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

SECRTARIAL 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, Ist 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

Sd/-
RENU ANAND
DIRECTOR

Date: 13/08/2015
Place: Chandigarh

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 161of 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 perthe 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

Sd/-
RENU ANAND
DIRECTOR

Date: 13/08/2015
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	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	(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. (B) Appointed Director in M/s Naraingarh Sugar Mills Limited w.e.f 3rd November, 2008.	Possess a good experience in ● 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	- 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.

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

Particulars	2014-15	2013-14
Cane Crushed (MT)	**477069.00**	407977.00
Recovery (%)	**10.14**	10.13
Production (MT)	**48378.00**	41339.00

Future Plans

Your company had been achieving profits despite overall poor performance of the industry in last 4-5 years but the worsening domestic and international market condition of sugar prices has led to losses in the last financial year The management is taking keen interest in upgrading the technology and performance of the sugar manufacturing unit. As a part of the modernization and expansion plan, the company increased its installed capacity from 3500 TCD to 4000 TCD during the financial year under review.

The company's 25MW capacity Bagasse based cogeneration power plant is still under construction and is expected to be operational in the coming season. Besides, the company is also in the process to enhance the crushing capacity to 5500 TCD from the existing 4000 TCD as per the proposed plans.

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 hopes to improve in the years to come in the way of above mentioned modernization project.

THE BOARD

DIRECTORS

Change in Directorship

Mr. Sandeep Singh was appointed as the additional Director of the company w.e.f 14th August 2015 and seeks regularization in this Annual General Meeting.

Mr. Jitendra Anand, Executive Director of the company had resigned from the said post w.e.f 22nd July 2015
Mrs. Uma Sharma, Independent Director of the company had resigned from the said post with effect from 31st July, 2014
During the Financial Year under review.

Mr. Gurdev Bassi resigned from the post of Independent Director of the company w.e.f 30th March 2015.

Mr. Baldev Singh Kang and Mrs. Ravinder Kaur Kang did not attend any board meeting during the Financial Year and thus their office stands vacated by the virtue of Section 167 of Companies Act 2013,

Directors to retire by rotation

In terms of Articles of association of the company, Mrs. Renu Anand shall retire by rotation and being eligible offers herself for re-appointment at the ensuing Annual General Meeting.

The board has recommended the appointment of Mr. Sandeep Singh as the Whole-time director on the board of the company who seeks confirmation of the shareholders in the ensuing Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

Following is the Directors' Responsibility Statement as required under section 134(4) of the Companies Act, 2013, in respect of the Financial Statements, the directors confirm :

- 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 31.03.2015 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 provisions of Companies Act, 2013 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.
- The directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

DECLARATION BY INDEPENDENT DIRECTORS

The Board of Directors of the Company hereby confirms that all the Independent directors duly appointed by the Company have given the declaration and they meet the criteria of independence as provided under section 149(6) of the Companies Act, 2013.

REMUNERATION POLICY

Remuneration to Executive Directors:

The remuneration paid to Executive Directors is recommended by the Nomination and Remuneration Committee and approved by the Board in Board meeting, subject to the subsequent approval of the shareholders at the General Meeting and such other authorities, as may be required. The remuneration is decided after considering various factors such as qualification, experience, performance, responsibilities shouldered, industry standards as well as financial position of the Company.

AUDITORS

STATUTORY AUDITORS

M/s Vasudeva & Associates, Chartered Accountants (ICAI Registration No. 022239N) were re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of the 21st Annual General Meeting (AGM) held on 30th September, 2014 until the conclusion of the third consecutive AGM of the Company to be held in the year 2017 (subject to ratification of their appointment by the Members at every AGM held after the AGM held on 30th September, 2014).

As required under the provisions of section 139(1) of the Companies Act, 2013, the Company has received a written consent from M/s Vasudeva & Associates, Chartered Accountants to their appointment and a Certificate, to the effect that their appointment, if made, would be in accordance with the Companies Act, 2013 and the Rules framed thereunder and that they satisfy the criteria provided in section 141 of the Companies Act, 2013.

The Members are requested to ratify the appointment of the Statutory Auditors as aforesaid and fix their remuneration.

The Auditors' Report does not contain any qualification, reservation or adverse remark.

COST AUDITORS

M/s Khushwinder Kumar & Co., Cost Accountants, Jalandhar were appointed as Cost Auditors for the financial year ended 31st March, 2015. Their report shall be submitted to the Department of Company Affairs, Government of India in

accordance with the requirements of law.

SECRETARIAL AUDITORS

Pursuant to the provisions of section 204 of the Companies Act,2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s A. Arora & Co, Company Secretary (Certificate of Practice Number: 993) to undertake the Secretarial Audit of the Company.

In terms of provisions of sub-section 1 of section 204 of the Companies Act, 2013, the Company has annexed to this Board Report as Annexure A, a Secretarial Audit Report given by the Secretarial Auditor.
The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

TRANSFER TO RESERVES IN TERMS OF SECTION 134 (3) (J) OF THE COMPANIES ACT, 2013

For the financial year ended 31st March, 2015, the Company did not transfer any sum to the General Reserve Account due to heavy loss suffered during the period.

DIVIDEND

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

LOANS, GUARANTEES AND INVESTMENTS

The Company has following Loans, Guarantee given and Investments made under section 186 of the Companies Act, 2013 for the financial year ended 31st March 2015:

S.No.	Date of Transaction	Particular/Purpose/Nature of Transaction	Amount of Transaction
1.	20.10.2014	SECURED REDEEMABLE NON CONVERTABLE DEBENTURES OF IFCI LTD.	2,00,000

RELATED PARTY TRANSACTIONS

All related party transactions entered during the year were in Ordinary course of business and on Arm's Length basis. Further all the necessary details of transactions entered with the related parties are attached herewith in form no. AOC-2 for your kind perusal and information. (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.

INTERNAL FINANCIAL CONTROLS

Your Company has in place, adequate internal financial controls with reference to financial statements, commensurate with the size, scale and complexity of its operations. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

GOVERNANCE

Corporate Governance

Your Company has a rich legacy of ethical governance practices many of which were implemented by the Company, even before they were mandated by law. Your Company is committed to transparency in all its dealings and places high emphasis on business ethics. A Report on Corporate Governance along with a Certificate from the Statutory Auditors of

the Company regarding compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement form part of this Annual Report.

Vigil Mechanism

The Vigil Mechanism as envisaged in the Companies Act, 2013, the rules prescribed thereunder and the Listing Agreement is implemented through the Company's Whistle Blower Policy to enable the Directors and employees of the Company to report genuine concerns, to provide for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the Chairman of the Audit Committee.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

The particulars as required under section 134(3)(m) of the Companies Act, 2013, 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 C.

ACKNOWLEDGMENT

We take this opportunity to acknowledge our deep senses of gratitude to all banks, central/state government departments 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/-
RENU ANAND
DIRECTOR

Date: 13/08/2015
Place: Chandigarh

Annexure A

AJAY ARORA
LLB, F.C.S

AJAY ARORA & CO.
COMPANY SECRETARIES
SCO:64-65, IST FLOOR
SECTOR-17A, MADHYA MARG
CHANDIGARH
PH:(O)2701906, (M)
9814006492

Form No. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Naraingarh Sugar Mills Limited
Village: Banondi,
Teh: Naraingarh, Ambala
Haryana

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by NARAINGARH SUGAR MILLS LIMITED (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the NARAINGARH SUGAR MILLS LIMITED'S books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by NARAINGARH SUGAR MILLS LIMITED ("the Company") for the financial year ended on March 31, 2015 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;
(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2013.
b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009- Not applicable as the company has not issued any securities during the financial year under review.

d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme)Guidelines, 1999- Not applicable as the company has not granted any options to its employees during the financial year under review.

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- Not applicable as the company has not issued any debt securities during the financial year under review.

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client- Not applicable as the company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review.

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- Not applicable as the company has not delisted any securities from any stock exchange during the financial year under review.

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998- Not applicable as the company has not bought back any of its securities during the financial year under review.

I have also examined compliance with the applicable clauses of the following:

a) Secretarial Standards issued by The Institute of Company Secretaries of India -Not notified, hence not applicable to the company during the audit period.

b) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited (The trading of the company's shares stands suspended on the Bombay Stock Exchange Limited for last several years.)
During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

Based on our examination and the information received and records maintained, I further report that

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

2. As per the representation made by the management, adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent well in advance by hand, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Although, no documentary evidences of the delivery of the notice and the agenda could be found in the records of the company.

3. All decisions are carried out through majority while the dissenting members' views, if any, are captured and recorded as part of the minutes.

4. The company has proper board processes.

Based on the compliance mechanism established by the company and on the basis of the compliance certificate(s) issued by the Company Secretary/ Officers and taken on record by the board of directors in their meeting(s), I am of an opinion that:

1. There are adequate systems and processes in the company commensurate with the size and operations of the

company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

2. Based on the examination of the relevant documents and records on test check basis the company has Complied with the following laws specifically applicable to the company:

   a) Sugar Cess Act, 1982
   b) Food Safety and Standards Act, 2006
   c) Essential Commodities Act, 1955
   d) Sugar Development Fund Act, 1982
   e) Levy Sugar Price Equalization Fund Act, 1976

I further report that:

1. Mr. Baldev Singh Kang and Mrs. Ravinder Kaur Kang, Directors of the company have not attended any meeting of the board of directors during the last 12 months. The aforesaid directors were liable to vacate the office. Although, they have not vacated the office till the end of the audit period.

2. The official website of the company, as per the requirements of Clause 54 of the Listing Agreement, is not updated.

I further report that during the audit period:

1. The company passed a Special Resolution under Section 180(1)(a) of Companies Act, 2013 to authorise the directors to create a charge or mortgage on the property of the company.

2. The company passed a special resolution under Section 180(1)©of Companies Act, 2013 to authorise the directors to exercise borrowing powers upto a limit of Rs. 400.00 Crores over and above the aggregate of the paid-up share capital and free reserves of the company.

3. The company passed a Special Resolution under Section 14(1) of Companies Act, 2013 amending its Articles of Association in compliance with the provisions of Companies Act, 2013.

Apart from the business stated above, there were no instances of:

(i) Public / Rights / Preferential issue of shares / debentures / sweat equity.
(ii) Redemption / buy-back of securities.
(iii) Merger / amalgamation / reconstruction etc.
(iv) Foreign technical collaborations.

For A. ARORA & COMPANY
sd/-
AJAY K. ARORA
FCS No. 2191
C P No.: 993

Place : Chandigarh
Date : 13.08.2015

This report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.

"Annexure-A to Secretarial Audit Report"

To,

The Members,
Naraingarh Sugar Mills Limited
Village: Banondi,
Teh: Naraingarh, Ambala
Haryana

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

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records, based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.

4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the extent of verification of procedures on test basis.

6. The secretarial audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For A. ARORA & COMPANY
sd/-
AJAY K. ARORA
FCS No. 2191
C P No.: 993

Place : Chandigarh
Date : 13.08.2015

Annexure B to Director's Report

Disclosure of Particulars in respect of conservation of energy and technology

A. Conservation of energy

(a) The company has installed most modern equipment in the plant in order to minimize energy consumption.
(b) The company does not allow wastage of energy and resources.
(c) Every department has been given different electric connections which are used only at the time of need. In the absence of staff all the electrical appliance are put off.

B. Power and Fuel Consumption				
1	Electricity:		Current Year (2014-15)	Previous Year (2013-14)
a)	Purchased Unit (Nos.)		301179	258591
b)	Amount (Rs.)		2728344	2301653
	Rate per unit (Rs.)		Rs. 9.06	Rs. 8.9
c)	Own Generation			
	i)	Through Diesel Gen. Set		
		Unit (Nos.)	332974	262955
		Unit per liter of Diesel oil	3.22	2.68
		Diesel rate per unit (Rs.)	Rs. 17.08	Rs. 20.60
	ii)	Through Steam Turbine	13049970	11987067
		Generation unit		
		Unit per Tonne of fuel	222.22	222.22
		Rate/Unit	8.86	6.52
		(Being Generated out of Steam required for process)		
2		Bagasse Quantity	115821.7	115115.6
		(Quantity M.T.)		
		Total Cost (Rs. In lacs)	2281.69	1669.17
		(Estimated due to own generation)		
		Average Rate (Rs.)	1970	1450
3		Consumption per Unit of Product		

B. TECHNOLOGY ABSORPTION

1) The company is regularly carrying on activities of development of sugarcane in the area.
2) Agricultural implements, fertilizers, pesticides and cane seeds are supplied to the cane growers on loan basis and at subsidized rates.
3) Expenditure incurred on R & D – Nil
4) Total Expenditure as %age of Turnover – Nil
5) Technology absorption, adoption and innovation.
(a) The company has adopted latest technology in the plant to maximize production, yield, better quality and to minimize consumption of energy.
(b) Technology imported during last five years – Nil

C. FOREIGN EXCHANGE EARNING AND OUTGO

The company has not done any transactions in foreign exchange.

Annexure C to Director's Report

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

S. No	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first provision to Section 188
	NIL		NIL		NIL			NIL

2. Details of material contracts or arrangement or transactions at arm's length basis

S. No	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
1.	RAHUL SALES LIMITED	To arrange Import of Raw Sugar by M/s Rahul Sales Ltd for further processing purpose by M/s Naraingarh Sugar Mills Ltd.	2 Years	M/s Rahul Sales Ltd to arrange import of Raw Sugar valued at Rs 30 Crores as and when required by M/s Naraingarh Sugar Mills Ltd	26.03.2014	Rs. 25.43 Crores to M/s Rahul Sales Limited as per contract/ letter of arrangement entered into between M/s Naraingarh Sugar Mills Ltd and M/s Rahul Sales Ltd.
2.	RAHUL SALES LIMITED	Sales of Sugar (Finished Goods) valued at Rs 22.06 Crore by Naraingarh Sugar Mills Limited to Rahul Sales Limited during the FY 2013-14	Open Contract	Maintained at arm's length similar to third party contracts. Value of such transactions during the financial year is mentioned in the notes forming part of financial statements	01.04.2013	N/A

Annexure D to Director's Report

REPORT ON CORPORATE GOVERNANCE

Corporate Governance

Corporate Governance is an ever-evolving art to put into practice ethical business conduct that focuses on four of its key elements – transparency, fairness, disclosures and accountability. Primarily, the governance system affects the way the company functions and hence impact its performance. While governments can frame regulations that can direct the course of governance in a country and the world, but it is for the companies and management to believe in and implement the legal, economic and social process by which companies should run.

In India, Clause 49 of the listing agreement of the Indian Stock Exchanges mandates adherence of a code of corporate governance by the listed companies. It encompasses certain mandatory and non-mandatory clauses in various areas, like, statutory auditor-company relationship, auditor's independence, working of audit committees, Board composition and governance, certification of accounts and financial statements by managers and directors, the role of independent directors etc.

NSML has embedded the best of corporate governance practices in its day to day operations aimed at building trust with shareholders, employees, customers, suppliers (including farmers) and diverse stakeholders. The company's policies on Corporate Governance and compliance thereof in respect of specific areas for the year ended 31st March, 2015 in the format prescribed by Clause 49 of the Listing Agreement with the stock exchanges are set out below for the information of the shareholders and investors of the company.

1. Company's Philosophy

In Naraingarh Sugar Mills Limited (NSML), the pursuit towards achieving good Corporate Governance is an on-going process, thereby ensuring truth, transparency, accountability and responsibility in all our dealings with customers, dealers, employees, shareholders and with every individual who comes in contact with the Company.

NSML firmly believes that the practice of trusteeship, transparency, empowerment and accountability in all dealings with its stakeholders, which leads to the creation of the right corporate culture and fulfils the purpose of Corporate Governance. This helps the company to perform better thus culminating into higher productivity of the corporate resources. The ethical values have been sufficiently integrated with business acumen as part of Corporate Governance framework implemented by the company. The philosophy, principles and practice of corporate governance in NSML can be concisely stated as:

- Observance with true spirit of law rather than just with the letter of law.
- Transparency in all business dealings and transactions.
- Maintaining a high degree of disclosure levels in timely and accurate manner.
- Correct and factual internal and external communication
- Equality in treating all shareholders – the organization is always keenly conscious of the management's role as a trustee of shareholder's capital.
- Clear distinction between personal conveniences and corporate resources.
- Compliance with all the applicable law.
- Strategic guidance and effective monitoring by the Board of Directors
- The accountability of the Board of Directors to the company and shareholders.

2. Board of Directors & its Committees

In compliance with the Corporate Governance norms the present strength of the Board is Five headed by Mrs. Renu Anand, Non-Executive Director. The management has rich experience in handling corporate matters. Except Mr. Sandeep Singh, all other Directors are Non-executive Directors. Further, Mr. Mahavir Singh, Mr. Gurkirpal Singh Bedi and Mr. Aman Handa are amongst the independent Directors.

None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees

across all the companies in which he is a Director. Necessary disclosure regarding Committee positions in other companies as on March 31, 2015 have been made by the Directors.

During the period under review 7 Board meetings were held on 30.05.2014, 10.07.2014, 30.07.2014, 15.09.2014, 25,09,2014, 20.10.2013, 14.02.2015. The maximum time gap between two board meetings is much less compared to the mandated requirement of not more than 4 months in Clause 49 of the Listing Agreement.

Composition of Board of Directors, detail of number of directorships held in other public limited companies and committee positions held by Directors is summarized in the table below:

Name of the Director	Category of Director	No. of Board Meetings Attended held during financial year ended 31st March 2015	Attendance previous AGM held on 30th September 2014	No. of Director-ship in the Other public Companies	No. of Committee positions (as Chairman / Member) held in other public Companies	
					Chairman	Member
Mr. Baldev Singh Kang***	NED	00	Not Present	01	Nil	Nil
Mr. Jitendra Anand#	ED	07	Present	02	01	01
Mrs. Renu Anand	NED	06	Present	02	Nil	01
Mr. Mahavir Singh	INED	02	Present	03	Nil	01
Mrs. Ravinder Kaur Kang*	NED	00	Not Present	04	01	04
Mrs. Uma Sharma*	NED	00	Not Present	Nil	Nil	Nil
Mr. Gurdev Bassi**	INED	05	Not Present	Nil	Nil	Nil
Mr. Gurkirpal Singh Bedi	INED	06	Not Present	01	Nil	Nil
Mr. Aman Handa	INED	01	Not Present	01	Nil	Nil
Mr. Sandeep Singh	ED	N.A	N.A	00	Nil	Nil

Mr. Sandeep Singh has joined the board w.e.f 14th August 2015.
* Mrs. Uma Sharma resigned from the post of independent directors w.e.f 31st July, 2014.
** Mr. Gurdev Bassi resigned from the post of independent director w.e.f 30th March 2015
***Mr. Baldev Singh Kang and Mrs. Ravinder Kaur Kang have ceased to be the director of the company by virtue of section 167 of Companies Act 2013.
Mr. Jitendra Anand resigned from the post of Executive Director of the company w.e.f. 22nd July 2015.

Information supplied to the Board
The Board of NSML has complete access to any information within the company and to any employee of the company. At the meetings, the Board is provided with all the relevant information on important matters affecting the working of the company as well as all related details that require deliberation by the members of the Board.

3. Committees of the Board
The Board has set up the following committees
(a) Audit Committee
As on 31st March, 2015, Audit Committee comprised of three members of which two were Independent Directors

with the following composition:-

1. Mr. Mahavir SIngh, Chairman
2. Mr. Gurkirpal Singh Bedi, Member
3. Mr. Gurdev Bassi, Member*
4. Mr. Aman Handa, Member*
5. Mrs. Renu Anand, Member

 # Mr. Gurdev Bassi resigned from the post of independent director of the company w.e.f 30th March 2015. The committee was reconstituted later on to appoint Mr. Aman Handa in his place.

Terms of Reference of Audit Committee

The terms of reference of Audit Committee are as per relevant guidelines and legislations. The primary objective of the Audit Committee is to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosures and transparency, integrity and quality of financial reporting, reviewing with the management, external and internal auditors, the adequacy of internal control systems and review the adequacy of internal audit functions.

During the year under review five meetings of the Committee were held on 30.05.2014, 30.07.2014, 25.09.2014, 20.10.2014 and 14.02.2015.

Sl. No.	Name of the Member	Category	Meeting Held	Meeting Participated
1.	Mr. Mahavir Singh	Chairman	04	04
2.	Mr. Gurdev Bassi	Member	04	04
3.	Mr. Gurkirpal Singh Bedi	Member	04	04
4.	Mrs. Renu Anand	Member	04	04
5.	Mr. Aman Handa	Member	00	00

*** Mr. Gurdev Bassi had resigned from the post w.e.f 30th March, 2015, Mr. Aman Handa was appointed subsequent to the resignation of Mr. Gurdev Bassi.**

Terms of reference:

The terms of reference of the committee include:

1) To review the financial statements and pre-publication announcements before submission to the Board.
2) To ensure the compliance of internal control systems and action taken on internal audit reports.
3) To apprise the Board on the impact of accounting policies, accounting standards and legislation.
4) To hold periodical discussions with statutory auditors on the scope and content of the audit.
5) To review the company's financial and risk management policies.

(b) Directors' Remuneration Committee/Nominee & Remuneration Committee

The Board constituted Remuneration Committee to recommend the remuneration payable to Executive Directors. The Company has not paid any remuneration to its non-executive directors during the financial year 2014-15. The Company does not have any Stock Option Scheme. The constitution of Remuneration committee was as follows:

1. Mr. Mahavir Singh, Chairman
2. Mr. Gurkirpal Singh Bedi, Member
3. Mr. Baldev Singh Kang, Member
4. Mr. Aman Handa , Member#
5. Mr. Gurdev Bassi, Member
6. Mrs. Renu Anand, Member

The committee was reconstituted pursuant to resignation of Mr. Gurdev Bassi and was renamed as Nomination and

Remuneration Committee under the provisions of Companies Act, 2013.

Terms of Reference
The Terms of Reference of the Nomination and Remuneration Committee are as under:

1. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance.

2. To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

3. The Nomination and Remuneration Committee shall, while formulating the policy ensure that:

   a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;

   b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

   c. remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:

4. Regularly review the Human Resource function of the Company.

5. Discharge such other function(s) or exercise such power(s) as may be delegated to the Committee by the Board from time to time.

6. Make reports to the Board as appropriate.

7. Review and reassess the adequacy of this charter periodically and recommend any proposed changes to the Board for approval from time to time.

8. Any other work and policy, related and incidental to the objectives of the committee as per provisions of the Act and rules made there under.

(c) Investor Protection Committee/Stakeholders relationship committee
The composition of Investors' Protection committee is as follows:

1. Mr. Mahavir Singh, Chairman
2. Mr. Gurkirpal Singh Bedi, Member
3. Mr. Gurdev Bassi, Member*
4. Mr. Renu Anand, member
5. Mrs. Aman Handa, Member

The committee was reconstituted pursuant to resignation of Mr. Gurdev Bassi on 30th March, 2015 and was renamed as Stakeholders relationship committee.

There had been no complaints from investors during the financial year under review. The stakeholder's relationship (SR) committee is primarily responsible to review all matters connected with the Company's transfer of securities and redressal of shareholder's/investors''/security holders' complaints. The committee also monitors the implementation

and compliance with Company's code of conduct for prohibition of insider trading.

The SR committee's composition and terms of reference meet with the requirements of Clause 49 of the listing agreement and provisions of Companies Act, 2013.

Terms of reference of the committee, inter-alia, includes the following:

- Oversee and review all matters connected with the transfer of the company's securities.
- Approve issue of the company's duplicate share certificates.
- Monitor redressal of investors'/shareholders' grievances.
- Oversee the performance of the company's Registrars and Transfer agents.
- Monitor implementation of the company's code of conduct for prohibition of insider trading.
- Carry out any other function as is referred by the Board from time to time.

The Board is responsible for constituting, assigning, co-opting and fixing terms of service for committee members of various committees. The chairman, in consultation with the Company Secretary and the committee chairman determines the frequency and duration of the committee meetings. Recommendations of the committees are submitted to the Board for its approval. Quorum for meetings of all committee meetings is two members or one third of the members, which is higher.

4. General meetings

Location and Time of Last Three Annual General Meetings of the company is as follows:

S.No.	Year Ended	Date of Annual General Meeting	Time	Venue
1.	31.03.2012	22.08.2012	11.30 a.m.	Vill. Banondi, Teh. Naraingarh, Distt. Ambala
2.	31.03.2013	29.07.2013	11.30 a.m.	Vill. Banondi, Teh. Naraingarh, Distt. Ambala
3.	31.03.2014	30.09.2014	11.30 a.m.	Vill. Banondi, Teh. Naraingarh, Distt. Ambala

Ensuing Annual General meeting

The ensuing Annual General Meeting is being convened on Friday, the 25th September, 2015 at 10.30 a.m at the registered office of the company at Vill. Banondi, Teh. Naraingarh, Distt. Ambala.

5. Postal Ballot

During the financial year 2014-15, no special resolution was passed through postal ballot. None of the resolutions proposed to be passed at the ensuing Annual general meeting requires passing a resolution through postal ballot.

6. Disclosures

During the financial year 2014-15, the Company had certain related party transactions done at arm's length similar to third party contracts.

There has not been any instance of non-compliance, penalties or strictures imposed by the Stock Exchanges, and/or SEBI on any matter relating to the capital markets, in the preceding three years.

7. Management Discussion and Analysis Report

The Management Discussion and Analysis Report is being annexed herewith as Annexure D1.

8. Code of Conduct

The Company has adopted a Code of Conduct for its Directors and Senior Management. The Chairperson Mrs. Renu Anand has given a declaration that all Directors and Senior Management of the Company have affirmed the compliance with the Code of Conduct which is annexed as Annexure-D2

9. CEO/CFO Certification

As required under Clause 49 of the Listing Agreement a Certificate signed by Mr. Jitendra Anand, Executive Director and Mr. Ashwani Mittal, Chief Financial Officer is annexed as Annexure B3.

10. Means of Communication

The Quarterly results are published in Hindi Language Newspaper Ambala Bhaskar and English Daily, The Financial Express and are also sent to Stock exchanges. Besides, the annual reports are separately sent to all the shareholders.

11. General Shareholder Information

1.	Annual General Meeting	28.9.2015 at 10.30 a.m. at Village Banondi, Teh. Naraingarh, Distt. Ambala
2.	Financial year	April 2014 to March 2015
3.	Proposed Dates for Approval of quarterly results for next 12 months	Qtr ended 30.06.2015: Second week of Aug, 15 Qtr ended 30.09.2015: Last week of Oct., 15 Qtr ended 31.12.2015: Last week of Jan., 16 Qtr ended 31.03.2016: Last week of May, 16.
4.	Book Closure	Wednesday the 23rd September, 2015 to Monday the 28th September, 2015 (both days inclusive)
5.	Dividend Payment Date	Not Applicable (as no dividend has been recommended)
6.	Listing on Stock Exchanges	The Bombay Stock Exchange Ltd, Mumbai
7.	Scrip Code	BSE : 531457
8.	Market price Data	Since the company's trading is suspended the market price data is not available. However, efforts are being made by the management for revocation of suspension of trading of company's shares and the company's share shall be available for trading as soon as suspension is revoked by BSE.

12. Registrar and Share Transfer Agent

The company has appointed M/s Alankit Assignments Limited as its share transfer agent. 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, Alankit House- 4E/2, Jhandelwalan Extension, New Delhi – 110055.

13. Share Transfer System

All requests for share transfers/transmission received from shareholders are processed by the RTA which is thereafter approved by the stakeholder's relationship committee.

14. Distribution of Shareholding as on 30th June, 2015 (Table on Next Page)

No. of Equity Shares	No. of Shareholders	% of Shareholders	No. of Shares held	% of Share Holding
Up to 5000	2336	95.08	3164800	15.58
5001 to 10000	52	2.12	487500	2.40
10001 to 20000	23	0.94	373500	1.84
20001 to 30000	8	0.33	187700	0.92
30001 to 40000	6	0.24	214300	1.055
40001 to 50000	3	0.12	146000	0.72
50001 to 100000	9	0.37	628300	3.10
100001 to Above	20	0.81	15110100	74.39
TOTAL	**2457**	**100.00**	**20312200**	**100.00**

15. Shareholding Pattern as on 30.06.2015

Sl. No.	Category	No. of Shares Held	% of Shareholding
1.	Promoters	1978390	9.74
2.	Institutions(Others) : Mutual Fund/UTI	0	0
3.	Bodies Corporate	2783810	13.71
4.	Individuals*	15550000	76.55
Total		**20312200**	**100.00**

*3472840 shares held in the name of Mr. Onkar Anand are pending to be transmitted to Mrs. Renu Anand.

16. Dematerialisation of shares

The company has entered into an arrangement for dematerialization of shares with NSDL and CDSL. Some shares, however, are still in physical form.

17. Plant location

The company is having one sugar manufacturing unit which is located at Village Banondi, PO: Shazadpur, Teh. Naraingarh, Distt. Ambala (Hr.)

18. Annual Return

The Extract of Annual Return as required under section 92(3) of the Companies Act, 2013 in Form MGT-9 is annexed herewith for your kind perusal and information. (Annexure:D3)

19.Address for Correspondence

The shareholders and other stakeholders may send their queries/grievances at the following address:-

The Company Secretary
M/s Naraingarh Sugar Mills Limited
Village Banondi, PO: Shazadpur, Tehsil Naraingarh, Distt. Ambala (Hr.)
Email id: nsml_naraingarh@yahoo.co.in

BY ORDER OF THE BOARD
FOR NARAINGARH SUGAR MILLS LTD
Sd/-
RENU ANAND
DIRECTOR

Place : Chandigarh
Date : 13.08.2015

ANNEXURE-B1 TO CORPORATE GOVERNANCE

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Overview:

With an annual production capacity of over 30 million metric tonne (MMT), the Indian Sugar Industry (ISI) is the second largest producer of sugar in the world. It is also the second largest agro-based industry in the country after cotton. The sugar industry contributes significantly to socio-economic development of the rural population.

Sugarcane - Area under Cultivation, Production and Yield:

India's sugarcane production and area under cultivation registered a compounded annual growth rate (CAGR) of 3.70% and 2.03%, respectively, during last 10-years ending SS 13-14. (Sugar Season; refers to the period from October 01 to September 30). Although sugar can be extracted from any crop having sugar content, sugarcane is preferred by the farmers as it is a durable crop backed by strong price support by the Government of India (GOI) in terms of favourable prices for cane through the Fair & Remunerative Price (FRP) / State Advisory Price (SAP) mechanism which has helped it to generate competitive returns as compared with paddy and cotton (refer Chart 1 for sugarcane acreage, production and yield trend during last 10 years)..

Acreage under cultivation has increased consistently during last 5 years ending SS14-15 and the sugar production in SS14-15 is expected to remain higher when compared with SS13-14.

However, climatic conditions, inadequate availability of quality seed and irrigation facilities, lack of efficient technology and inadequate farm credit were primarily responsible for fluctuating yield ratio.

Industry Size, Structure and State-wise Production Trends:

The ISI accounted for more than 15% of the total world sugar production in last 5 years ending SS14-15. As on January 31, 2015, India had 703 sugar mills (including two standalone refineries) with major concentration in rural areas. About 50% of the sugar mills are promoted by sugarcane farmers in the form of co-operative societies

Sugar mills in India segregated on the basis of ownership structure)

S.No.	Sector	Number of Units
1.	Private Limited Companies	335
2.	Co-operative Societies	325
3.	Public Limited Companies	43
Total		703

Of the above, 328 units have distillery facility, while 210 have own co-generation power plants. India produces around 300-350 MMT sugarcane, 24-26 MMT white sugar and 6-8 MMT jaggery and khandsari annually to meet the demand for sweeteners. Moreover, the ISI produces about 2,700 million litres of alcohol, 2,300 Mega Watt (MW) of power and multiple allied products. The industry exports about 1,000 MW of power to grid after meeting its captive power requirement. ISI is gradually transforming into sugar complexes by producing sugar, bio-electricity, bio-ethanol, bio-manures and chemicals, contributing about 1% to the national GDP. Maharashtra, Uttar Pradesh (UP) and Karnataka are the major sugar producing states in the country.

State-wise sugar production from SS10 to SS14.

Top six states mentioned above account for approximately 90% of total India's sugar production; of which Maharashtra and Uttar Pradesh together account for nearly 60% of total sugar production Uttar Pradesh was the largest sugarcane cultivating state and accounted for approximately 39% of the total sugarcane crop in SS13-14 followed by Maharashtra with 22%. Average yield of sugarcane during the last 5 years in UP was 57-59 tonne/hectare as compared with Maharashtra, which has an average yield of 80-85 tonne/hectare. Furthermore, UP also had a low sugar recovery rate and consequently ranked second in sugar production after Maharashtra during the last 5 years ended SS13-14.

The ISI is amongst the few industries that have successfully contributed to the rural economy. Furthermore, the farmers opt for sugarcane as a preferred crop on account of better yield per hectare, lower irrigation requirement and strong intervention by the government towards protection of interest of the farmers in terms of price of cane through fixing FRP / SAP.

Key constraints of Indian Sugar Industry

Production surplus in domestic and global markets constrain sales realisation:

The ISI is expected to register surplus production for the fifth year in a row since SS10-11. The industry had opening stock of 75 Lac Tons as on October 1, 2014, and is estimated to produce 283 Lac Tons during SS14-15 as against envisaged consumption of 248 Lac Tons and export of 8 Lac Tons for the same period resulting in further increase in surplus sugar stock at the end of season.

Similarly, global sugar production during last five SS has also exceeded the total requirement in the world. The surplus stock has not only impacted the sales realisation and squeezed the operating spread of sugar mills but also forced closure of small and medium-sized mills and consolidation in some geographies.

Raw material (sugarcane) prices are highly regulated; sugar prices are vulnerable to market dynamics:

The ISI continues to be highly regulated by the GoI; in terms of sugar production and cane procurement areas for sugar mills and most importantly for determining sugarcane pricing. The FRP is decided by the central government every year at the beginning of SS; which is the minimum price the sugar-mill has to pay to the farmers for procuring sugarcane. Furthermore, some state governments also announce SAP and in that case, the mills have to pay FRP or SAP, whichever is higher. Internationally, the FRP/SAP declared by the Indian government for sugarcane is very high compared to other major producers in the world.

The sugar price is market driven and is governed by domestic and global demand-supply dynamics. The recommendation of the Rangarajan committee to determine the sugarcane price as a percentage of the sugar price and realisation of its by-products has not been implemented by the sugar producing states, which makes Indian sugar uncompetitive in international market. Furthermore, the rising inventory level coupled with virtually no export (because of relatively lower international prices) has resulted in sluggish price trend during the current SS.

Price trend of sugarcane (FRP) and Sugar in India

Declining trend of sugar prices and consistent increase in the FRP declared by the government have resulted in moderation in operating margins of sugar mills and delay in payment to farmers for sugarcane procured by the sugar manufacturers. As on March 31, 2015, the difference between payment to the farmers to be made as per FRP/SAP against sugarcane procured and actual payment made by the sugar manufacturers, referred to as cane arrears, was estimated at about Rs.19,000 crore. The situation worsened when Uttar Pradesh kept the SAP prices unchanged during last three SS ending SS14-15. Out of the total cane arrears, Uttar Pradesh alone constitutes approximately 50%, which is mainly due to aggressive cane pricing adopted by the state government. Similarly, cane arrears of sugar mills in Maharashtra and Karnataka stood at 15% and 13%, respectively, which is mainly on account of depressed sugar price.

RISKS AND CONCERNS

The Agro based sugar industry has a specific set of risk characteristics, which at NSML, are carefully evaluated, managed and mitigated. The major risks are classified as under:-

Raw material risk

Sugarcane is the raw material and any disturbance on its timely availability will have a substantial impact on operational cost. This risk may be caused by climatic conditions influenced by the monsoon and local weather conditions over the crop cycle, which also affects both the quantity and quality of cane. The profitability of alternative crops will influence the area of planting under cane. Pests and disease and non-availability of farm labour also impact the cost incurred by the cane grower.

Sugar Price Risk

The market price for sugar is function of demand and supply. Even a slight fluctuation in demand or supply of sugar may move sugar price up or down, thereby directly impact the sugar industry. Wholesale price of sugar has significant impact on our profits. Higher the price higher the proflt is. Like other agricultural commodities, sugar is subject to price fluctuations resulting from weather, natural disasters, domestic and foreign trade policies, movements in demand and supply and other factors beyond the control of management. Besides, around 15-30% of sugar in the world is traded on

stock exchanges and hence is subject to speculation. As a result, any prolonged decrease in sugar price may have an adverse effect on financial results of the company.

Regulatory risks
Sugar industry and hence our company is subject to several legal and regulatory measures imposed by both Central and State Government. This includes both environmental and other legal strictures which directly or indirectly impacts the performance of the company. The company may be exposed to liability resulting from handling of hazardous substances and increased costs for ensuring compliance of various laws.

Risk mitigation
The company has always maintained an amicable relationship with its farmers and taken up initiatives to mitigate hardships by timely payment, cane development schemes through Bank loans, promotion of right cane variety, maintaining goodwill among farmers. The Company adopts appropriate procedures as per the policy and guidelines through internal control systems to minimize the risk. The company maintains strong relationship with the customers for stabilizing the domestic and international market through efficient production and best product delivery. As explained earlier sugar cane price is also governed by both Central and State Government, the company is always at a risk of a higher cane price and increased cost of production. These risks cannot be mitigated unless the industry is completely decontrolled.

Competition Risk
The prospect for high growth in the industry encourages the company to face tough competition from other companies in the industry and also from the new entrants.

Internal Control Systems and their adequacy
The Company has established a system of internal control across all of its business operations and safeguarding of the Assets. The Board, Audit Committee and the Management ensure that the internal control system operates effectively within the organization. Internal Audit team supported by external experts as and when required, review the adequacy of internal control systems and suggests necessary checks and balances to increase the effectiveness of the system. Clear policies have been laid down for approval and control of expenditure. Investment decisions involving capital expenditure are subject to detailed appraisal and review. Capital and revenue expenditure are monitored and controlled with reference to approved budgets.

Financial performance of the company

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

Particulars	Year ended 31st March 2015	Year ended 31st March 2014
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 4,77,069 MT of cane which is approximately 16.9% higher than the last year figure of 4,07,977 MT. This was followed by an equivalent increase in sugar production from last year's 41,339 MT to 48,378 MT. The comparative figures of Cane crushed and recovery during the current year and last financial year which is given hereunder:-

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

Particulars	2014-15	2013-14
Cane Crushed(in MT)	4,77,069	4,07,977
Recovery (%)	10.14	10.13
Production(MT)	48,378	41,339

Brazil being the world's largest producer of sugar seconded by India is equipped with the technique of switching the production of sugar and ethanol in harmony with the international prices of Crude Oil. The fall in the price of crude oil leads to higher production of sugar by Brazil and a rise in its price leads to production of ethanol by Brazil.

In the FY-2014-15, the crude oil prices were low as compare to FY-2013-14 due to which Brazil resorted to higher production of sugar instead switching to ethanol leading to dumping in the already flooded sugar market of the world and hence crash in the market.

On the other hand, In India, the sugarcane crop flourished leading to higher cultivation in the FY-2014-15 viz higher production of sugar, thus excess supply of sugar in the world market.

This higher production of sugar in FY-2014-15 forcibly pressed the market price of sugar, demand being stagnant leading to lower yields and the companies suffered huge losses in comparison to previous financial year.

STEPS TAKEN BY THE GOVERNMENT TO ADDRESS THE ISSUES OF SUGAR INDUSTRY

1. Export subsidy on raw sugar:

The Government announces export subsidy from time to time in order to make Indian raw sugar competitive in the international market and ease the liquidity crisis of sugar mills. In February 2015, the Government granted a uniform rate of subsidy of Rs.4,000 per tonne up to 1.40 million tonnes of raw sugar export during current SS14-15. The quantum of subsidy fixed for current year is also higher than Rs.3,371 per tonne fixed for SS13-14.

However, the subsidy announced for the current marketing season was delayed by 4 months (no subsidy was available for exports during peak SS; October 2014 to February 2015). Furthermore, the consumption of raw sugar is very limited in the domestic market and its production is solely dependent on export orders. Delay in announcing the export subsidy during the peak season along with fall in global prices has made exports unviable for domestic players.

2. Ethanol Blended Petrol (EBP) Programme:

Ethanol is an agro-based product, produced from the by-product of the sugar industry, viz, Molasses. The EBP programme, besides lowering pollution levels, ensures utilisation of molasses produced as a by- product during manufacture of sugar and improves the revenue stream of the sugar mills. The Government of India (GoI) has mandated minimum ethanol blending of 5% with petrol from June 2013 and has set aggressive target of increasing the blending ratio up to 20% by 2017 to be in line with other major sugar producing countries. Furthermore, the GOI has incentivised the sugar industry by increasing the price of ethanol to Rs.48.50 per litre for supply to oil marketing companies and waived off the excise duty of 12.60% on ethanol for blending for next SS, ie, 2015-16.

3. Sugar Development Fund (SDF):

The Government has set up SDF under SDF Act, 1982 for financing ISI. The sugar mills are required to pay for levy of cess, which currently is Rs.24 per quintal of sugar manufactured to the Consolidated Fund of India. The GoI uses the SDF primarily for advancing loans to facilitate the rehabilitation and modernisation of any sugar factory. Fund can also be used to build up and maintain buffer stocks of sugar.

Outlook:

Indian sugar prices are expected to remain weak due to surplus sugar stock in both domestic and global markets. The government's intervention is necessary in order to revive the ISI which has been reeling under the twin impacts of high sugarcane prices and low sales realisation on sugar leading to recurring losses being incurred by sugar mills and mounting cane arrears. Concrete measures are required including emphasize on increasing its ethanol blending program along with providing flexibility for use of sugarcane as feed-stocks for ethanol production, building compulsory buffer stocks, incentivize exports through higher export subsidy, restructuring debt of sugar manufacturers.

Future Plans

Your company had been achieving profits despite overall poor performance of the industry in last 4-5 years but the worsening domestic and international market condition of sugar prices has led to heavy losses in the last financial year The management is taking keen interest in upgrading the technology and performance of the sugar manufacturing unit. As a part of the modernization and expansion plan, the company increased its installed capacity from 3500 TCD to 4000 TCD during the financial year under review.

The company's 25MW capacity bagasse based cogeneration power plant is still under construction and is expected to be operational in the coming season. Besides, the company is also in the process to enhance the crushing capacity of the mill to 5500 TCD from the existing 4000 TCD as per the proposed plans of the company.

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 hopes to improve in the years to come in the way of above mentioned modernization cum expansion project of the company.

Human Resources / Industrial Relations

Employee relation is one of the key success factors which are continued throughout the year. Lot of development initiatives in all facets is implemented and practiced including six sigma concepts in order to be competitive in the industry. The organization provides a learning atmosphere across levels and aims at improving the standards through innovation. The industrial relations maintained with the employees are satisfactory.

CAUTIONARY STATEMENT

Statement in this Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from these expressed or implied. The Company assumes no responsibility in respect of these forward looking statements that may be amended or modified later, on the basis of subsequent developments, information or events and in view of the changes brought by the Government Rules and Regulations.

FOR NARAINGARH SUGAR MILLS LTD
Sd/-
RENU ANAND
DIRECTOR

Place : Chandigarh
Date : 13.08.2015

Annexure D2 to Corporate Governance Report

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31/03/2015
[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS :

i)	CIN L74899HR1991PLC032873	
ii)	Registration Date	01/08/1991
iii)	Name of the Company	NARAINGARH SUGAR MILLS LIMITED
iv)	Category / Sub-Category of the Company	
	1. Public Company	(*)
	2. Private company	( )
	3. Government Company	( )
	4. Small Company	( )
	5. One Person Company	( )
	6. Subsidiary of Foreign Company	( )
	7. NBFC	( )
	8. Guarantee Company	( )
	9. Limited by shares	(*)
	10. Unlimited Company	( )
	11. Company having share capital	(*)
	12. Company not having share capital	( )
	13. Company Registered under Section 8	( )
v)	Address of the Registered office and contact details	VILLAGE BANONDI., P.O. SHAHZADPUR, THE NARAINGARH, AMBALA - 133001 HARYANA Telephone : 01734-277388 Fax Number :01734-278210 Email : nsmlnaraingarh@gmail.com
vi)	Whether listed company	Yes

vii) Name and Address of Registrar & Transfer Agents (RTA)

Name of Registrar & Transfer Agents	ALANKIT ASSIGNMENTS LIMITED
Address	ALANKIT HOUSE-4E/2, JHANDEWALAN EXTENSION
Town / City	NEW DELHI
State	DELHI
Pin Code	110055
Telephone	01142541234
Fax Number	
Email Address	ramap@alankit.com

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

S.No.	Name and Description of main Products/Services	NIC Code of the Product/Service	% to total turnover of the company
1.	Manufacturing of white crystal sugar & it's by products	1542	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

[No. of Companies for which information is being filled = 6]

S.No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/Associate	% of Shares held	Applicable Section
1.	RAHUL SALES LIMITED, SCO:151-152, TOP FLOR SECTOR-8C, CHANDIGARH	U55109CH1991PLC011625	Associate	0	
2.	NARAINGARH DISTILLERY LIMITED, SCO:151-152, TOP FLOOR, SECTOR-8C, CHANDIGARH	U15511CH2002PLC025070	Associate	0	
3.	RSL HOTELS & RESORTS PRIVATE LTD., SCO:151-152, TOP FLOOR, SECTOR-8C, CHANDIGARH	U55101CH2008PTC031327	Associate	0	
4.	RSL AVIATIONS PRIVATE LIMITED, SCO:151-152, TOP FLOOR, SECTOR-8C, CHANDIGARH	U62100CH2010PTC032661	Associate	0	
5.	RSL ESTATES PRIVATE LIMITED, SCO:151-152, TOP FLOOR, SECTOR-8C, CHANDIGARH	U70109CH1994PTC015455	Associate	0	
6.	RSL PHARMACEUTICALS PRIVATE LTD., SCO:151-152, TOP FLOOR, SECTOR-8C, CHANDIGARH	U24232CH2013PTC034486	Associate	0	

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) :

A. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters (1) Indian									
a) Individual/HUF	742550	342300	1084850	5.34	492190	342300	834490	4.11	-1.23
b) Central Govt.	0	0	0		0	0	0		
c) State Govt. (s)	0	0	0		0	0	0		
d) Bodies Corp.	892200	249200	1141400	5.62	894700	249200	1143900	5.63	0.01
e) Banks / FI	0	0	0		0	0	0		
f) Any Other….	0	0	0		0	0	0		
Sub-total (A) (1):-	1634750	591500	2226250	10.96	1386890	591500	1978390	9.74	-1.22
(2) Foreign a) NRIs - Individuals	0	0	0		0	0	0		
b) Other – Individuals	0	0	0		0	0	0		
c) Bodies Corp.	0	0	0		0	0	0		
d) Banks / FI	0	0	0		0	0	0		
e) Any Other….	0	0	0		0	0	0		
Sub-total (A) (2):-	0	0	0		0	0	0		
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	1634750	591500	2226250	10.96	1386890	591500	1978390	9.74	-1.22
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0		0	0	0		
b) Banks / FI	0	0	0		0	0	0		
c) Central Govt.	0	0	0		0	0	0		
d) State Govt.(s)	0	0	0		0	0	0		
e) Venture Capital Funds	0	0	0		0	0	0		
f) Insurance Cos.	0	0	0		0	0	0		
h) Foreign Venture Capital Funds	0	0	0		0	0	0		
i) Others (specify)	0	0	0		0	0	0		
Sub-total (B)(1):-	0	0	0		0	0	0		
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	2608210	169500	2777710	13.68	1111810	1672000	2783810	13.71	0.03
ii) Overseas	0	0	0		0	0	0		
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	107850	3170500	3278350	16.14	151450	3133400	3284850	16.17	0.03
ii) Individual shareholders holding nominal	9377140	2142600	11519740	56.71	9612400	2142600	11755000	57.87	1.16

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
share capital in excess of Rs 1 lakh									
c) Others (specify)	95350	414800	510150	2.51	95350	414800	510150	2.51	0.00
Sub-total (B)(2):-	12188550	5897400	18084950	89.04	10971010	7362800	18333810	90.26	1.22
Total Public Shareholding (B)=(B)(1)+(B)(2)	12188550	5897400	18085950	89.04	10971010	7362800	18333810	90.26	1.22
C. Shares held by Custodian for GDRs & ADRs	0	0	0		0	0	0		
Grand Total (A+B+C)	13823300	6488900	20312200	100	12357900	7954300	20312200	100	0.00

B. Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total shares of the company	% of shares Pledged/ Encumbered to total Shares	No. of Shares	% of total shares of the company	% of shares Pledged/ Encumbered to total Shares	
1.	Avninder Thakur, Saroj Thakur,Millik Thakur	200	0	0	200	0	0	0
2.	B.S. Kang N/G Amit Pal Singh	97100	0.48	0	97100	0.48	0	0
3.	Baldev Singh Kang	9800	0.05	0	9800	0.05	0	0
4.	Baldev Singh Kang	200	0	0	200	0	0	0
5.	Baldev Singh Kang	429990	2.12	0	429990	2.12	0	0
6.	Daljit Kaur	2500	0.01	0	2500	0.01	0	0
7.	Dhian Kaur	7000	0.03	0	7000	0.03	0	0
8.	Inder Kumar	6700	0.03	0	6700	0.03	0	0
9.	Kusum Arora	13000	0.06	0	13000	0.06	0	0
10.	Lakhwinder Singh Kang	21000	0.1	0	21000	0.1	0	0
11.	Laxmi Devi	21000	0.1	0	21000	0.1	0	0
12.	Mohan Singh	23000	0.11	0	23000	0.11	0	0
13.	Nitin Mehan	10000	0.05	0	10000	0.05	0	0
14.	Narian Dass Mehan	10000	0.05	0	10000	0.05	0	0
15.	Nand Lal	30000	0.15	0	30000	0.15	0	0
16.	Prem Lata	13000	0.06	0	13000	0.06	0	0
17.	Ravinder Kaur	200	0	0	200	0	0	0
18.	Ravinder Kumar	12500	0.06	0	12500	0.06	0	0
19.	Ravinder Kumar N/G Sana Arora	7500	0.04	0	7500	0.04	0	0
20.	Ravinder Kumar N/G Shikha Arora	7500	0.04	0	7500	0.04	0	0

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total shares of the company	% of shares Pledged/ Encumbered to total Shares	No. of Shares	% of total shares of the company	% of shares Pledged/ Encumbered to total Shares	
21.	Ravinder Kumar N/G Sweta Arora	8000	0.04	0	8000	0.04	0	0
22.	Salil Mehan	10000	0.05	0	10000	0.05	0	0
23.	S. B. Mehan N/g Nipun Mehan	100	0	0	100	0	0	0
24.	Shashi Bhushan Mahen, Vidhya Parkash S/o Vidhya Parkash	1000	0	0	1000	0	0	0
25.	Surjit Singh Kang	61000	0.3	0	61000	0.3	0	0
26.	Vaibhan Mehan	10000	0.05	0	10000	0.05	0	0
27.	Vijay Mahen	22200	0.11	0	22200	0.11	0	0
28.	United Vanaspati Ltd.	8100	0.04	0	8100	0.04	0	0
29.	Know-How Investments (P) Ltd.	32500	0.16	0	32500	0.16	0	0
30.	Mahasu Investment & Management Co Ltd	1000	0	0	1000	0	0	0
31.	Mahasu Investment & Management Co Ltd	37600	0.19	0	37600	0.19	0	0
32.	Norwest Fiscal Services P. Ltd.	152500	0.75	0	152500	0.75	0	0
33.	Simla Investments & Mgmt Sys P Ltd.	50000	0.25	0.25	50000	0.25	0.25	0
34.	United Vanaspati Ltd.	100	0	0	2600	0.01	0	2500
35.	Network Fiscal Services Pvt Ltd	859600	4.23	0	859600	4.23	0	0

C. Change in Promoters' Shareholding

S. No.	Name	Particulars	Shareholding at the beginning of the year		Shareholding at the end of the year	
			No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	UNITED VANASPATI LTD	INCREASE	100		2600	0

D.Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

S. No.	Name	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Onkar Anand	No Change	3472840	17.1	3472840	17.1
2	Rajiv Vashisht	No Change	2148500	10.58	5621340	27.67
3	Ilife Medical Devices (P) Ltd	No Change	1500000	7.39	7121340	35.06
4	P L Lamba	No Change	1133400	5.58	8254740	40.64

S. No.	Name	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
5	Network Fiscal Services (P) Ltd	No Change	859600	4.23	9114340	44.87
6	Payal Rana	No Change	782000	3.85	9896340	48.72
7	Gaurav Kumar	No Change	700000	3.45	10596340	52.17
8	Harsh Bakshi	No Change	700000	3.45	11296340	55.61
9	Mitesh Kumar	No Change	600000	2.95	11896340	58.57
10	Kapil Sabherwal	No Change	600000	2.95	12496340	61.52

E. Shareholding of Directors and Key Managerial Personnel

S. No.	Name	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Renu Anand	Director	3706440	0.18	3472840	0.18
2	Ravinder Kaur	Director	200	0	3473040	0.18
3	Baldev Singh Kang	Director	537090	0.03	4010130	0.21

V. INDEBTEDNESS :

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness
Indebtedness at the beginning of the financial year				
i) Principal Amount	350146420	105640000	0	455786420
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	350146420	105640000	0	455786420
Change in Indebtedness during the financial year				
Addition	498204276	2235000	0	500439276
Reduction	0	0	0	0
Net Change	498204276	2235000	0	500439276
Indebtedness at the end of the financial year				
i) Principal Amount	848350696	127990000	0	976340696
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	848350696	127990000	0	976340696

REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

S. No.	Name of MD/WTD/ Manager	Gross Salary			Stock Option	Sweat Equity	Commission		Others	Total	Ceiling as per the act
		(a) Salary as per Provisions contained in section 17(1) of the Income Tax Act, 1961	(b) Value perquisites u/s 17(2) of Income Tax Act, 1961	© Profits in lieu of salary sections u/s 17(3) of Income Tax Act, 1961			as % of Profit	others			
1	Jitendra Anand	1200000	0	0	0	0	0			1200000	

B. Remuneration to other Directors :

S. No.	Name of Director (s)	Independent Directors			Total (1)	Other Non-Executive Directors			Total (2)	Total (1+2)	Total Managerial Remunera-tion	Overall Ceiling as per the act
		Fee for attending board/ committee meetings	Commis-sion	Others		Fee for attending board/ committee meetings	Commis-sion	Others				
1	NIL	0	0	0	0	0	0	0	0	0	0	0

C. Remuneration To Key Managerial Personnel Other Than MD/Manager/WTD

S. No.	Name of Key Managerial Personnel	Gross Salary			Stock Option	Sweat Equity	Commission		Others	Total	Ceiling as per the act
		(a) Salary as per Provisions contained in section 17(1) of the Income Tax Act, 1961	(b) Value perquisites u/s 17(2) of Income Tax Act, 1961	© Profits in lieu of salary sections u/s 17(3) of Income Tax Act, 1961			as % of Profit	others			
1	Company Secretary	300403	0	0	0	0	0	0	0	300403	0

VII. Penalties / Punishment/ Compounding Of Offences :

Type	Section of the Companies Act	Brief Description	Detail of Penalty Punishments Compounding fee Imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (Give Details)
A. COMPANY					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL		NIL	NIL	NIL
Compounding	NIL		NIL	NIL	NIL
B. DIRECTORS					
Penalty	NIL		NIL	NIL	NIL
Punishment	NIL		NIL	NIL	NIL
Compounding	NIL				
C. OTHER OFFICERS	IN DEFAULT				
Penalty	NIL		NIL	NIL	NIL
Punishment	NIL		NIL	NIL	NIL
Compounding	NIL		NIL	NIL	NIL

Annexure D3 to Corporate Governance Report

DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, this is to confirm that all the members of the Board and the Senior Management have affirmed compliance with the Code of Conduct for the year ended March 31, 2014.

FOR & ON BEHALF OF
NARAINGARH SUGAR MILLS LIMITED

Sd/-
RENU ANAND
DIRECTOR

Date: 13/08/2015
Place: Chandigarh

Annexure D4 to Corporate Governance Report

CERTIFICATE UNDER SUB CLAUSE V OF CLAUSE 49 OF LISTING AGREEMENT

We, Jitendra Anand, Executive Director and Ashwani Mittal, Chief Financial Officer of the company hereby confirm and certify that:-

1. These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;

2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2015 which, are fraudulent, illegal or violative of the Company's Code of Conduct.

4. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee those deficiencies in the design or operation of such internal controls of which, we are aware and the steps we have taken or propose to take to rectify these deficiencies.

5. We have indicated to the Auditors and the Audit Committee:
(a) there have been no significant changes in internal control over financial reporting during this year.
(b) there have been no significant changes in accounting policies during this year.
(c) there have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having significant role in the company's internal control systems over financial reporting.

	Sd/-	Sd/-
Date: 30/04/2015	Jitendra Anand	Ashwani Mittal
Place: Chandigarh	Executive Director	CFO

INDEPENDENT AUDITORS' REPORT

The Members,
Naraingarh Sugar Mills Limited.

1. We have audited the accompanying financial statements of Naraingarh Sugar Mills Limited which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit & Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation and presentation 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgement and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

3. Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the rules made thereunder.

4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view inconformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015 and its loss and its cash flows for the year ended on that date.

7. As required by the Companies (Auditor's Report) Order, 2015 issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

8. As required by Section 143(3) of the Act, we report that:

(a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
(b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
(c) the Balance Sheet, the Statement of Profit & Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
(d) in our opinion, the aforesaid financial statements, except provision of liability for Gratuity on accrual basis without taking actuarial valuation report as required under Accounting Standard – 15, comply with the Accounting Standards, specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
(e) on the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164(2) of the Act; and
(f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
   i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements (Refer note 4.1).
   ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
   iii. there were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

For VASUDEVA & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No. - 022239N

Sd/-

Dated : 29th May, 2015
Place : Chandigarh

(NITI M. LATAWA)
PARTNER
Membership No. - 511907

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 7 of our report of even date on accounts of Naraingarh Sugar Mills Limited for the year ended 31st March, 2015).

i. In respect of its 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 Company has a phased programme of physical verification of all of its fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with such programme the management, during the year, has physically verified its fixed assets and no material discrepancies were noticed on such verification.

ii. In respect of its Inventories :
   a) According to the information and explanations given to us, the physical verification of inventories is conducted by the management at periodic intervals; the frequency of verification is reasonable having regard to the size of the Company and the nature of its inventories.
   b) According to the information and explanations given to us, the procedures for 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) According to the information and explanations given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.

iii. According to the information and explanations given to us, the Company has not granted any loan, secured or unsecured, to Companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, clauses (a) to (b) of paragraph 3(iii) of the Order are not applicable; hence not commented upon.

iv. According to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and nature of its business with regard to purchase of inventories, fixed assets and with regard to the sale of goods. The Company did not have any sale of services during the year. Further, on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have been informed of any major weakness in the aforesaid internal control system during the year.

v. The Company has not accepted any deposits from the public.

vi. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Amendment Rules, 2014 made by the Central Government for the maintenance of cost records under Section 148 of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained.
   However, we have not made a detailed examination of the records with a view to determine whether they are accurate & complete.

vii. In respect of its Statutory dues :
   a) According to the information & explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Excise Duty, Custom Duty, Value Added Tax, Cess and other material statutory dues, to the extent applicable, have been regularly deposited, during the year, by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable, in respect of Provident Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Excise Duty, Custom Duty, Value Added Tax, Cess and other material statutory dues, were in arrears as at 31st March, 2015 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty and Cess (except Cane Purchase Tax ₹ 27,233,831/- for the financial years 1996-1997 to 2001-2002, outstanding or remained unpaid as at 31st March, 2015, on account of any dispute; the decision of the Hon'ble Punjab & Haryana High Court, Chandigarh is awaited) which have not been deposited with appropriate authorities on account of any dispute.

c) According to the information and explanations given to us, there is no amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.

viii. The accumulated losses of the Company do not exceed fifty percent of its net worth as at 31st March, 2015. The Company has incurred cash losses during the financial year ended on that date but has not incurred any cash losses in the immediately preceding financial year.

ix. According to the information & explanations given to us, there were no stipulated repayments due, during the year; accordingly clause (ix) of paragraph 3 of the Order is not applicable.

x. According to the information & explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

xi. According to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were obtained.

xii. According to the information & explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For VASUDEVA & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No. - 022239N

Sd/-
(NITI M. LATAWA)
PARTNER
Membership No. - 511907

Dated : 29th May, 2015
Place : Chandigarh

NARAINGARH SUGAR MILLS LIMITED
BALANCE SHEET
AS AT 31ST MARCH, 2015

	NOTE		As at 31st March, 2015 ₹		As at 31st March, 2014 ₹
EQUITY & LIABILITIES					
Shareholders' Funds					
(a) Share Capital	1.1		211,953,510		211,953,510
(b) Reserves & Surplus	1.2		66,947,378		279,355,229
Non-Current Liabilities					
(a) Long-term Borrowings	1.3		976,340,696		455,786,420
(b) Deferred Tax Liabilities	4.17		4,530,128		870,328
(c) Other Long-term Liabilities	1.4		728,915,122		726,876,421
(d) Long-term Provisions	1.5		9,389,742		8,545,743
Current Liabilities					
(a) Trade Payables			645,341,467		114,826,776
(b) Other Current Liabilities	1.6		449,560,235		427,115,020
(c) Short-term Provisions	1.7		21,196,824		21,161,120
	TOTAL ₹		**3,114,175,102**		**2,246,490,567**
ASSETS					
Non-Current Assets					
(a) Fixed Assets					
(i) Tangible Assets	1.8	515,632,885		528,313,926	
(ii) Capital Work-in-Progress		779,932,412	1,295,565,297	0	528,313,926
(b) Non-Current Investments	1.9		200,000		0
(c) Long-term Loans & Advances	1.10		75,873,544		342,718,662
(d) Other Non-Current Assets	1.11		101,401,121		16,726,162
Current Assets					
(a) Inventories	1.12		580,251,540		491,114,380
(b) Trade Receivables	1.13		236,502,698		245,915,664
(c) Cash & Bank Balances	1.14		46,504,289		111,236,806
(d) Short-term Loans & Advances	1.15		724,363,549		463,329,508
(e) Other Current Assets	1.16		53,513,064		47,135,459
	TOTAL ₹		**3,114,175,102**		**2,246,490,567**

Significant accounting policies 3
Other notes to accounts 4

The notes referred to above form an integral part of the financial statements.

"AUDITOR'S REPORT"
In terms of our attached report of even date.

For VASUDEVA & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No.-022239N

Sd/-
(NITI M. LATAWA)
PARTNER
Membership No. - 511907

For and on behalf of the Board of Directors

Sd/-
GURKIRPAL SINGH BEDI
(Director)

Sd/-
RENU ANAND
(Director)

Sd/-
ASHWANI MITTAL
(Chief Financial Officer)

Sd/-
DIKSHA DHAMIJA
(Company Secretary)

Dated : 29th May, 2015
Place : Chandigarh

NARAINGARH SUGAR MILLS LIMITED
STATEMENT OF PROFIT & LOSS
FOR THE YEAR ENDED 31ST MARCH, 2015

	NOTE		As at 31st March, 2015 ₹		As at 31st March, 2014 ₹
REVENUE					
Revenue from operations	2.1				
Sales				1,713,368,431	
-Less : Excise Duty			1,142,603,968	52,873,929	1,713,368,431
Other Operating Revenues	2.2		3,494,105		2,291,257
Other Income	2.3		1,481,916		1,678,249
Total Revenue			**1,147,579,989**		**1,717,337,937**
EXPENSES					
Cost of materials consumed	2.4		1,267,667,082		1,145,852,711
Changes in Inventories	2.5		(84,050,410)		369,693,840
Employee Benefits Expense	2.6		40,832,577		40,853,540
Finance Costs	2.7		2,540,140		9,761,705
Depreciation & Amortisation Expense	1.8		18,694,203		18,060,997
Other Expenses	2.8		97,206,419		100,024,490
Total Expenses			**1,342,890,011**		**1,684,247,283**
Profit/(Loss) before exceptional items			(195,310,022)		33,090,655
Exceptional items			0		122,093
Profit/(Loss) before tax			(195,310,022)		32,968,562
Tax Expense					
-Earlier years		1,081,356		1,446,980	
-Current Tax		0		7,339,690	
-Deferred Tax		3,659,800	4,741,156	10,329,690	19,116,130
Profit/(Loss) after tax			(200,051,178)		13,852,432
Earnings per equity share	4.16				
Basic & Diluted					
- ₹ 10 paid-up			(10.52)		0.73
- ₹ 5 paid-up			(5.26)		0.36
Significant accounting policies	3				
Other notes to accounts	4				

For and on behalf of the Board of Directors

The notes referred to above form an integral part of the financial statements.

"AUDITOR'S REPORT"
In terms of our attached report of even date.

For VASUDEVA & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No.-022239N

Sd/-
(NITI M. LATAWA)
PARTNER
Membership No. - 511907

Sd/-
GURKIRPAL SINGH BEDI
(Director)

Sd/-
RENU ANAND
(Director)

Sd/-
ASHWANI MITTAL
(Chief Financial Officer)

Sd/-
DIKSHA DHAMIJA
(Company Secretary)

Dated : 29th May, 2015
Place : Chandigarh

NOTE 1.1 : SHARE CAPITAL

	As at 31st March, 2015		As at 31st March, 2014	
	₹	₹	₹	₹
1.1.1 Authorised				
-21,000,000 Equity shares of ₹ 10/- each	21,00,00,000		21,00,00,000	
-9,000,000 Redeemable Preference shares of ₹ 10/- each	9,00,00,000	30,00,00,000	9,00,00,000	30,00,00,000
1.1.2 Issued, Subscribed & Paid up				
Equity Share Capital				
-20,312,200 Equity shares of ₹ 10/- each	20,31,22,000		20,31,22,000	
Less:- Calls in arrear*	1,29,41,000	19,01,81,000	1,29,41,000	19,01,81,000
Preference Share Capital**				
-2,177,251 (12%) Redeemable, (Non-Cumulative), Preference shares of ₹ 10/- each		2,17,72,510		2,17,72,510
TOTAL ₹		21,19,53,510		21,19,53,510

* *represents 2,588,200 Equity Shares @ ₹ 5 per share (refer note 4.2).*
** *due for redemption (refer note 4.2).*

1.1.3 Details of shareholders holding more than 5% equity shares as at year end

a) Equity shares of ₹ 10/- each.

		As at 31st March, 2015		As at 31st March, 2014	
	Name of the Shareholders	No. of shares	% age of Shareholding	No. of shares	% age of Shareholding
i)	Renu Anand *	34,72,840	17.10	34,72,840	17.10
ii)	Rajiv Vashisth	21,48,500	10.58	21,48,500	10.58
iii)	ILife Medical Devices Pvt. Ltd.	15,00,000	7.38	15,00,000	7.38
iv)	P.L. Lamba	11,33,400	5.58	11,33,400	5.58
	TOTAL	82,54,740	40.64	82,54,740	40.64

* *represent shares of Mr. Onkar Anand (expired on 21st March, 2014), pending transfer in her name.*

1.1.4 Reconciliation of share capital outstanding as at the beginning and at the end of the year

During the current year and in the previous year, there has been no movement in the number of equity shares outstanding.

NOTE 1.2 : RESERVES & SURPLUS

	As at 31st March, 2015		As at 31st March, 2014	
	₹	₹	₹	₹
1.2.1 Capital Reserve				
-Balance brought forward		3,73,95,013		3,73,95,013
1.2.2 Capital Redemption Reserve				
-Balance brought forward		4,88,45,220		4,88,45,220
1.2.3 Surplus/(Deficit)				
Statement of Profit & Loss				
-Balance brought forward	15,08,89,584		13,70,37,152	
-Add : Net Profit/(Loss) for the year	-20,00,51,178	-4,91,61,594	1,38,52,432	15,08,89,584
-MAT Credit Entitlement				
-Balance brought forward	4,22,25,412			4,22,25,412
-Less : Adjustments *	1,23,56,673	2,98,68,739		
TOTAL ₹		6,69,47,378		27,93,55,229

** cannot be carried forward.*

NOTE 1.3 : LONG-TERM BORROWINGS

		As at 31st March, 2015		As at 31st March, 2014	
		₹	₹	₹	₹
1.3.1 Secured					
Term Loans					
-From : IREDA	76,83,55,000			35,00,00,000	
-From : Bank	7,99,95,696	84,83,50,696			
Vehicle Loan					
-From : Non-Banking Financial Company	1,82,382				
-Less : Current Maturities (refer Note 1.6)	1,82,382	0	84,83,50,696	1,46,420	35,01,46,420
1.3.2 Unsecured					
From : Director			12,79,90,000		10,56,40,000
TOTAL ₹			97,63,40,696		45,57,86,420

Notes: 1. Term Loan from Indian Renewable Energy Development Agency Ltd. (IREDA) is secured by first charge, on all the fixed assets of the Company (situated at Village Banondi, Tehsil Naraingarh, Distt. Ambala, Haryana & elsewhere) both present & future, on pari-passu basis with GOI (SDF) for its term loan, exclusive charge on receivables of power from Bagasse/Biomass based cogeneration project & other monies credited/to be credited in TRA of the Borrower and also lying or held wherever else and equitable mortgage by deposit of title deeds of immovable properties of the Company. The said loan is also secured by personal guarantee of Mrs. Renu Anand & Mr. Jitendra Anand, directors of the Company. The rate of interest on the loan ranges from 12.50% to 15.00% per annum.

2. Term Loan from Union Bank of India is secured by first charge, on current assets of the Company, second charge on fixed assets of the Company (situated at Village Banondi, Tehsil Naraingarh, Distt. Ambala, Haryana & elsewhere) and lien on the DRC of ` 50.00 lacs. The said loan is also secured by personal guarantee of Mrs. Renu Anand & Mr. Jitendra Anand, directors of the Company. The rate of interest on the loan is 15.00% per annum.

3. Vehicle Loan from Kotak Mahindra Prime Ltd. is secured against hypothecation of specified vehicle.

NOTE 1.4 : OTHER LONG-TERM LIABILITIES

	As at 31st March, 2015		As at 31st March, 2014	
	₹	₹	₹	₹
Advance				
From Customer		71,97,14,634		71,97,14,634
Security Deposits				
-From: Farmers, suppliers/ contractors etc.	11,04,104		11,04,104	
-From: Dealers	20,55,689	31,59,793	19,90,689	30,94,793
Retention Money		60,40,695		40,66,994
TOTAL ₹		72,89,15,122		72,68,76,421

NOTE 1.5 : LONG-TERM PROVISIONS

		As at 31st March, 2015		As at 31st March, 2014	
		₹	₹	₹	₹
Gratuity					
-Balance brought forward	57,46,042				
-Add : Current year's provision	9,08,576	66,54,618		58,27,328	
-Less : Paid during the year		2,04,783	64,49,835	81,286	57,46,042
Leave Encashment					
-Balance brought forward	27,99,701				
-Add : Current year's provision	2,39,806	30,39,507		30,74,810	
-Less : Paid during the year		99,600	29,39,907	2,75,109	27,99,701
TOTAL ₹			93,89,742		85,45,743

NOTE 1.6 : OTHER CURRENT LIABILITIES

	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
Current Maturities -of Long-term debts (refer note no. 1.3)	1,82,382	2,61,084
Interest accrued & due	2,62,96,809	0
Advance From Customers	34,04,72,466	37,01,06,961
Creditors For Capital Goods	1,20,37,568	0
Taxes & Expenses Payable	79,96,999	63,28,198
Tax deducted at source	4,89,425	9,22,990
Other Liabilities	6,20,84,586	4,94,95,787
TOTAL ₹	44,95,60,235	42,71,15,020

NOTE 1.7 : SHORT-TERM PROVISIONS

For : Excise Duty on Inventories of Finished Goods	2,11,96,824	1,38,21,660
For : Current Tax	0	73,39,460
TOTAL ₹	2,11,96,824	2,11,61,120

NOTE 1.9 : NON-CURRENT INVESTMENTS

	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
Redeemable Non-Convertible Debentures (at cost)		
Trade (Quoted)		
-IFCI Ltd. (200 debentures @ 1,000/- each)	2,00,000	0
TOTAL ₹	2,00,000	0

NOTE 1.10 : LONG-TERM LOANS & ADVANCES

	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
(Unsecured considered good - unless otherwise stated)		
Advance		
-For Capital Goods	4,30,11,555	29,75,00,000
Deposits with Government Departments & Other Agencies	29,93,250	29,93,250
Taxes		
MAT Credit Entitlement (refer note no. 1.2)	2,98,68,739	4,22,25,412
TOTAL ₹	7,58,73,544	34,27,18,662

NOTE 1.11 : OTHER NON-CURRENT ASSETS

	As at 31st March, 2015 ₹		As at 31st March, 2014 ₹	
Pre-operative Expenses (pending capitalisation)				
-Balance brought forward	1,67,26,162		1,10,56,947	
Add: Additions during the year	8,46,74,959	10,14,01,121	56,69,215	1,67,26,162
TOTAL ₹		10,14,01,121		1,67,26,162

NOTE 1.12 : INVENTORIES

	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
(As taken, valued & certified by the management)		
Raw Material	53,530	73,530
Work-in-Progress	2,42,78,550	3,49,43,090
Finished Goods etc.	53,60,94,720	44,13,79,770
Stores & Spares etc.	1,98,24,740	1,47,17,990
TOTAL ₹	58,02,51,540	49,11,14,380

NOTE 1.13 : TRADE RECEIVABLES

	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
(Unsecured considered good - unless otherwise stated).		
1.13.1 Exceeding six months	22,31,04,749	25,16,651
1.13.2 Others	1,33,97,949	24,33,99,013
TOTAL ₹	23,65,02,698	24,59,15,664

NOTE 1.14 : CASH & BANK BALANCES

	As at 31st March, 2015 ₹	₹	As at 31st March, 2014 ₹	₹
1.14.1 Cash and cash equivalents				
Balance with banks current accounts	1,97,64,562		9,18,48,458	
Cash balance	67,56,396	2,65,20,958	87,38,403	10,05,86,861
1.14.2 Other bank balances fixed deposits *		1,99,83,331		1,06,49,945
TOTAL ₹		4,65,04,289		11,12,36,806

** fixed deposit with Punjab & Sind Bank is pledged as security for guarantees in favour of Haryana Renewable Energy Development Agency and fixed deposits with Union Bank of India is pledged as security for term loan from Bank.*

NOTE 1.15 : SHORT-TERM LOANS & ADVANCES

	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
For Supplies & Services	71,79,31,871	45,39,41,270
Prepaid Expenses	20,37,232	11,96,356
Taxes	1,48,154	1,53,506
Staff Advances	1,50,891	7,26,096
Balances with Excise & Custom Authorities	40,95,401	73,12,280
TOTAL ₹	72,43,63,549	46,33,29,508

NOTE 1.16 : OTHER CURRENT ASSETS

	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
Amount Recoverable (Unsecured considered good - unless otherwise stated).		
-Exceeding six months	4,71,36,521	4,70,52,346
-Others	63,76,543	83,113
TOTAL ₹	5,35,13,064	4,71,35,459

NOTE 2.1 : REVENUE FROM OPERATIONS

	For the year ended 31st March, 2015		For the year ended 31st March, 2014	
	₹	₹	₹	₹
Sales				
-Sugar	1,088,266,886		1,630,277,438	
-Molasses	8,61,30,612		10,43,07,124	
-Bagasse	2,23,66,420	1,196,763,918	3,16,57,799	1,76,62,42,360
-Less : Excise Duty		54,159,950 *		5,28,73,929
TOTAL ₹		1,142,603,968		1,71,33,68,431

** inclusive of current year's provisions of Excise Duty (₹ 21,196,824/-) and net of previous year's provisions of Excise Duty (₹ 13,821,660/-) on closing inventories of finished goods*

NOTE 2.2 : OTHER OPERATING REVENUES

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
	₹	₹
Sale (Press Mud)	23,31,628	19,00,672
Farming Income (Net)	9,85,627	3,90,585
Miscellaneous	1,76,850	0
TOTAL ₹	34,94,105	22,91,257

NOTE 2.3 : OTHER INCOME

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
	₹	₹
Interest earned	14,81,916	16,78,249
TOTAL ₹	14,81,916	16,78,249

NOTE 2.4 : COST OF MATERIALS CONSUMED

	For the year ended 31st March, 2015		For the year ended 31st March, 2014	
	₹	₹	₹	₹
Opening Stock	73,530		0	
Add : Purchases	1,267,647,082	1,267,720,612	1,145,926,241	1,14,59,26,241
Less: Closing Stock		53,530		73,530
TOTAL ₹		1,267,667,082		1,14,58,52,711

NOTE 2.5 : CHANGES IN INVENTORIES

	For the year ended 31st March, 2015		For the year ended 31st March, 2014	
	₹	₹	₹	₹
Stock at Commencement				
-Work-in-Progress	3,49,43,090		3,08,52,160	
-Finished Goods	44,13,79,770	47,63,22,860	81,51,64,540	84,60,16,700
Stock at Close				
-Work-in-Progress	2,42,78,550		3,49,43,090	
-Finished Goods	53,60,94,720	56,03,73,270	44,13,79,770	47,63,22,860
TOTAL ₹		-8,40,50,410		36,96,93,840

NOTE 2.6 : EMPLOYEE BENEFITS EXPENSE

	For the year ended 31st March, 2015		For the year ended 31st March, 2014	
	₹	₹	₹	₹
Salaries & Wages (salaries & wages, leave encashment & bonus)		3,67,39,447		3,66,32,303
Contribution to :				
-Provident Fund		17,55,268		13,95,769
Other benefits :				
-Staff Welfare *	13,28,641		12,72,638	
-Gratuity	10,09,221	23,37,862	15,52,830	28,25,468
TOTAL ₹		4,08,32,577		4,08,53,540

** inclusive of Uniform & Liveries (₹ 209,539/-).*

NOTE 2.7 : FINANCE COSTS

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
	₹	₹
Interest -Bank/ Non-Banking Financial Companies	15,30,823	91,90,035
Bank Charges	10,09,317	5,71,670
TOTAL ₹	25,40,140	97,61,705

NOTE 2.8 : OTHER EXPENSES

		For the year ended 31st March, 2015		For the year ended 31st March, 2014	
		₹	₹	₹	₹
Other Operating Expenses					
-Consumable Stores		81,64,051		86,50,769	
-Packing Material		1,80,73,097		1,77,74,611	
-Power & Fuel		64,84,605		71,56,740	
-Others		2,06,69,401*	5,33,91,154	1,78,78,422	5,14,60,542
Rent			9,73,150		8,51,469
Repairs & Maintenance					
-Building/Electricals		40,79,473		62,69,726	
-Machinery & Equipment		2,38,64,684		2,33,89,877	
-Computers		2,38,973		1,08,198	
-Vehicles		18,15,975	2,99,99,105	24,81,439	3,22,49,240
Insurance			11,46,063		18,56,114
Rates & Taxes			7,68,398		7,21,276
Miscellaneous Expenses					
-Other Administrative Expenses		16,05,319		18,67,211	
-Travelling & Conveyance				8,04,522	
Directors	36,011				
Staff/Others	7,95,563	8,31,574			
-General Charges		36,37,855		32,45,561	
-Selling & Distribution Expenses		46,53,801	1,07,28,549	67,93,555	1,27,10,849
Payments to Auditor			2,00,000		1,75,000
TOTAL ₹			9,72,06,419		10,00,24,490

** inclusive of handling charges (₹ 19,819,884/-).*

NARAINGARH SUGAR MILLS LIMITED
NOTE '3' : SIGNIFICANT ACCOUNTING POLICIES
(Forming part of Accounts)
FOR THE YEAR ENDED 31ST MARCH, 2015

3.1. Basis of Accounting

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India under the historical convention on accrual basis. These financial statements have been prepared to comply, in all material aspects, with the accounting standards notified under Section 211(3C) (which continue to be applicable in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013), other relevant provisions of the Act (to the extent notified) and the presentation requirements as prescribed by the Schedule III of the Companies Act, 2013 to the extent applicable.

3.2. Use of Estimates

The preparation of financial statements inconformity with generally accepted accounting principles requires that management makes estimates and assumptions that affect the reported amounts of income and expenses of the year, the reported balance of assets and liabilities and the disclosure relating to contingent liabilities as at the date of the financial statements. These estimates are based upon management's best knowledge of current events and actions. The difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

3.3. Fixed Assets

- Tangible Assets

Tangible Assets are stated at cost of acquisition or construction less accumulated depreciation and impairment of assets, if any.

The cost comprises purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use and net of Cenvat/VAT availed.

- Capital Work-in-Progress

Expenses incurred during construction/installation period are included under capital work-in-progress and allocated to relevant fixed assets in the ratio of cost of the respective assets on completion of construction/installation.

3.4 Depreciation/Amortisation

- Depreciation on tangible assets is provided on the basis of actual working days/utilisation, on written down value method over the useful life of assets estimated by the management.
- Depreciation on additions to fixed assets is calculated on month-end balances.
- Depreciation on assets sold & scrapped, during the year, is provided upto the month in which such fixed assets are sold or scrapped.

3.5. Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying cost of the assets exceeds its recoverable value. An impairment loss, if any, is charged to the .Statement of Profit & Loss in the year in which an asset is identified as impaired. Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the assets no longer exist or have decreased.

3.6. Valuation of Inventories

Valuation of Inventories is done as under:

- Raw Material.
  At cost (on FIFO method)

- Work-in-Progress
  At estimated process cost.
- Finished Goods
  At cost or market price whichever is lower.
  (Inclusive of excise duty)
- Stores & Spares
  At estimated realisable value.

3.7. Excise Duty/Cenvat

- Excise Duty in respect of goods lying in the factory, at the close of the year, is accounted for at the prevalent applicable rate of duty.
- Cenvat on capital goods is credited to respective assets.
- Cenvat on purchase of raw material and other material is deducted from the cost of such material.
- Cenvat on input service is credited to respective expense.

3.8. Capital Subsidy

Government grants are deducted from the value of the concerned asset if the grant is specifically received for the purchase, construction or acquisition of the asset. However, if it is received as a contribution towards the total investment or by way of contribution to its capital outlay and no repayment is ordinarily required to be made, such grants are treated as Capital Reserves.

3.9. Revenue Recognition

- Revenue from sale of goods is recognised when risk and rewards of ownership are transferred to the customers.
- Revenue from services is recognised when services are rendered and related costs are incurred.
- Other income is recognised on accrual basis unless otherwise stated.
- Insurance and other claims are accounted for on settlement of claims/on receipt.
- Sales are shown net of Excise Duty and other taxes, as applicable.

3.10. Employee Benefits

a) Short-term Employee Benefits:
Bonus is accounted for on accrual basis.

b) Post-Employment Benefits

(i) Defined Contribution Plans:
Contributions as required under the Statute/Rule are made to Provident Fund and charged to the Statement of Profit & Loss of the year when the contributions to the fund are due.
Provisions of Employees State Insurance are not applicable.

(ii) Defined Benefit Plans:
- Gratuity is accounted for on accrual basis.
- The Company has not taken any Gratuity policy with Life Insurance Corporation of India or any other insurer covered under the specified provisions of the Income Tax Act, 1961.

c) Other Long-term Employee Benefits:
Leave Encashment, on the basis of actual computation, is accounted for on accrual basis, during the tenure of employment the payment in respect thereof is made by the Company from its own funds as per the past practice consistently followed by the Company.

d) Termination Benefits:
Termination benefits are recognised as an expense as and when incurred.

3.11. Foreign Currency Transactions

- The Company accounts for the effects of difference in foreign exchange rates in accordance with Accounting Standard 11 notified by Companies (Accounting Standards) Rules, 2006 under Section 211(3C) (which continue to be applicable in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Affairs in respect of Section 133 of the Companies Act, 2013).
- Foreign currency transactions are recorded using the exchange rate prevailing on the date of transaction. Exchange differences arising on foreign currency transactions settled during the year are recognised in the Statement of Profit & Loss.
- Monetary assets and liabilities denominated in foreign currency are restated at the exchange rate prevailing at the year end. The resultant differences are recognised in the Statement of Profit & Loss.

3.12. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets to the extent that they relate to the period till such assets are ready to use. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit & Loss.

3.13. Investments

- Current Investments are carried at cost or fair value whichever is lower.
- Non-Current Investments are carried at cost. Provision for diminution in value of non-current investments is made only, if a decline is other than temporary.

3.14. Operating Lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease charges are recognised as an expense in the Statement of Profit & Loss on a straight line basis.

3.15. Taxes on Income

- Current Tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961.
- Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.
- Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off assets against liabilities.
- Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will be in a position to avail of such credit under the provisions of the Income Tax Act, 1961.

3.16. Earnings Per Share (EPS)

- Annualised basic earnings per equity share is arrived at based on net profit/(loss) attributable to equity shareholders to the basic weighted average number of equity shares outstanding.
- Annualised diluted earnings per equity share is arrived at based on adjusted net profit/(loss) attributable to equity shareholders to the adjusted weighted average number of equity shares outstanding, for the effects of all dilutive potential equity shares; except where the results are anti-dilutive. At present the Company does not have any dilutive potential equity shares.

3.17. Cash Flow Statement:

- The Cash Flow Statement is prepared by the indirect method set out in Accounting Standard (AS) 3 on Cash Flow Statements and presents the cash flows by operating, investing and financing activities of the Company.

- Cash and cash equivalents presented in the Cash Flow Statement consists of balance in current accounts and cash in hand.

3.18. Contingencies and Provisions

A provision is recognised when the Company has a present obligation as a result of past events. It is probable that an outflow of resources embodying economic benefit will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on the best estimate of the expenditure required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

A contingent liability is disclosed, unless the possibility of an outflow of resources embodying the economic benefit is remote.

NOTE 4 : OTHER NOTES TO ACCOUNTS
(Forming part of Accounts)
FOR THE YEAR ENDED 31ST MARCH, 2015

4.1. Contingent Liabilities & Commitments:

a) Estimated amount of contracts remaining to be executed and not provided for in the books of account - Nil previous year - Nil).

b) Contingent Liabilities:

- Claims against the Company not acknowledged as debt - Nil (previous year - Nil).
- Counter indemnity in respect of guarantees issued by Punjab & Sind Bank in favour of Haryana Renewable Energy Development Agency (HAREDA) - ₹ 10,000,000/- (previous year - ₹ 10,000,000/-).
  Fixed Deposit (₹ 11,506,543/- inclusive of interest accrued thereon) against bank guarantees has been pledged with the bank.
- The following amounts, in earlier years, were deposited (under-protest) Hon'ble Delhi High Court (₹ 10,312,631/-):
  Sales Tax (` 9,812,631/-) on demand raised by the Department; whereas, as per the policies of the Central Government, Sales Tax on sale of molasses was exempt for five years.
  Amit Electricals (₹ 500,000/-), pending settlement of account.
  Haryana State Government (₹ 1,491,098/-): on account of Local Area Development Tax.
  The decisions of the concerned authorities are awaited.
  The ultimate outcome of these matters cannot be determined & provision for liability, if any, cannot be estimated at this stage.
- Additional demand, if any, arising at the time of assessments will be accounted for in the year in which assessments are completed.

4.2. Issued, Subscribed & Paid up Capital:

a) Calls in arrears (₹ 12,941,000/- i.e. 2,588,200 Equity Shares @ ₹ 5/- per share), since the financial year 1996-1997, are due from public at large including associates; effective steps have been initiated to regularise and appropriately adjust the account in the ensuing year.

b) Redeemable (Non-cumulative) Preference Shares (₹ 21,772,510/- issued to a Bank); due for redemption in the financial year 2010-2011, have not yet been redeemed.

4.3. Long-term Borrowings:

Secured

Term Loans:

From : Union Bank of India (₹ 80,000,000/-) is repayable in 12 quarterly installments of (₹6,666,667/-) commencing from 30th September, 2016.

- Interest on above loan is payable on monthly basis.
  From: IREDA (₹768,355,000/-) is repayable in 40 quarterly installments commencing from 27th March, 2017.

4.4. a) In the opinion of the Directors, "Current Assets" and "Loans & Advances" are approximately of the value stated in the Balance Sheet, if realised in the ordinary course of business and to the best of their knowledge provisions for all the known liabilities have been made and, as certified, all the contractual and statutory obligations have been duly complied with.

b) Party balances have been incorporated in the financial statements at the value as per the books of account & are considered hopeful of recovery/good for payment.

4.5. Provision for Excise Duty (₹ 21,196,824/-) on inventories of finished goods lying in the factory, at the close of the year, has been made on estimation basis in accordance with the guidance note of the Institute of Chartered Accountants of India. However, the said provision does not have any impact on loss for the year.

4.6. Taxes

- The exact liability of Excise Duty, Service Tax, CST/VAT, Income Tax and other statutory dues are indeterminate pending finalisation of assessments and no undisputed dues or amounts were outstanding or remaining unpaid as at 31st March, 2015.
- There were no disputed dues, except Cane Purchase Tax ₹ 27,233,831/- for the financial years 1996-1997 to 2001-2002, outstanding or remained unpaid as at 31st March, 2015, on account of any dispute; the decision of the Hon'ble Punjab & Haryana High Court, Chandigarh is awaited.
- MAT Credit Entitlement:
  MAT Credit Entitlement (₹ 29,868,739/- i.e. ₹ 42,225,412/- brought forward from the financial year 2013-2014 less ₹ 12,356,673/- adjusted during the year) has been shown under the head 'Reserves & Surplus' with corresponding effect under the head 'Long-term Loans & Advances' in accordance with the accepted accounting principles; the amount of tax credit determined shall be carried forward upto ten assessment years immediately succeeding the assessment year in which tax credit becomes allowable.

4.7 Advance from a customer (aggregating to ₹ 1,058,571,950/-) was received, in terms of the agreement/supplement agreement executed, in earlier years, for supply of sugar. As per mutual agreed, terms & conditions, supply had to be effected in installments; however supply could not be effected as the party did not lift Sugar within the stipulated period due to pricing issue.
The Company subsequently filed a suit in a Local Court; the Hon'ble Court directed the Company to maintain the status quo.

4.8. Other Long-term Liabilities (₹ 728,915,122/-):

- Security Deposits (₹ 3,159,793/-) received from farmers, suppliers/dealers/contractors.
  The Company has not entered into any contractual agreement(s) with the above referred parties with regard to repayment/refund or payment of interest etc.
- Retention Money (₹ 6,040,695/-) due to suppliers.

4.9. Depreciation/Amortisation

- Depreciation on tangible assets existing as on 01st April, 2014 is provided on the basis of actual working days/utilisation, on written down value method over the useful life of assets estimated by the management.
- Residual values of assets have been considered at 5% of the original cost of the assets.
- Depreciation on additions to fixed assets is calculated on month-end balances, on the basis of actual working days/utilisation, on written down value method over the estimated useful lives as specified in Part-C of Schedule II of the Companies Act, 2013.

The management estimates the remaining useful life of existing fixed assets as follows:-

Building (Factory)	20 years
Building (Non-Factory)	40 years

Furniture & Fixtures	8 years
Plant & Machinery	15 years
Equipment	5 years
Computers	3 years
Vehicles	7 years

For these class of assets, based on internal assessment and independent technical evaluation carried out by external valuers the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets is different from the useful lives as prescribed under Part-C of Schedule II of the Companies Act 2013.

- Fixed Assets:
  Capital Work-in-Progress (additions during the year - ₹ 779,932,412/-) represent cost incurred for setting up of 25 MW Co-Gen Power Plant; the project will be implemented in the ensuing year; the said amount on completion will be capitalised to respective assets.

4.10. Other Non-Current Assets (₹ 101,401,121/-):
Pre-operative Expenses (pending capitalisation - i.e. balance brought forward - ₹ 16,726,162/- and additions during the year ₹ 84,674,959/-) have been incurred for setting up of 25 MW Co-Gen Power Plant; the said expenses will be capitalised on commencement of commercial operations.

4.11. Trade Receivables (₹ 236,502,698/-) include (₹ 220,586,925/-) due from Rahul Sales Ltd. (Company in which directors/relatives of directors are interested) against sales effected in the ordinary course of business at arm's length price in the previous year; however no payment has been received during the year; the Company has taken effective steps for recovery.

4.12. Short-term Loans & Advances (₹ 724,363,549/-):
Advance for Supplies & Services (₹ 717,931,871/-) include advance (₹ 254,248,500/-) given to Rahul Sales Ltd. (Company in which directors/relatives of directors are interested) for supply of imported raw sugar; however due to stringent government policies and increase in import duty, the import price of raw sugar had increased substantially.
Keeping in view the prevailing circumstances & heavy financial implications/financial status of the Company, it was proposed to the supplier to defer the supply till the situation improves.

4.13. Segment Reporting (AS-17)
Since the Company primarily operates in one segment (Manufacturing/Trading of Sugar) - therefore segment reporting as required under Accounting Standard - 17 is not applicable - there is no reportable geographical segment either.

4.14. Related Party Disclosures (AS-18)
Related parties & their relationship and related parties transactions - As per Annexure - (A).

4.15 The Company has made provision for liability of gratuity on accrual basis; however Actuarial Valuation Report, as required under Accounting Standard - 15, has not been obtained.

4.16. Earnings Per Share (AS-20)

	Year ended 31st March, 2015	Year ended 31st March, 2014
Numerator		
Net Profit/(Loss) attributable to Equity shareholders	₹ (200,051,178)	₹ 13,852,432

Denominator		
Weighted average number of outstanding Equity shares	No.'s 19,018,100	No's 19,018,100
Nominal Value per Equity share	₹ 10	₹ 10
Earnings per Equity share		
-Basic & Diluted		
-₹ 10 paid-up	₹ (10.52)	₹ 0.73
-₹ 5 paid-up	₹ (5.26)	₹ 0.36

4.17. Deferred Tax Assets & Liabilities (AS-22)

The major components of Deferred Tax Asset and Deferred Tax Liability - arising out of timing differences are:

Particulars		Amount ₹	Total ₹
a) Timing Difference (Liability)			
Depreciation			
- As per Income Tax Act, 1961	36,036,357		
- As per Financial Statements	18,694,203	17,342,154	
Expenses u/s 43B of the Income Tax Act, 1961 (paid during the year)			
- Excise Duty	5,676,351		
- Leave Encashment	99,600		
- Bonus	1,130,521		
- Gratuity	204,783		
- Cane Purchase Tax	2,500,000	9,611,255	26,953,409
b) Timing Difference (Asset)			
Expenses u/s 43B of the Income Tax Act, 1961 (Not paid till date)			
- Excise Duty	12,830,656		
- Leave Encashment	239,806		
- Bonus	1,130,357	14,200,819	
u/s 40(A)(7) of the Income Tax Act, 1961			
- Provision for Gratuity		908,576	15,109,395
Net Deferred Tax Value			**11,844,014**
Deferred Tax Liability (@30.90%)			3,659,800
Or say			3,659,800
Add: Opening Balance (Deferred Tax Liability)			870,328
Deferred Tax Liability (Net)	**TOTAL**		**₹4,530,128**

4.18. Impairment of Assets (AS-28)

During the year, the Company has undertaken a review of all the fixed assets in line with the requirements of AS-28 on "Impairment of Assets" as notified by Companies (Accounting Standards) Rules, 2006 under Section 211(3C)

(which continue to be applicable in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013), based on such review, no provision for impairment is required to be recognised for the year.

4.19. Micro, Small & Medium Enterprises

Based on the information presently available, there are no amounts due to any micro or small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006.

4.20. Auditor's Remuneration

(excluding Service Tax)

		31st March, 2015 AMOUNT ₹	31st March, 2014 AMOUNT ₹
- Audit Fee		140,000	120,000
- In other capacity		50,000	
Taxation Matters	25,000		
Company Law Matters	25,000	50,000	
- Reimbursement of Expenses		10,000	5,000
TOTAL		**₹ 200,000**	**175,000**

4.21 Other additional information

a) Revenue from operations

The Company is engaged in manufacturing & sales of sugar and its bye products.

	31st March, 2015 AMOUNT ₹	31st March, 2014 AMOUNT ₹
b) Raw material consumed		
- Sugarcane	1,267,667,082	1,145,852,711
TOTAL	**₹ 1,267,667,082**	**1,145,852,711**
c) Finished Goods		
Closing Stock		
- Sugar	487,021,205	429,111,080
- By products		
Molasses	24,697,129	12,268,690
Bagasse	24,376,386	-
TOTAL	**₹ 536,094,720**	**441,379,770**
Opening Stock		
- Sugar	429,111,080	806,478,583
- By products		
Molasses	12,268,690	6,881,633
Bagasse	-	1,804,324
TOTAL	**₹ 441,379,770**	**815,164,540**

d) Imported & indigenous consumption of raw material/stores & spares and percentage thereof

	AMOUNT ₹	%	AMOUNT ₹	%
'A' Imported	Nil	-	Nil	-
'B' Indigenous				
- Raw material				
- Stores & spares *	1,267,667,082	100	26,237,148	100
	1,145,852,711	100	26,425,380	100

**represent consumable stores (₹ 8,164,051/-) & packing material (₹ 18,073,097/-).*

4.22. There was no transaction in foreign currency.

4.23. Figures for previous year have been regrouped/rearranged where necessary to conform to the current year's presentation.

4.24. Figures have been rounded off to nearest rupee.

In terms of our attached report of even date.

For and on behalf of the Board of Directors

Sd/-
GURKIRPAL SINGH BEDI
(Director)

Sd/-
RENU ANAND
(Director)

For VASUDEVA & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No. - 022239N

Sd/-
(NITI M. LATAWA)
PARTNER
Membership No. - 511907

Sd/-
ASHWANI MITTAL
(Chief Financial Officer)

Sd/-
DIKSHA DHAMIJA
(Company Secretary)

Dated: 29th May, 2015
Place : Chandigarh

NARAINGARH SUGAR MILLS LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2015

		CURRENT YEAR 31ST MARCH, 2015 ₹	PREVIOUS YEAR 31ST MARCH, 2014 ₹
"A"	CASH FLOWS		
(I)	FROM OPERATING ACTIVITIES		
a)	Profit/(Loss) before tax	-19,53,10,022	3,29,68,562
	Adjustments :		
	Depreciation and amortisation	1,86,94,203	1,80,60,997
	Interest earned	-14,81,916	-16,78,249
	Interest paid/incurred (Net)	15,30,823	91,90,035
	Exceptional items	0	1,22,093
	Profit from operating activities	-17,65,66,912	5,86,63,438
b)	Working capital changes :		
	(Increase)/Decrease in Inventories	-8,91,37,160	36,42,89,370
	(Increase)/Decrease in Trade Receivables	94,12,946	-23,71,14,555
	(Increase)/Decrease in Short-term Loans and Advances	-26,11,87,547	-24,73,82,932
	(Increase)/Decrease in Other Current Assets	-63,77,605	24,21,259
	(Increase)/Decrease in Long-term Loans and Advances	25,44,88,445	-29,99,70,800
	Increase/(Decrease) in Other Long-term Liabilities	20,38,701	32,28,24,699
	Increase/(Decrease) in Long-term Provisions	8,43,999	18,28,960
	Increase/(Decrease) in Trade Payables	53,05,14,691	8,30,13,850
	Increase/(Decrease) in Other Current Liabilities	-37,72,892	-76,25,838
	Increase/(Decrease) in Short-term Provisions	73,75,164	-1,17,45,613
	Cash generated from operations	26,76,31,830	2,92,01,838
c)	Direct taxes paid (inclusive of taxes for earlier years)	-82,67,289	-75,53,570
	Total "I"	25,93,64,541	2,16,48,268
(II)	FROM INVESTING ACTIVITIES		
a)	Purchase of tangible assets/intangible assets/ capital work-in-progress	-78,59,45,575	-12,19,05,081
b)	Proceeds from sale of tangible assets/intangible assets/capital work-in-progress	0	85,000
c)	(Increase)/Decrease in Non-Current Investments	-2,00,000	0
d)	(Increase)/Decrease in Other Non-Current Assets	-8,46,74,959	-56,69,215
e)	(Increase)/Decrease in Fixed Deposits	-93,33,386	-39,52,946
f)	Dividend received	0	0
g)	Interest received	14,81,916	16,78,249
	Total "II"	-87,86,72,004	-12,97,63,993

(III) FROM FINANCING ACTIVITIES

a)	Proceeds from issue of share capital	0	0
b)	Share application money (pending allotment)	0	0
c)	Proceeds from Long-term Borrowings (net)	54,67,72,383	34,30,40,520
d)	Increase in Short-term Borrowings (net)	0	0
e)	Redemption of Preference Shares	0	0
f)	Repayment of Long-term Borrowings	0	0
g)	Decrease in Short-term Borrowings (Net)	0	-13,50,16,784
h)	Dividends paid (including distribution tax)	0	0
i)	Interest and other finance costs	-15,30,823	-91,90,035
j)	Share issue expenses	0	0
	Total "III"	54,52,41,560	19,88,33,701

"B"	Net (decrease)/Increase in cash and cash equivalents (I+II+III)	-7,40,65,903	9,07,17,976
	Add : Cash and cash equivalents at the beginning of the year	10,05,86,861	98,68,885
"C"	Cash and cash equivalents at the end of the year	2,65,20,958	10,05,86,861

Cash and Cash equivalents at the end of the year	CURRENT YEAR 31ST MARCH, 2015 ₹	PREVIOUS YEAR 31ST MARCH, 2014 ₹
Cash & Bank Balances as per Note 1.13	4,65,04,289	11,12,36,806
Less : Fixed Deposits (having maturity more than 3 months)	1,99,83,331	1,06,49,945
	2,65,20,958	10,05,86,861

Note : Previous year figures have been regrouped/reclassified wherever necessary.

In terms of our attached report of even date.

For VASUDEVA & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No. 022239N

Sd/-
(NITI M. LATAWA)
PARTNER
Membership No. - 511907

Dated : 29th May, 2015
Place : Chandigarh

For and on behalf of the Board of Directors

Sd/-
GURKIRPAL SINGH BEDI
(Director)

Sd/-
RENU ANAND
(Director)

Sd/-
ASHWANI MITTAL
(Chief Financial Officer)

Sd/-
DIKSHA DHAMIJA
(Company Secretary)

PROXY FORM
NARAINGARH SUGAR MILLS LIMITED

Regd. Office : Village Banondi, PO: Shahzadpur, Tehsil Naraingarh, distt. Ambala (Haryana)

Folio No. .....
No. of Shares .....

I/We ..... of .....
being member(s) of the above named company, hereby appoint .....
..... of .....
or falling him/her ..... of .....
as my/our proxy to attend and vote for me/ue on my/our behalf at the 22nd Annual General Meeting of the Company to be held at Village Banondi, Tehsil Naraingarh, Distt. Ambala (Haryana) on Monday 28th day of September 2015 at 10:30a.m. and at any adjournment thereof.

Signed this ..... day of 2014

Note : The proxy from duly completed should be deposited at the Registered Office of the Company not later than 48 hours before the time for holding the aforesaid meeting.

ATTENDANCE SLIP
NARAINGARH SUGAR MILLS LIMITED

Regd. Office : Village Banondi, PO: Shahzadpur, Tehsil Naraingarh, Distt. Ambala (Haryana)

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND OVER AT THE ENTRANCE OF THE MEETING HALL

Regd. Folio Number	No. of Share Held

Name : _____

Shareholder : _____

Proxy : _____

I hereby record my presence at the 22nd Annual General Meeting of the Company on Monday 28th day of September 2015 at 10:30 a.m. at the Regd. Office of the company.

Signature of the Shareholder/Proxy : _____

To,

If undelivered, please return to :-
NARAINGARH SUGAR MILLS LTD.
VILLAGE BANONDI, PO: SHAHZADPUR
TEHSIL NATAINGARH, DISTT. AMBALA
HARYANA - 134202