



Naraingarh Sugar Mills Ltd.

Annual Report 2011-12

19th ANNUAL REPORT 2011-2012

NARAINGARH SUGAR MILLS LIMITED

**BOARD OF DIRECTORS**

Mr. Shashi Bhushan Mehan, Chairman
Mr. Onkar Anand, Director & Vice Chairman
Mr. Mahavir Singh, Nominee Director (HSIDC)
Mrs. Renu Anand, Director
Mrs. Ravinder Kaur Kang, Director
Mr. Gurkirpal Singh, Independent Director
Mr. Gurdev Bassi, Independent Director
Mrs. Uma Sharma, Independent Director
Mr. Vijay Mehan Director
Mr. Jitendra Anand, Executive Director
Mr. Baldev Singh Kang, Managing Director

COMPANY SECRETARY

Mrs. Jaswant Kaur

STATUTORY AUDITORS

M/s VASUDEVA & ASSOCIATES

Chartered Accountants

Chandigarh

COST AUDITORS

M/s Khushwinder Kumar & Co.,

Cost Accountants

Jalandhar

REGISTERED OFFICE & WORKS

Village Banondi, P.O. Shahzadpur.
Tehsil Naraingarh, Distt. Ambala (Haryana)

BANKERS

State Bank of India
State Bank of Patiala
Canara Bank
Oriental Bank of Commerce
Allahabad Bank

REGISTRAR AND SHARE TRANSFER AGENT

M/s Alankit Assignments Limited
205-206, Anarkali Market,
Jhandelwala Extension, New Delhi, 11005

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NOTICE

NOTICE is hereby given that the 19th Annual General Meeting of the company be and is hereby convened to be held on Wednesday 22nd August, 2012 at 11.30 a.m. at the registered office of the company at Village Banondi, PO; Shahzadpur, Teh. Naraingarh, Distt. Ambala to transact the following business(s):

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2012 and the Profit & Loss Account for the period ended at that date alongwith the Director's and Auditor's report thereon.
2. To appoint a Director in place of Mrs. Uma Sharma who retires by rotation and being eligible offers herself for reappointment.
3. To appoint a Director in place of Mr. Gurdev Singh Bassi who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Mr. Gurkirpal Singh Bedi who retires by rotation and being eligible offers himself for reappointment.
5. To consider and if thought fit to pass with or without modification the following resolution as an ordinary resolution:

To appoint Auditors and fix their remuneration.

RESOLVED THAT M/s. Vasudeva & Associates, Chartered Accountants, having office at SCO: 32-35, 1st Floor, Madhya Marg, Sector 8C, Chandigarh, the Statutory Auditors of the company, retiring at the ensuing Annual General Meeting, be and are hereby appointed as the Statutory Auditors of the company for the financial year ending on 31st March, 2013.

RESOLVED FURTHER THAT the Board of Directors of the company be and are hereby authorised to fix the remuneration and all out of pocket expenses in consultation with M/s. Vasudeva & Associates, Chartered Accountants.

BY ORDER OF THE BOARD
FOR NARAINGARH SUGAR MILLS LIMITED

Sd/-

Dated: 25/07/2012
Place: Chandigarh

(Onkar Anand)
Vice Chairman



Notes;

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not to be the member of the company. The Proxies in order to be effective be deposited at the registered office of the company at least 24 hrs before the time fixed of the meeting.
2. A member or Proxy should fill the enclosed attendance slip and deposit the same at the entrance of the meeting hall.
3. All correspondence regarding change of address, transfer/transmission of shares etc maybe made to the Registrars and Share Transfer agents M/s Alankit Assignments Limited, 205-206, Anarkali Market, Jhandelwala Extension, New Delhi - 110055.
4. The members desirous of obtaining any information concerning the accounts and the operations of the company are requested to send their queries to the company atleast seven days before the date of meeting so as to enable the company to make available the desired information at the meeting.
5. Share Transfer Books and Register of Members will remain closed from 16th August, 2012 to 22nd August, 2012 (both days inclusive)
6. Members are requested to bring their copies of Annual reports as no additional copies will be provided.

BY ORDER OF THE BOARD
FOR NARAINGARH SUGAR MILLS LIMITED

Sd/-

(Onkar Anand)
Vice Chairman

Dated: 25/07/2012
Place: Chandigarh



Information pursuant to Corporate Governance of the Listing Agreement (s) regarding the Directors seeking appointment/re-appointment in the Annual General Meeting

Name of the Director	Uma Sharma	Gurkirpal Singh Bedi	Gurdev Bassi
Date of Birth	20.01.1970	26.01.1968	25.04.1966
Date of appointment	30/07/2011	30/07/2011	30/07/2011
Expertise in Specific function	<p>18 years of post-qualification experience in the following areas:</p> <ul style="list-style-type: none"> ➤ Project Financing and Loan Syndication for new projects as well as for expansion purposes. ➤ Arrangement and Management of Working Capital & Term Finance. ➤ Budgeting and analysis of variances on monthly basis. ➤ Finalization of Balance Sheet. ➤ Costing on monthly basis. ➤ Handling Income Tax, Service Tax, Sales Tax, Costing, VAT, FBT and other allied matters. 	<p>20 years of post-qualification experience in the following areas:</p> <p>Profit Centre Operations</p> <ul style="list-style-type: none"> ➤ Establishing business operations from scratch and effectively managing the same. ➤ Mapping & analysing business potential, identifying new profitable products & product lines. ➤ Driving sales initiatives to meet desired targets with overall responsibility of achieving top line & bottom line profitability. <p>Business Development</p> <ul style="list-style-type: none"> ➤ Formulating corporate goals, short term and long term budgets and developing business plans for the achievement of these goals. ➤ Identifying key accounts/Government Departments and strategically secure profitable business. 	<p>20 years of post-qualification experience in the following areas:</p> <ul style="list-style-type: none"> ➤ Identification of projects and their implementation ➤ Providing Consultancy services in Financial matters ➤ Project Financing and Loan Syndication for new projects as well as for expansion purposes. ➤ Liaisoning with Banks and Financial institutions for arrangement and Management of Working Capital and Term Finance. ➤ Director of M/s Kamdhenu E-solutions (P) Ltd ➤ Working as Outsourcing partners with following blue chip companies: <ul style="list-style-type: none"> ● Reliance Communications Limited ● HFCL Infotel Limited ● TATA Teleservices Limited
Qualification	B.com, FCWA	B.E (Chemical)	B.com, FCA
Directorship of other Companies	N.A.	Gee Solutions Private Limited	Kamdhenu e-solutions Private Limited
Chairmanships/Membership of committees of other companies	Nil	Nil	Nil
Number of shares held	Nil	Nil	Nil
Relationship with other directors	Not related to any director	Not related to any director	Not related to any director



DIRECTORS' REPORT

To

The shareholders of
Naraingarh Sugar Mills Limited
Naraingarh

Your Directors are pleased to present the 19th Annual report of your company alongwith audited annual accounts of the company for the period ended 31st March, 2012.

OPERATIONS & FINANCIAL RESULTS

Particulars	Rs in Lacs	
	Current Year (31.03.2012)	Previous year (31.03.2011)
Total Income	7920.36	9091.42
Total expenditure	7522.22	8666.77
Profit before Depreciation and Tax	398.14	424.65
Depreciation	115.09	100.06
Profit after Depreciation and before tax	283.05	324.59
Taxes	59.71	62.67
Profit after Taxes	223.34	261.92
Earning per share	1.10	1.00

It is informed that during the current financial year the company achieved a turnover of Rs. 7920.36 Lacs which is approximately 13% lower than the last year figure of Rs. 9091.42 Lacs though the company had crushed 3296237 qtls of cane which is approximately 17.5 % higher than the last year figure of 2805732 qtls. There has been a decrease in net profit of Rs. 38.59 Lacs mainly due to increase in cane price.



The comparative figures of Cane crushed and recovery during the current year and last financial year which is given hereunder:-

Particulars	2011-12	2010-11
Cane Crushed(Qtls)	3296237	2805732
Recovery (%)	9.53	9.45
Production(Qtls)	314235	265136

Future Plans

Your company is an established player in the sugar industry and has been achieving profits despite overall poor performance of the industry in last 3-4 years. The management is taking keen interest in upgrading the technology and performance of the sugar manufacturing unit. Presently, the sugar mill has an installed capacity of 2500 TCD at its plant. Looking at the potential of the plant and the uptrend in the sugar industry, the company has proposed to enhance the crushing capacity to 5500 TCD from the existing 2500 TCD and stabilizing operations to 229 TCH from existing 104 TCH. For the purpose, the company has undertaken an in house feasibility with the help of newly recruited, highly competent technical professionals and now envisages implementation of 25MW capacity bagasse based cogeneration power plant alongwith expansion and modernization of Sugar Factory.

In addition to this, the company has already designed and proposed to install a sugar mill modification scheme for achieving steam and power economy. The scheme is for 40% steam on cane & 25 KWh/TCH. The cogen plant of 25MW shall operate on Bagasse generated during crushing season. During the off season the company proposes to collect biomass from the surrounding areas and indigenous coal for running the proposed cogen plant.

The proposed integrated project shall improve the quality of sugar for meeting the national and international standards while operating at optimum levels, thereby reducing the manufacturing costs and shall also provide raw material for cogen power plant in the form of Bagasse. In other words, this expansion and modernization program shall lend a new lease of life to the sugar factory.

Your Board expects much better performance in the years to come in view of the above modernization and expansion of sugar factory.

DIVIDEND

Keeping in view the financial constraints of the company, your directors have decided not to recommend any dividend for the year under review.



DIRECTORS

Change in Directorship

During the financial year under review, the Board has appointed Mrs. Uma Sharma, FCWA, Mr. Gurdev Bassi, FCA and Mr. Gurkirpal Singh Bedi as Additional Directors on 30th July, 2011 to act as independent directors under the provisions of Clause 49 of the listing Agreement. The appointment of Mrs. Uma Sharma, Mr. Gurdev Bassi and Mr. Gurkirpal Singh Bedi was regularized by the shareholders on 26th September, 2011.

Besides, IDBI has also withdrawn nomination of Mr. Sanjay Suroya from the directorship of the company w.e.f 7th May, 2011 and Mr. Romesh Chand Sud also resigned from directorship of the company on 1st June, 2011.

Directors to retire by rotation

As per provisions of Section 256 of the companies Act, 1956 Mrs. Uma Sharma, FCWA, Mr. Gurdev Bassi, FCA and Mr. Gurkirpal Singh Bedi retire by rotation and being eligible offer themselves for re-appointment at the ensuing annual general meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

Following the directors' Responsibility Statement as required under section 217 (2AA) of the companies (Amended) Act, 2000, in respect of the Financial Statements, the directors, confirm that:

- That during the preparation of annual accounts, applicable accounting standards and policies have been followed along with proper explanation relating to material departures.
- That the directors' have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the statement of affairs of the company at the end of the financial year ended on 31.03.2012 and of the profit or loss of the company for that period.
- That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- That the directors have prepared the annual accounts on a going concern basis.



AUDITORS

M/s Vasudeva & Associates, Chartered Accountants of the company retire at the ensuing Annual General Meeting. The said Chartered Accountants have confirmed their eligibility under section 224(1B) of the Companies Act, 1956. Your Board recommends their reappointment by way of ordinary resolution.

AUDITORS' REPORT AND OBSERVATIONS

The Auditors' report is self explanatory and does not call for any comments as the auditors have not made any adverse remarks/qualifications in the Auditors' Report.

COST AUDITORS

M/s Khushwinder Kumar & Co., Cost Accountants, Jalandhar were appointed as Cost Auditors for the financial year ended 31st March, 2012. Their report shall be submitted to the Department of Company Affairs, Government of India in accordance with the requirements of law.

REPORT ON CORPORATE GOVERNANCE

As per clause 49 of the Listing Agreement report on Corporate Governance alongwith Certificate of auditors in respect thereof and Management Discussion and Analysis Report forms an essential part of this report and are annexed herewith as Annexure-B.

PUBLIC DEPOSITS

The company has not invited any public deposits under section 58A, 58AA of the Companies Act, 1956 during the financial year under review.

HUMAN RELATIONS

The Directors wish to place on record their appreciation of the earnest efforts and contributions made by employees at all level for the smooth operation of the company.

PARTICULARS OF EMPLOYEES:

The Company has not employed any person, the information of which is to be given under section 217 (2A) of the companies act, 1956 read with the companies (Particulars of employees) Rules, 1975.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

The particulars as required under section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988, the information relating to conservation of energy and technology absorption and Foreign Exchange earning and Outgo forms an integral part of this report and is annexed as Annexure A.



ACKNOWLEDGEMENT

We take this opportunity to acknowledge our deep senses of gratitude to all Banks, central/state government department and other local authorities for unstinted and continued guidance and support. Our gratitude is also due to the shareholders, for the confidence and faith they have reposed in us.

By Order of the Board
For Naraingarh Sugar Mills Ltd

Sd/-

Onkar Anand
Vice Chairman

Date: 25/07/2012
Place: Chandigarh