



Naraingarh Sugar Mills Ltd.

Annual Report 2012-13

20th ANNUAL REPORT 2012-2013

NARAINGARH SUGAR MILLS LIMITED

**BOARD OF DIRECTORS**

Mr. Onkar Anand, Director & Vice Chairman

Mrs. Renu Anand, Director

Mrs. Ravinder Kaur Kang, Director

Mr. Mahavir Singh, Independent Director

Mr. Gurkirpal Singh, Independent Director

Mr. Gurdev Bassi, Independent Director

Mrs. Uma Sharma, Independent Director

Mr. Aman Handa, Independent 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

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 20th Annual General Meeting of the company be and is hereby convened to be held on Monday the 29th July, 2013 at 11.30 a.m. at the registered office of the company at Village Banondi, PO; Shazadpur, 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, 2013 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 Mr. Onkar Anand who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Mrs. Renu Anand who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Mr. Jitendra Anand 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, 2014.

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.

SPECIAL BUSINESS

6. To consider and if thought fit to pass with or without modification the following resolution as an ordinary resolution:

To regularize the appointment of Mr. Aman Handa as Director liable to retire by rotation.

RESOLVED THAT Mr. Aman Handa, who was appointed as Additional Director of the company and whose appointment comes to an end on the ensuing Annual General Meeting of the company and in



respect of whom the company has received a notice under section 257 of the Companies Act, 1956 from one of the shareholders, be and is hereby appointed as Director liable to retire by rotation.

BY ORDER OF THE BOARD
FOR NARAINGARH SUGAR MILLS LIMITED

Dated: 17/05/2013
Place: Chandigarh

Sd/-
(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 Tuesday the 23rd July, 2013 to Wednesday the 29th July, 2013 (both days inclusive).
6. Members are requested to bring their copies of Annual reports as no additional copies will be provided.
7. The explanatory statement pursuant to section 173(2) of the Companies Act, 1956 in respect of Items No. 6 is annexed hereto.

Item-6

As the shareholders are aware that Mr. Aman Handa was appointed as Additional Director on the Board of the company under Section 260 of the companies Act, 1956 to hold office till the conclusion of the Annual General Meeting w.e.f 30th March, 2013 in the capacity of independent director as per provisions of Clause 49 of the Listing Agreement. Mr. Aman Handa has been providing professional advice to the company much before his appointment as independent director and has given a new lease of life. He has been contributing to the growth of the company with his valuable services and has handled all the responsibilities efficiently as and when assigned to him by the Board. Besides, the company has also received notice under section 256 of the Companies Act, 1956 proposing his candidature for the appointment of Independent Director liable to retire by rotation.



Brief particulars of Mr. Aman Handa are as follows:-

Date of Birth: 01.02.1963

Qualification: B.A.

DIPLOMA IN ELECTRONICS & MANAGEMENT.

Experience: 30 years of post-qualification experience in the following areas:

- Identification of new projects and their implementation.
- Studying and analyzing marketing trends.
- Monitoring competitors' product and services.
- Preparing and managing marketing plans and budgets.
- Formulating, directing and coordinating marketing activities and policies to promote products and services, working with advertising and promotion managers.
- Identifying, developing and evaluating a company's or organization's marketing strategy, based on knowledge of its objectives, market characteristics, and cost and markup factors.
- Directing the hiring, training, and performance evaluations of marketing and sales staff and overseeing their daily activities.
- Evaluating the financial aspects of product development, such as budgets, expenditures, research and development appropriations, and return-on-investment and profit-loss projections.
- Developing pricing strategies, balancing firm objectives and customer satisfaction.
- Director of M/s Impreglam Electronics Limited

In view of varied experience of Mr. Aman Handa your Board recommends the regularization of his appointment as Independent Director liable to retire by rotation by way of ordinary resolution which shall be in best interests of the company.

None of the directors is interested in the above resolution

BY ORDER OF THE BOARD
FOR NARAINGARH SUGAR MILLS LIMITED

Dated: 17/05/2013
Place: Chandigarh

Sd/-
(Onkar Anand)
Vice Chairman



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	Onkar Anand	Renu Anand	Jitendra Anand	Aman Handa
Date of Birth	12.01.1957	12.11.1961	07.01.1951	01.02.1963
Date of appointment	03.11.2008	03.11.2008	03.11.2008	30.03.2013
Expertise in Specific function	<p>A) 32 years rich experience in the over all management of company's affairs and sufficient knowledge on the following subjects :-</p> <ul style="list-style-type: none"> - Man Management - Finance Control - Taxation Matters - Legal Matters - Marketing Research & Selling Strategies - Vendor Development - Liaison with Financial Institutions / Banks <p>(B) Promoted Rahul Sales Ltd., in the year 1991. The company specializes in the import of various commodities such as petroleum products, petrochemicals, polymers, heavy/ fine industrial chemicals, agro products.</p> <p>(C) Director of M/s Naraingarh Sugar Mills Ltd. - a Sugar manufacturing unit with an installed capacity of 3000 TCD along with a cogeneration of 5 MW per day.</p>	<p>(A) Have been associated with Rahul Sales Limited since the inception of the company in 1991 and have been handling finance, accounts and other administrative activities.</p> <p>(B) Appointed as Director in M/s Naraingarh Sugar Mills Limited w.e.f 3rd November, 2008.</p>	<p>(A) Worked in managerial capacity with the following sugar manufacturing companies:</p> <ul style="list-style-type: none"> (a) Gangeshwar Limited, Deoband for 13 years (b) Mahaluxmi Sugar Mills Limited, Iqbalpur for 1 year (c) RBN Sugar Mills, Laksar for 2 years <p>During association with the above companies, was directly involved in cane development, accounts, stores, purchase & stocks besides other administrative activities</p> <p>(B) Have been associated with Rahul Sales Limited for last 16 years and have been looking after procurement, marketing & logistics of sizeable volumes of various commodities including sugar, molasses & ethanol.</p>	<p>30 years of post-qualification experience in the following areas:</p> <ul style="list-style-type: none"> ➤ Formulating, directing and coordinating marketing activities and policies to promote products and services, working with advertising and promotion managers. ➤ Identifying, developing and evaluating a company's or organization's marketing strategy, based on knowledge of it's objectives, market characteristics, and cost and markup factors. ➤ Evaluating the financial aspects of product development, such as budgets, expenditures, research and development appropriations, and return-on-investment and profit-loss projections.



Name of the Director	Onkar Anand	Renu Anand	Jitendra Anand	Aman Handa
			(C) Appointed as Executive Director in M/s Naraingarh Sugar Mills Limited w.e.f 3rd November, 2008.	<ul style="list-style-type: none"> ➤ Developing pricing strategies, balancing firm objectives & customer satisfaction. ➤ Director of M/s Impreglam Electronics Limited ➤ Worked with Televista Electronics Ltd as Sales Engineer from 1983 - 1984. ➤ Joined Pratap Rajasthan Copper Foils & Laminates Limited, as Marketing Manager from 1984 - 1995. ➤ From 1995, associated with Impreglam Electronics Limited, a company engaged in the manufacturing of Copper Clad & Unclad Industrial Laminates. ➤ Appointed as independent director of Naraingarh Sugar Mills Limited w.e.f 30/03/2013.
Qualification	B.Sc, Diploma In Material management, Diploma in Marketing Management.	M.com	B.A.	B.A., Diploma in Electronics & Management.



Name of the Director	Onkar Anand	Renu Anand	Jitendra Anand	Aman Handa
Directorship of other Companies	-Rahul Sales Limited -Naraingarh Distillery Limited - RSL Builders (P) Ltd. - RSL Hotels & Resorts (P) Ltd. - RSL Aviations (P) LTd - RSL Pharmaceuticals (P) Ltd - RSL Estates (P) Ltd - Bhavna Agro Limited	--Rahul Sales Limited -Naraingarh Distillery Limited - RSL Aviations (P) Ltd - RSL Estates (P) Ltd	-Rahul Sales Limited -Naraingarh Distillery Limited	- Impreglam Electronics Limited
Chairmanships/ Membership of committees of other companies	Nil	Nil	Nil	Nil
Number of shares held	2010000	233600	Nil	Nil
Relationship with other directors	Husband of Mrs. Renu Anand Brother of Mr. Jitendra Anand	Wife of Mr. Onkar Anand	Brother of Mr. Onkar Anand	Not related to any director

**DIRECTORS' REPORT**

To

The shareholders of
Naraingarh Sugar Mills Limited
Naraingarh

Your Directors are pleased to present the 20th Annual report of your company alongwith audited annual accounts of the company for the period ended 31st March, 2013.

OPERATIONS & FINANCIAL RESULTS

Rs in Lacs

Particulars	Current Year (31.03.2013)	Previous year (31.03.2012)
Total Income	12060.43	7920.36
Total expenditure	11574.64	7522.23
Profit before Depreciation and Tax	485.79	398.13
Depreciation	170.24	115.09
Profit before tax	315.55	283.04
Taxes	58.83	59.71
Profit after Taxes	256.72	223.33
Earning per share	1.35	1.10

It is informed that during the current financial year the company achieved a Gross turnover of Rs. 12482.79 Lacs which is approximately 55% higher than the previous year figure of Rs 8057.22 Lacs. The company was able to register a net profit after taxes of Rs. 256.72 Lacs compared to Rs. 223.33 lacs during last financial year.

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

Particulars	2012-13	2011-12
Cane Crushed (MT)	363980	329624
Recovery (%)	9.47	9.53
Production(MT)	34469	31424



Future Plans

Your company is an established player in the sugar industry and has been showing consistent profits despite overall dismal performance of the industry in the last few years. The management is taking keen initiatives in bringing the technology and performance of the unit at par with the big players in the industry. As briefed by the management in previous reports that it has proposed to set up a 25MW capacity cogeneration power plant apart from expansion and modernization of existing sugar plant. As a part of the Concurrent modernization and expansion plan of the sugar plant, the company has invested an amount of Rs. 5.27 Cr. from its internal accruals for increasing the installed capacity of the unit to 3000 TCD from the existing 2500 TCD during the financial year under review which shall be further increased to 5500 TCD before the start of sugar season 2014 in a phased manner thus stabilizing operations to 229 TCH from existing 125 TCH. The company is also at the final stages of entering into an implementation agreement (IA) with Haryana Renewable Energy Development Agency (HAREDA) for setting up the Grid Connected Industrial Bio mass/Bagasse Cogeneration Power project. The power project is on implementation stage and is likely to be commissioned before the start of sugar season 2014 in integration with sugar mill expansion/modernization plans of the company.

The company has designed and initiated the installation of modification scheme for achieving steam and power economy. The design philosophy will be able to generate optimum levels of power from high pressure steam, supply steam and power requirements of the sugar complex and auxiliaries and export optimum level of power to HSEB's substation. The cogeneration project has several advantages in terms of availability of required space, suitability from topographical and geological considerations, availability of rail/road networks, sugar availability, water availability and nearest grid connectivity for operating the project.

The alone integrated project shall not only improve the quality of sugar for meeting the national and international standards while operating at optimum levels, but also reduce the manufacturing costs apart from providing raw material for cogen power plant in the form of Bagasse. Implementation of cogen power plant concurrently with sugar expansion/modernization project along with other by-products right from beginning goes a long way to integrate the operations and improve sustainability and shall mitigate the risk of fluctuation in international market prices to some extent.

In view of the above your Board expects much better performance in the years to come.

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, Mr. Shashi Bhushan Mahen and Mr. Vijay Mahen resigned from the Directorship of the company w.e.f 23rd August, 2012 and Mr. Aman Handa was appointed as