



Naraingarh Sugar Mills Ltd.

Annual Report 2014-15

22nd ANNUAL REPORT 2014-2015

NARAINGARH SUGAR MILLS LTD.

CIN No. : L74899HR1991PLC032873



BOARD OF DIRECTORS

Mrs. Renu Anand
Mr. Sandeep Singh
Mr. Mahavir Singh
Mr. Gurkirpal Singh Bedi
Mr. Aman Handa

COMPANY SECRETARIES

Mrs. Jaswant Kaur (Till October 2015)
Mrs. Diksha (From March 2015)

STATUTORY AUDITORS

M/s Vasudeva & Associates
Chartered Accountant
Chandigarh

SECRETARIAL AUDITORS

M/s A. Arora & Company
Company Secretaries
Chandigarh

COST AUDITORS

M/s Khushwinder Kumar & Co.,
Cost Accountants
Jalandhar

REGISTERED OFFICE & WORKS

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

REGISTRAR AND SHARE TRANSFER AGENT

M/s Alankit Assignments Limited
Alantit House 4E/2
Jhandewalan Extension, New Delhi-110055.

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NOTICE

NOTICE is hereby given that the 22nd Annual General Meeting of the company be and is hereby convened to be held on Monday, the 28th September, 2015 at 10.30 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, 2015 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. Renu Anand (Din No: 01369754) who retires by rotation and being eligible offers herself for reappointment.
3. To consider and if thought fit to pass with or without modification the following resolution as an ordinary resolution:

To ratify the appointment of Statutory Auditors and fix their remuneration.

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the recommendation made by the Audit Committee and the Board of Directors and pursuant to the approval of the members at the twenty first Annual General Meeting, the company hereby ratifies the appointment of M/s. Vasudeva & Associates, Chartered Accountants (Registration No:022239N with the Institute of Chartered Accountants of India) having office at SCO: 32-35, 1st Floor, Madhya Marg, Sector 8C, Chandigarh, as Statutory Auditors of the company, to hold office until the conclusion of the Annual General Meeting to be held in the year 2017 at a remuneration to be determined by the Board of Directors of the company in addition to out of pocket expenses as may be incurred by them during the course of the audit.”

SPECIAL BUSINESS

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

Regularization of the appointment of Mr. Sandeep Singh, Additional Director

“RESOLVED THAT Mr. Sandeep Singh, who was appointed as an additional director of the company effective from 14th August 2015, by the board of directors and who holds office until the date of the Annual General Meeting, pursuant to the provisions of Section 161 of the Companies Act 2013 and article no. 87 of the Articles of Association of the company and in respect of whom the company has received a notice under section 160, proposing his candidature, be and is hereby appointed as Director of the company, liable to retire by rotation.”

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary resolution:

To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2016.

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the cost auditors appointed by the Board of Directors of the company to conduct the audit of cost records of the company for the financial year ending 31st March, 2016, be paid the remuneration as set out in the Statement annexed to the notice convening this Meeting.



“ FURTHER RESOLVED THAT the Board of Directors of the company be and is hereby authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution”

7. To consider the issuance of debentures.

“RESOLVED that pursuant to the provisions of sections 42 and 71 of the Companies Act, 2013 (the Act) read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and all other applicable provisions of the Act and the Rules framed thereunder, as may be applicable, and other applicable Guidelines and Regulations issued by the Securities and Exchange Board of India (SEBI) or any other law for the time being in force (including any statutory modification(s) or amendment thereto or re-enactment thereof for the time being in force) and in terms of the Articles of Association of the Company, approval of the Members of the Company be accorded to authorize the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof) to borrow from time to time, by way of securities including but not limited to secured/unsecured redeemable Non-Convertible Debentures (NCDs) to be issued under Private Placement basis, in Domestic market, in one or more series/tranches aggregating upto an amount not exceeding Rs. 10,00,00,000 (Rupees Ten Crores only), issuable/redeemable at discount/par/ premium, under one or more shelf disclosure documents, during the period of 1 (one) year from the date of this Annual General Meeting, on such terms and conditions as the Board may, from time to time, determine and consider proper and most beneficial to the Company including as to when the said NCDs be issued, the consideration for the issue, utilisation of the issue proceeds and all matters connected with or incidental thereto; provided that the said borrowing shall be within the overall borrowing limits of the Company.

FURTHER RESOLVED that approval of the Company be accorded to the Board of Directors of the Company (including any Committee thereof) to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection including seeking all necessary approvals to give effect to this Resolution and to settle any questions, difficulties or doubts that may arise in this regard.”

**BY ORDER OF THE BOARD
FOR NARAINGARH SUGAR MILLS LTD**

Date: 13/08/2015
Place: Chandigarh

Sd/-
RENU ANAND
DIRECTOR



NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and the proxy need not be a member of the company. The Proxies in order to be effective be deposited at the registered office of the company not less than 48 hrs before the commencement of the meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in aggregate not more than ten per cent of the total share capital of the company carrying voting rights. A member holding more than ten per cent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the company a certified copy of the Board resolution authorising their representatives to attend and vote on their behalf at the Meeting.
3. Brief resume of Directors including those proposed to be appointed/re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under clause 49 of the Listing agreement with the Stock exchanges are annexed herewith.
4. A statement pursuant to Section 102(1) of the Companies Act 2013, relating to the special business to be transacted at the meeting is annexed hereto.
5. A member or Proxy should bring the duly filled attendance slip along with their copy of Annual report to the meeting. The attendance slip shall be deposited at the entrance of the meeting hall.
6. 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.
7. Pursuant to the provision of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the company is pleased to offer e-voting to the members to cast their votes electronically on all resolutions set forth in the Notice convening the 22nd Annual General Meeting to be held on Monday the 28th September, 2015 at 10.30 a.m. at Registered Office of the company. The company has engaged the services of National Securities Depository Limited (NSDL) to provide e-voting facility. The e-voting facility is available at the link: <https://www.evoting.nsdl.com>

These details and instructions form an integral part of the notice convening the 22nd AGM to be held on 28th September 2015.

Members are requested to follow the instructions below to cast their vote electronically:-

- (a) Open the internet browser and launch the URL: <https://www.evoting.nsdl.com>
- (b) Click on Shareholder login
- (c) If you are already registered with NSDL for e-voting, no password has been provided. Please enter your User Id and existing password and click login. (For assistance contact NSDL on (022) 24994600 or email at evoting@nsdl.co.in)
- (d) If you are logging in for the first time, please enter your user id and Password provided to you. Click Login.
- (e) Password change menu will appear. Change with the new password of your choice with minimum 8 digits or characters or a combination of both. (Changing initial password is mandatory). Please take



utmost care to keep the Password confidential.

- (f) Login to 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 'Forgot Password' option available on the website to reset the same.
- (g) Home page of e-Voting opens. Click on e-Voting to activate voting cycles.
- (h) Select EVEN - (E-Voting Event Number) of Naraingarh Sugar Mills Limited. Once you select the EVEN, the Cast Vote page will open. Now you are ready for e-voting
- (i) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained for that particular item.
- (j) Cast your vote by selecting your favored option and click Submit. Also click Confirm when prompted. Upon confirmation, the message Vote cast successfully will be displayed. Please note that once your vote is cast on the selected resolution, it cannot be modified.
- (k) Institutional members (i.e. members other than individuals, HUF, NRIs, etc.) are required to send a scanned copy (PDF/JPG format) of the relevant board resolution / authority letter, etc. together with the attested specimen signature(s) of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer through email at : ajaykcs@gmail.com , with a copy marked to evoting@nsdl.co.in
- (l) In case of any queries, please refer to the Frequently Asked Questions (FAQs) for members and the e-voting user manual for members available in the Downloads section of <mailto:evoting@nsdl.co.in> <https://www.evoting.nsdl.com> You can also contact NSDL through e-mail at evoting@nsdl.co.in or on telephone no. 022-2499 4600

8. GENERAL INSTRUCTIONS FOR E-VOTING

- (i) The e-voting period commences on Friday, September 25, 2015 at 9.00 a.m. and ends on Sunday, September 27, 2015, at 5.00 p.m. During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Tuesday 22ND September, 2015, may cast their vote electronically. The e-voting module shall be disabled for voting after the e-voting period ends. Either in physical form or in dematerialized form, as on the cut-off date (record date) of Tuesday 22nd September, 2015, may cast their vote electronically. The e-voting module shall be disabled for voting after the e-voting period ends.
- (ii) The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date (record date) of Tuesday 22ND September, 2015.
- (iii) You are advised to cast your vote only through one mode (E-voting or at the AGM). In case you cast your votes through both the modes, votes cast through E-voting shall only be considered and votes cast at the AGM would be rejected.
- (iv) Mr. Ajay Arora, Practicing Company Secretary (Membership No. FCS 993) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (v) The Scrutinizer shall, within a period of not exceeding 48 hours from the conclusion of the Annual General Meeting, unblock the votes in the presence of at least two witnesses, not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour of or against, if any, forthwith to the Chairman of the Company.
the Company and make a Scrutinizer's Report of the votes cast in favour of or against, if any, forthwith to the Chairman of the Company.
- (vi) The results declared along with the Scrutinizer's Report shall be placed on the NSDL website <https://www.evoting.nsdl.com> within three working days of the passing of the resolutions at the 22nd AGM of the Company on September 28th, 2015 and also communicated to BSE Ltd. (BSE).

9. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered office of the company on all working days, except Saturdays, during business hours upto the date of the meeting.

10. The company has notified closure of Register of members and Share transfer books from Wednesday, the 23rd

September 2015 to Monday, the 28th September, 2015 (both days inclusive).

11. Members holding shares in electronic form are requested to intimate immediately any change in their address to their Depository Participants with whom, they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address immediately to the Registrars and Share Transfer agents M/s Alankit Assignments Limited, Alankit House, 4E/2, Jhandelwala Extension, New Delhi - 110055.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form, are therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the company or directly to Alankit Assignments Limited.
13. Members holding shares in Single name and physical form are advised to make nomination in respect of their shareholding in the company. The nomination form is annexed herewith the notice and is available from the company/Alankit Assignments Limited.
14. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Alankit Assignments Limited for consolidation into single folio.
15. **Members who have not registered their email addresses so far are requested to register their email address for receiving all communication including Annual report, Notices, circulars etc from the company electronically.**
16. 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 at least seven days before the date of meeting so as to enable the company to make available the desired information at the meeting.

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

The following statements set out all material facts relating to Special Business mentioned in the accompanying notice:

Item No. 5

Mr. Sandeep Singh was appointed as an Additional Director on the board of the company w.e.f. 14th August 2015. Pursuant to Section 161 of the Companies Act 2013, he holds office upto the date of ensuing Annual General Meeting of the Company. The company has received notice under section 160 of Companies Act 2013 proposing the candidature of Mr. Sandeep Singh for the office of the director under the provisions of section 161 of the Companies Act 2013.

None of the directors of the company except Mr. Sandeep Singh are interested or concerned with this resolution.

Item No. 6

The Board, on the recommendations of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the company for the financial year ending 31st March, 2016 as per the following details:

Sl. No.	Name of the Cost Auditor	Industry	Audit fees
01	Khushwinder Kumar & Co., Cost Accountants	Sugar	₹ 45000/-

In accordance with the provisions of Section 148 of the Act read with Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary resolution as set out in Item no. 6 of the notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31st, 2016.

None of the Directors/Key Managerial Personnel of the company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out in Item no. 6 of the Notice.

The Board recommends the ordinary resolution set out at Item no. 6 of the Notice for approval by the shareholders as ordinary resolution.

Item No. 7

In terms of Section 42 and other applicable provisions of the Companies Act, 2013 as well as the relevant rules made thereunder including The Companies (Prospectus and Allotment of Securities) Rules, 2014, private placement of securities is permitted subject to prescribed disclosures and approval of Members by Special Resolution. Such Special Resolution would remain valid for a period of one financial year for securities issued during that Financial Year on private placement basis.

The company seeks to pass a resolution to borrow funds from time to time by offer of securities including but not limited to Non- Convertible Debentures not exceeding Rs. 10,00,00,000 (Rupees Ten Crores Only) on private placement basis, approval of the Members is requested for Special Resolution for making offer(s) or invitation(s) for the issue of debentures during FY 2015-16 The Board of Directors of the Company commends the resolution for approval of the Members.

None of the Directors of the Company may deemed to be concerned or interested in the resolution.

**BY ORDER OF THE BOARD
FOR NARAINGARH SUGAR MILLS LTD**

Date: 13/08/2015
Place: Chandigarh

Sd/-
RENUANAND
DIRECTOR

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	Renu Anand	Sandeep Singh
Date of Birth	12.11.1961	15.03.1982
Date of Appointment	03.11.2008	14.08.2015
Expertise in Specific function	<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 Director in M/s Naraingarh Sugar Mills Limited w.e.f 3rd November, 2008.</p>	<p>Possess a good experience in</p> <ul style="list-style-type: none"> ● Providing the planning and leadership to the Marketing Department by ensuring that the appropriate structures, systems, competencies and values are developed in order to meet and exceed the goals of the Marketing plan. ● Developing the annual marketing plan for the organisation; for strategic market planning; market research programmes; field force activities, and control of the marketing budget.
Qualifications	M. Com	Graduate
Directorship of other Companies	<ul style="list-style-type: none"> - Rahul Sales Limited - Naraingarh Distillery Limited - RSL Aviations (P) Ltd - RSL Estates (P) Ltd - RSL Hotels Private Limited - RSL Pharmaceuticals 	NIL
Chairmanships / Membership of committees of other companies	NIL	NIL
Number of shares held	233600	NIL
Relationship with other Directors	None	None



DIRECTORS' REPORT

To

The Shareholders of
Naraingarh Sugar Mills Limited
Naraingarh

Your Directors are pleased to present the 22nd Annual report of your company alongwith audited annual accounts of the company for the period ended 31st March, 2015.

OPERATIONS & FINANCIAL RESULTS

Particulars	Year ended 31st March 2015	Year ended 31st March 2014
Income from operations		
Net sales/income from operations	11426.04	17133.68
Other operating Income	34.94	22.91
Other Income	14.82	16.78
Total income	11475.80	17173.37
Total expenses (excluding Depreciation and Finance costs)	13216.56	16564.24
EBIDTA	(1740.76)	609.13
Depreciation	186.94	180.61
Finance costs	25.40	97.62
Profit / (Loss) from ordinary activities after finance costs but before exceptional items	(1953.10)	330.90
Exceptional items	0	(1.22)
Profit / (Loss) from ordinary activities before tax	(1953.10)	329.68
Tax expense	47.41	191.16
Net Profit / (Loss) from ordinary activities	(2000.51)	138.52

It is informed that during the current financial year the company achieved a total income of Rs. 11475.79 Lacs which is approximately 33% lower than the previous year figure of Rs 17133.68 Lacs. The company deeply suffered a net loss after taxes of Rs.2000.51 Lacs compared to net profit after tax of Rs. 138.52 lacs during last financial year due to decline in the market price of sugar during the year from Rs. 3,100 per quintal to Rs. 2,500 per quintal during the reporting year, which has further reduced to Rs. 2,200 per quintal. The company had crushed 477069 MT of cane which is approximately 16.9% higher than the last year figure of 407977 MT. This was followed by an equivalent increase in sugar production from last years' 41339 MT to 48378 MT.