of clause 4(xii) of the Companies (Auditor's Report) Order 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the company.
- (xiii) In our opinion, the company is not a chit fund or nidhi mutual benefit fund/society. Therefore the provision of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the company.
- (xiv) In our opinion, the company is not dealing or trading in shares, securities, debentures and other investment. Therefore the provision of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the company.
- (xv) In our opinion, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) In our opinion, the term loan have been applied for the purpose for which they were raised..
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long term investment.
- (xviii) According to information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) According to information and explanations given to us, the company has not issued any debentures during the year.

(xx) According to information and explanation given to us, the company has not raised any money from public issue during the year.

(xxi) According to information and explanation given to us, no fraud on or by the Company has been noticed or reported during the year.

For SHIAM & CO.
Chartered Accountants
Registration No. 000030C

Rajesh Kumar Jain
Partner
Membership No. 073352

Date : 29.05.2013
Place : MUZAFFARNAGAR

BALANCE SHEET AS AT 31ST MARCH, 2012

(Amount in ₹)

PARTICULARS	Note No.	As at 31.03.2013	As at 31.03.2012
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	13,072,600	13,072,600
Reserves & Surplus	3	149,378,351	138,547,813
		162,450,951	151,620,413
Non-current liabilities			
Long-term borrowings	4	75,929,929	80,088,609
Other Long-term liabilities	5	6,500,000	6,400,000
Deferred tax liabilities (Net)		30,587,000	32,104,000
		113,016,929	118,592,609
Current liabilities			
Short-term borrowings	6	153,752,925	149,354,164
Trade payable	7	131,507,886	103,545,556
Other current liabilities	8	31,541,749	26,271,292
Short-term provisions	9	-	217,160
		316,802,560	279,388,172
TOTAL		592,270,440	549,601,194
ASSETS			
Non-current Assets			
Fixed assets	10	174,515,053	178,147,778
Tangible assets	11	7,584,958	107,400
Long-term loans and advances	12	1,389,416	4,542,781
Other non-current assets		183,489,427	182,797,959
Current Assets			
Inventories	13	178,085,531	183,465,021
Trade receivable	14	195,457,777	159,772,233
Cash and cash equivalents	15	20,917,362	12,948,659
Short-term loans and advances	16	14,320,343	10,617,322
		408,781,013	366,803,235
TOTAL		592,270,440	549,601,194

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

MANAGING DIRECTOR

EXECUTIVE DIRECTOR

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

Date : 29.05.2013
Place : MUZAFFARNAGAR

Rajesh Kumar Jain
Partner
Membership No. 073352

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2013

(Amount in ₹)

PARTICULARS	Note No.	For the year ended 31.03.2013	For the year ended 31.03.2012
REVENUE			
Revenue from Operations			
Sales (Gross)	17	925,556,194	835,729,776
Less : Excise Duty		10,857,455	9,083,864
Sales (Net)		914,698,739	826,645,912
Other operating revenues	18	82,390	-
Other Income		651,974	320,042
TOTAL		915,433,103	826,965,954
EXPENSES			
Cost of material consumed	19	452,722,964	474,576,688
Changes in inventories of finished goods and stock-in-progress	20	7,245,008	(3,825,721)
Employee benefits expense	21	17,375,648	15,166,836
Finance Costs	22	28,284,199	27,219,143
Depreciation	10	15,880,381	15,036,372
Other expenses	23	374,882,991	280,713,829
Total Expenses		896,391,191	808,887,147
Profit before Tax		19,041,912	18,078,807
Tax Expense			
Current Tax		7,650,887	3,999,013
Deferred Tax		(1,517,000)	(490,000)
Profit after Tax		12,908,025	14,569,794
Earnings per equity share (Basic)		9.87	11.15

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

MANAGING DIRECTOR

EXECUTIVE DIRECTOR

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

Rajesh Kumar Jain
Partner
Membership No. 073352

Date : 29.05.2013
Place : MUZAFFARNAGAR

**CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET
FOR THE PERIOD APRIL 2012 - MARCH 2013**

(Amount in ₹)

	2012-2013 Amount (Rs.)	2011-2012 Amount (Rs.)
A. CASH FLOW FROM OPERATION ACTIVITIES:		
Net Profit before tax :	19,041,912	18,078,807
Adjustments for :		
Depreciation	15,880,381	15,036,372
Finance Charges	28,284,199	27,219,143
Loss on sale of assets	66,409	42,381,884
	63,272,901	60,460,691
Operating Profit before working capital changes :		
Adjustments for :		
Trade and other receivables	(39,388,565)	(27,881,645)
Inventories	5,379,490	(85,556,076)
Trade payables & Other Liabilities	29,718,335	17,458,473
	58,982,161	(95,979,248)
Cash generated from operation	28,284,199	(27,219,143)
Finance Charges	(7,650,887)	(3,999,013)
Taxes Paid	23,047,075	(66,736,713)
Net Cash from operating activities		
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Sale of Fixed Assets	60,000	1,140,000
Movement in Loans and Advances	(4,324,192)	9,242,508
Purchase of Fixed Assets (including Capital work in progress)	(14,451,553)	(17,831,380)
	(18,715,745)	(7,448,872)
Net Cash used in Investing activities	4,331,330	(74,185,585)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Repayment of Borrowings	3,637,373	43,437,023
Net Cash used in Financial activities	3,637,373	43,437,023
	7,968,703	(30,748,562)
Cash and Cash equivalents as at 31.3.2012	12,948,659	43,697,221
Cash and Cash equivalents as at 31.3.2013	20,917,362	12,948,659
	7,968,703	(30,748,562)

MANAGING DIRECTOR

EXECUTIVE DIRECTOR

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

Date : 29.05.2013
Place : MUZAFFARNAGAR

1. SIGNIFICANT ACCOUNTING POLICIES

1) Basis of Preparation of Financial Statements :

- (i) The financial statements are prepared on the historical cost convention basis (except for certain fixed assets which have been revalued) in accordance with the generally accepted accounting principles.
- (ii) The Company generally follows mercantile system of accounting and recognises significant items of income and expenditure on accrual basis.

2) Use of Estimates :

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amount reported in the financial statement and notes there to. Differences between actual and estimates are recognized in the period in which the results are known/materialized.

3) Valuation of Inventories :

- Inventories are valued at the lower of the cost and estimated net realisable value. The basis of determining of cost for various categories of inventories are as follows:
- Raw Material, Chemicals, Fuels, Store & Spares and packing Material. On weighted Average/FIFO basis.
- Finished Goods and Work in process includes Raw Material Cost, Cost of conversion and other costs in bringing the inventories to their present location and conditions.

4) Sales :

Sales are inclusive of Excise Duty.

5) Excise Duty :

Excise Duty has been accounted for on the basis of payment made in respect of goods cleared. Amount of Excise Duty deducted from sale is relatable to the sale made during the year. Amount of Cenvat Credits in respect of material consumed is deducted from cost of material.

6) Fixed Assets :

- (i) Fixed Assets are stated at cost. Cost includes installation charges and expenditure during construction period wherever applicable.
- (ii) All pre-operative expenditure accumulated as capital work in progress and is allocated to the relevant fixed assets on a pro-rata basis.

7) Depreciation :

Depreciation on fixed assets has been provided on straight line method at the rates as prescribed in Schedule XIV of the Companies Act, 1956 on monthly pro-rata basis.

8) Impairment of Assets :

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

9) Government Grants :

Value of Government grants related to specific Fixed assets are adjusted with the fixed assets.

10) Foreign Currency Transactions :

Foreign Currency transactions are accounted at the exchange rates prevailing on the date of transactions. Foreign Currency assets and current liabilities outstanding at the Balance Sheet date are translated at the exchange rate prevailing on that date and the resultant gain or loss is recognized in the Statement of Profit & Loss. In cases where they relate to the acquisition / construction of fixed assets, they are adjusted to the carrying cost of fixed assets.

11) Employee retirement benefit :

- (i) Retirement benefit in the form of provident fund and superannuation/pension schemes whether in pursuance of any law or otherwise is accounted on accrual basis and charged to the Statement of profit & loss of the year.
- (ii) The provision for gratuity has been made on the basis of formula prescribed for the payment of gratuity act 1972.

12) Borrowing Cost :

Borrowing cost directly attributable to the acquisition or construction of fixed assets are capitalised as part of the cost of assets, up to the date of assets is put to use. Other borrowing costs are charged to the statement of profit and loss in which they are incurred.

13) TAX ON INCOME :

(a) Current Tax

Provision for Income Tax is determined in accordance with the provision of Income Tax Act, 1961

(b) Deferred Tax

Deferred Tax is recognised on timing differences being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period (s).

14) Provision, Contingent Liabilities and Contingent Assets :

Provision involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statement.

2. Share Capital

(Amount in ₹)

PARTICULARS	As at 31.03.2013	As at 31.03.2012
Authorised Share Capital		
70,00,000 Equity Shares of Rs. 10/- each	70,000,000	70,000,000
Issued, Subscribed and Paid-up Share Capital		
1307260 Equity Shares of Rs. 10/- each fully paid up	13,072,600	13,072,600
TOTAL	13,072,600	13,072,600

The company has only equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share. In the event of liquidation of the company, the holders of shares shall be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.

Reconciliation of number of equity shares outstanding at the beginning and end of the year

PARTICULARS	As at 31.03.2013	As at 31.03.2012
Number of shares outstanding as at the beginning and end of the year	1,307,260	1,307,260

Shares in the company held by each shareholder holding more than 5% shares

SL. No.	Name of the shareholder	Number of shares as on 31.03.2013	% of Holding	Number of shares as on 31.03.2012	% of Holding
1	Shri Himanshu Sangal	107,580	8.23%	74,290	5.68%
2	Shri Amit Sangal	120,740	9.24%	74,720	5.72%
3	Smt. Charu Sangal	93,320	7.14%	93,320	7.14%
4	Smt. Renu Sangal	112,500	8.61%	112,500	8.61%

3. Reserve and Surplus

Revaluation Reserve	6,933,102	10,083,415
Opening Balance		
Less : Depreciation on increased value of assets due to revaluation	2,077,487	3,150,313
Total (a)	4,855,615	6,933,102
Surplus (Statement of Profit and Loss)		
Opening Balance	131,614,711	117,044,917
Add : Addition during the year	12,908,025	14,569,794
Total (b)	144,522,736	131,614,711
Total (a + b)	149,378,351	138,547,813



Note No. 10

Tangible Assets

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK				
	AS ON 31-03-2012	ADDITIONS	DEDUCT- IONS	AS ON 31-03-2013	UPTO 31-03-2012	FOR THE YEAR	REVALUATION RESERVE	ADJUST- MENT	UPTO 31-03-2013	AS ON 31-03-2013	AS ON 31-03-2012
Land & Site Development	16,641,040	-	-	16,641,040	-	-	-	-	-	16,641,040	16,641,040
Building	43,486,886	-	-	43,486,886	15,352,735	1,250,590	131,081.00	-	16,734,414	26,752,472	28,134,151
Power Plant	98,710,419	-	-	98,710,419	23,453,595	5,211,910	-	-	28,665,505	70,044,914	75,256,824
Plant & Machinery	212,007,074	11,476,764	-	223,483,838	159,396,562	8,301,544	1,946,407	-	169,644,513	53,839,325	52,610,512
Office Furniture & Equipment	1,315,972	32,750	-	1,348,722	921,208	85,201	-	-	1,006,409	342,313	394,764
Computer	799,673	44,000	-	843,673	642,095	134,227	-	-	776,322	67,351	157,578
Vehicles	8,777,034	2,898,039	323,773	11,351,300	3,824,125	896,901	-	197,364	4,523,662	6,827,638	4,952,909
TOTAL (Rs.)	381,738,096	14,451,553	323,773	395,865,878	203,590,320	15,880,381	2,077,488	197,364	221,350,825	174,515,053	178,147,778
PREVIOUS YEAR FIGURES	365,598,595	17,831,380	1,692,877	381,738,096	165,830,144	15,036,372	3,150,313	426,508	203,590,320	178,147,778	179,760,452

4. Long term borrowings

Secured borrowings

Term loans from banks	25,360,901	30,893,609
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Unsecured borrowings

Loans and advances from related parties	45,569,028	44,195,000
---	------------	------------

Loans and advances from companies	5,000,000	5,000,000
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Total

	75,929,929	80,088,609
--	------------	------------

Term Loan from Axis Bank is secured by way of equitable mortgage of land & building and hypothecation of Plant & Machinery and personal guarantee by Directors of the Company.

From Axis Bank (for term loan of Rs. 1085.00 Lacs)

At the rate of 3.25% above base rate. Present effective rate is 13.25% p.a. (Previous year 13.50% p.a.). Repayable in 96 Monthly installment of Rs. 11,30,000 each starting from July 2007.

From Axis Bank (for term loan of Rs. 94.00 Lacs)

At the rate of 3.25% above base rate. Present effective rate is 13.25% p.a. (Previous year 13.50% p.a.). Repayable in 60 Monthly installment of Rs. 1,57,000 each starting from July 2011.

From Axis Bank (for term loan of Rs. 135.00 Lacs)

At the rate of 3.25% above base rate. Present effective rate is 13.25% p.a. (Previous year 13.50% p.a.) Repayable in 60 Monthly installments of Rs. 2,25,000 each starting from April 2013

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

From State Bank of India (for term loan of Rs. 10.00 Lacs)

At the Present effective rate is 12% p.a. Repayable in 60 monthly EMI of Rs. 21,887 each starting from May 2011.

From Axis Bank (for term loan of Rs. 15.00 Lacs)

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

5. Other Long Term Liabilities

Secure deposits

	6,500,000	6,400,000
--	-----------	-----------

Total

	6,500,000	6,400,000
--	-----------	-----------

6. Short-term borrowings

Secured borrowings

Working Capital Loan

	153,752,925	149,354,164
--	-------------	-------------

Total

	153,752,925	149,354,164
--	-------------	-------------

Working Capital Loans from Axis Bank is secured by way of Stock of Raw Material, Stores & spares, work in process, finished goods, semi finished goods, bills and Book Debts of the Company and personal guarantee by Directors of the Company.

7. Trade payable

For Raw Materials

	126,089,360	98,937,053
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Others

	5,418,526	4,608,503
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Total

	131,507,886	103,545,556
--	-------------	-------------

8. Other current liabilities

Current maturities of long term debt

	18,993,576	15,696,284
--	------------	------------

Interest accrued and due on borrowings

	427,094	548,817
--	---------	---------

Advances from Customers

	430,575	1,245,157
--	---------	-----------

Cheque Issued but not presented

	3,332,860	3,215,641
--	-----------	-----------

Other payables

	8,357,644	5,565,393
--	-----------	-----------

Total

	31,541,749	26,271,292
--	------------	------------

9. Short term provision

Income tax

	217,160	
--	---------	--

Total

	217,160	
--	---------	--

11. Long-term loans and advances

Unsecured, considered good	7477558	-
Capital advances	107,400	107,400
Security deposits	<u>7,584,958</u>	<u>107,400</u>
Total		

12. Other non-current assets

(Unsecured, considered good)	-	3,686,171
Mat Credit Entitlement	1,389,416	856,610
Others	<u>1,389,416</u>	<u>4,542,781</u>
Total		

13. Inventories

Raw Materials	110,687,698	134,934,141
Work-in-Progress	2,463,000	1,981,000
Finished Goods	3,553,748	11,280,756
Stores and spares	8,590,951	9,506,000
Chemicals	4,366,973	1,139,000
Fuel	48,085,836	24,547,124
Packing Materials	357,325	77,000
Total	<u>178,085,531</u>	<u>183,465,021</u>

14. Trade Receivables

Unsecured, considered good		
Trade receivables outstanding for more than six months from the date they became due for payment		
Considered good-	10,054,181	17,629,059
Considered doubtful-	<u>7,651,887</u>	-
Others	17,706,068	
	<u>177,751,709</u>	<u>142,143,174</u>
Total	<u>195,457,777</u>	<u>159,772,233</u>

15. Cash and Cash Equivalents

Balance with Banks		
Bank balances held as margin money or as Security against:		
Guarantees	814,758	342,223
Letters of Credit	2,821,000	3,028,096
Other bank balances	5,117,073	2,514,200
Cheques on hand	8,062,458	4,124,804
Cash on hand	<u>4,102,073</u>	<u>2,939,336</u>
Total	<u>20,917,362</u>	<u>12,948,659</u>

16. Short-term loans and advances

(Unsecured, considered good)		
Balance with Central Excise Authorities	1,334,081	1,837,481
Advance to Suppliers	7,372,577	3,125,287
Advance Income taxes	87,998	188,827
	<u>5,525,687</u>	<u>5,465,727</u>
Total	<u>14,320,343</u>	<u>10,617,322</u>

17. Revenue From operations			
Sale of Products News Print & Writing Printing Paper	925,556,194	835,729,776	
Total	925,556,194	835,729,776	
18. Other Income			
Interest received	294,316	280,373	
Miscellaneous Income	357,658	39,669	
Total	651,974	320,042	
19. Cost of Material Consumed			
Particulars	452,722,964	474,576,688	
Waste Paper	452,722,964	474,576,688	
Total			
20. Changes in Inventories of Finished Goods and Stock-in-Progress			
<u>Opening Stock</u>	11,280,756	7,701,035	
Finished Goods	1,981,000	1,735,000	
Stock in Process	13,261,756	9,436,035	
Total (a)			
<u>Closing Stock</u>	3,553,748	11,280,756	
Finished Goods	2,463,000	1,981,000	
Stock in Process	6,016,748	13,261,756	
Total (b)	7,245,008	(3,825,721)	
Total (a - b)			
21. Employee benefit expense			
Salaries, Wages & Incentives	13,016,286	11,123,187	
Salary to Directors	1,380,000	1,380,000	
Bonus	743,475	724,776	
Gratuity	470,090	404,779	
Security Service Charges	1,500,116	1,200,000	
Staff & Labour Welfare	265,681	334,094	
Total	17,375,648	15,166,836	
22. Finance Costs			
<u>Interest on:</u>	5,432,975	6,746,092	
Term Loans	21,051,573	19,166,623	
Bank Borrowings & Others	1,865,810	1,682,679	
Bank Charges & Others	28,350,358	27,595,394	
	66,159	376,251	
Less : Amount included in Capital Work in Progress	28,284,199	27,219,143	
Total			

23. Other expenses

Manufacturing

Chemicals	50,659,280	49,574,759
Packing Material	10,310,093	9,959,095
Stores & Spares	27,244,328	17,064,028
Power & Fuel	256,354,292	182,240,585
Repairs - Plant & Machinery	2,272,705	3,052,623

346,840,698 261,891,090

Administrative & Overhead

Printing & Stationery	275,799	213,830
Communication Expenses	913,752	859,327
Travelling & Conveyance	483,490	499,839
Insurance Charges	1,558,310	678,248
Legal & Professional Charges	1,039,227	865,212
Auditors Remuneration	56,180	56,180
Rates & Taxes	1,492,412	1,354,838
Loss on Sale of Fixed Assets	66,409	126,369
Repairs - Others	349,511	138,903
Vehicle Running & Maintenance	1,294,150	1,199,316
General Expenses	1,263,650	1,200,630

8,792,890 7,192,690

Selling & Forwarding :

Advertisement & Publicity	207,463	404,696
Business Promotion Expenses	419,484	395,980
Rebate & Discounts	6,192,258	1,973,954
Freight Outward & Loading Charges	8,054,490	6,703,839
Commission on Sales	4,875,708	2,151,580

19,249,403 11,630,049

Total 374,882,991 280,713,829

24. Value of imports (C.I.F.) Value in respect of (Amount in ₹)

PARTICULARS	As at 31.03.2013	As at 31.03.2012
	AMOUNT (Rs.)	AMOUNT (Rs.)
(a) Raw Materials	20,180,329	30,055,184
(b) Stores & Spare Parts	1,351,718	843,873
25. Expenditure in Foreign Currency	NIL	NIL
26. Remittance in Foreign Currency	NIL	NIL
27. Earning in Foreign Currency (Sale)	18,463,097	794,101

28. Consumption of Imported and Indigenous Raw Materials, Stores & Spare Parts etc : (Amount in ₹)

	As at 31.03.2013		As at 31.03.2012	
	AMOUNT (Rs.)	PERCENTAGE	AMOUNT (Rs.)	PERCENTAGE
1. Raw Material				
Indigenous	427,237,087	94.37%	432,923,503	91.22%
Imported	25,485,877	5.63%	41,653,185	8.78%
Total Rs.	<u>452,722,964</u>		<u>474,576,688</u>	
2. Stores & Spares				
Indigenous	25,443,343	93.39%	16,153,214	94.66%
Imported	1,800,985	6.20%	910,814	5.34%
Total Rs.	<u>27,244,328</u>		<u>17,064,028</u>	
3. Chemicals	50,659,280	100%	49,574,759	100%
4. Packing Material	10,310,093	100%	9,959,095	100%

29. Earning per Shares (EPS) :- (Amount in ₹)

PARTICULARS	As at 31.03.2013	As at 31.03.2012
Profit attributable to the Shareholders	12908025	14569794
Basic/Weighted average number of Equity Shares outstanding during the year	1307260	1307260
Nominal value of Equity Shares (Rs.)	10	10
Basic/Diluted Earning per Shares (Rs.)	9.87	11.15

30. Payment to Auditors :

	As at 31.03.2013	As at 31.03.2012
Audit Fee	45,000	45,000
Tax Audit Fee	5,000	5,000
Service Tax	6,180	6,180
Total	<u>56,180</u>	<u>56,180</u>



(Amount in ₹)

	As at 31.03.2013	As at 31.03.2012
31. Deferred Tax Liability (Net)		
(a) Deferred Tax Liability		
Related to Fixed assets	31,855,000	33,125,000
Total (a)	31,855,000	33,125,000
(b) Deferred Tax Assets		
Disallowances under the Income Tax Act, 1961	1,268,000	1,021,000
Total (b)	1,268,000	1,021,000
Total (a - b)	30,587,000	32,104,000
32. Contingent Liabilities and Commitments (to the extent not provided for)		
Contingent Liabilities		
Guarantees	250,000	-
Trade Tax	2,473,829	708,678
Letters of Credit	15,427,467	17,868,005
Commitment		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	7,582,158	NIL

33. Related Party Disclosures :
a Key management Personnel

1. Shri Hinanshu Sangal
2. Shri Amit Sangal
3. Shri Tanmay Sangal

b Associated Company

1. Prema Chits (P) Limited
2. Shri Ganesh Credits (P) Limited

(Amount in ₹)

c Related Party Transactions :

Sr. No.	Name of the Related Parties and Relationship	Value of Transaction		Balance at the end of the year	
		2012-13	2011-12	2012-13	2011-12
	Unsecured Loan from				
1	Shri Ganesh Credit (P) Ltd. (Associated Company)	475,000	2,190,000	11,215,000	10,740,000
2	Prema Chits (P) Ltd. (Associated Company)	850,000	2,930,000	13,380,000	12,530,000
3	Shri Hinanshu Sangal, Managing Director	-	575,000	8,747,911	9,650,000
4	Shri Amit Sangal, Executive Director	3,914,327	4,500,000	11,226,118	10,275,000
	Remuneration to :				
5	Shri Himanshu Sangal, Managing Director	540,000	540,000	--	--
6	Shri Amit Sangal, Executive Director	540,000	540,000	--	--
7	Shri Tanmay Sangal, Whole Time Director	300,000	300,000		

34. Since the Company operates in a single segment i.e. "Paper & Paper Board". Accounting Standard (AS) 17- " Segment Reporting" issued by the Institute of Chartered Accountants of India is not applicable.

35. Balances of Sundry Debtors, Creditors and Advances as at 31st March, 2013 are subject to confirmation.

36. In the opinion of Board of Directors, the Current Assets, Loans & Advances have the value at which they are stated in the Balance Sheet as at 31.03.2013 if realised in ordinary course of business.

37. Sundry debtors includes Rs. 76.52 lacs for which suits are pending in the court. In the opinion of Board of Directors, they are good as fully recoverable.

38. E.T.P. running expenses have been debited under their respective heads.

39. The bifurcation of the total outstanding dues of small scale industrial undertaking and other than small scale industrial undertakings as well as the name small scale industrial, undertaking to whom the company owes a sum of exceeding rupees one lacs and which is outstanding for more than thirty days, are not disclosed in the Balance Sheet as suppliers have not indicated their status on their documents/papers whether they are small scale undertaking or not hence it is not possible for the company to disclose the said information in respect of trade creditors.

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

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

MANAGING DIRECTOR

EXECUTIVE DIRECTOR

Date : 29.05.2013
 Place : MUZAFFARNAGAR

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

Rajesh Kumar Jain
 Partner
 Membership No. 073352



Regd. Offi. : 22-Km., MEERUT-MAWANA ROAD, MAWANA-250401, Distt. MEERUT (U.P.)

PROXY FORM

D.P. Id.
Client Id.
I/We Folio No.
No. of Shares held
of in the district of
being a member / members of the above named company, hereby appoint
of in the district of OR
failing him / her of
..... in the district of
as my / our Proxy to vote for me / us on my / our behalf at the 33rd Annual General Meeting of the
Company to be held on Monday, the 30th Sep., 2013 at 12.00 Noon and any adjournment thereof.
Signed this day of 2012.

Signature



NOTE : This form in order to be effective should be duly stamped, completed and signed and must be deposited with the Company's Regd. Office not less than 48 hours before the commencement of the meeting.

ATTENDANCE SLIP

D.P. Id.
Client Id.
Mr. / Mrs. / Miss Folio No.
No. of Shares held certify that I
am the registered shareholder/proxy for the registered of the Company.
I hereby record my presence at the 33rd Annual General Meeting of the Company being held on
Monday, the 30th Sep., 2013 at 12.00 Noon.
INTIMATION SLIP

To,
SANGAL PAPERS LTD.
22-Km., MEERUT ROAD, MAWANA-250401, Distt. MEERUT (U.P.)

Member/Proxy's Signature

Dear Sir,

We give below the particulars as desired by you :

(1) Name of the Member (PAN)

(2) Father's Name

(3) Address

Yours Faithfully,

Signature of Sole / First holder

- NOTE : 1. Members are requested to bring their copies of Annual Report of the Meeting.
2. Members having any queries on accounts are requested to send them seven days in advance to the Company to enable it. to collect the relevant information.