



Naraingarh Sugar Mills Ltd.

Annual Report 2015-16

23rd ANNUAL REPORT 2015-2016

NARAINGARH SUGAR MILLS LTD.

CIN No. : L74899HR1991PLC032873

**BOARD OF DIRECTORS**

Mr. Sandeep Singh
Mr. Mahavir Singh
Mr. Gurkirpal Singh Bedi
Mr. Yogesh Jain
Mr. Rahul Pabreja
Mrs. Satinder Kaur Bedi

COMPANY SECRETARY

Ms. Rangoli Aggarwal

STATUTORY AUDITORS

M/s Vasudeva & Associates
Chartered Accountant
Chandigarh

SECRETARIAL AUDITORS

M/s A. Arora & Company
Company Secretaries
Chandigarh

COST AUDITORS

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

REGISTERED OFFICE & WORKS

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

REGISTRAR AND SHARE TRANSFER AGENT

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

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NOTICE

NOTICE is hereby given that the 23rd Annual General Meeting of the company is to be held on Wednesday, the 28th December, 2016 at 11.30 a.m. at the registered office of the company at Village Banondi, PO; Shahzadpur, Teh. Naraingarh, Distt. Ambala to transact the following business(s):

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2016 and the Profit & Loss Account for the period ended at that date alongwith the Director's and Auditor's report thereon.
2. To appoint a Director in place of Mr. Sandeep Singh(Din No: 07275838)who retires by rotation and being eligible offers himself for reappointment.
3. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an ordinary resolution:

To ratify the appointment of Statutory Auditors and fix their remuneration

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

SPECIAL BUSINESS

4. 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, Whole Time Director

“RESOLVED THAT pursuant to the provisions of Section 196, 197 and schedule V of the Companies Act, 2013 read with the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, including the statutory modifications and re-enactments thereof, for the time being in force, and subject to the approval of such other statutory and regulatory authorities as may be required in the matter, if any, and pursuant to the recommendation of the Nomination and Remuneration Committee to the Board, consent of the members be and is hereby accorded to appoint Mr. Sandeep Singh, as the Whole Time Director of the company w.e.f. 17th October 2015 for a term of 5 years on the following terms and conditions:

Salary:Rs. 25000/- per month.

Perquisites

1. Medical Reimbursement: for self and family subject to the ceiling of one month's salary in a year as per the rules of the company.



2. Earned Leaves: Twenty days in a year to be accumulated upto 240 days as per rules of the company. Leave accumulated and not availed for during his tenure as Whole Time Director may be allowed to be encashed as per the rules of the company.
3. Leave Travel Concession: Actual expenses for self and family, once a year maximum upto one month's salary in accordance with the rules of the company. Foreign trips upto Rs. 2,00,000/- will be reimbursed, upon production of actual expenses details.
4. Club Fees: Fees of clubs subject to a maximum of two clubs. No admission and life membership fees will be paid.
5. The Whole Time Director shall also be entitled to the contribution to the Provident Fund, superannuation fund, or annuity fund which will not be included in the computation of ceiling of perquisites to the extent they are exempted under the Income Tax Act. He shall also be eligible for gratuity subject to ceiling of half a month salary for each complete year of service or Rs. 3,00,000/- whichever is lower, as per the rules of the company.
6. Free telephone facility at his residence at the company's cost subject to the conditions that the long distance calls shall be billed by the company.
7. Free of Cost Company's chauffeur driven car, including maintenance and operations thereof subject to the conditions that the use of the car for private purpose shall be billed by the company.
8. The Whole Time Director shall also be entitled to reimbursement of actual entertainment, traveling, boarding and lodging expenses incurred in connection with the company's business and such other benefits and amenities and other privileges ad may from time to time be available to other senior executives of the company.
9. This arrangement between the Whole Time Director and the company may be brought to an end either by way of a resignation by the Whole Time Director or by his removal by the company, by giving such prior notice as may be agreed.

FURTHER RESOLVED THAT Mr. Rahul Pabreja Director of the company be and are hereby severally authorized to file the necessary returns, and to do all such acts, things and deeds as may be necessary to give effect to this resolution."

5. 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, 2017.

"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, 2017, 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"

6. 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. Yogesh Jain, Additional Director

“RESOLVED THAT Mr. Yogesh Jain, who was appointed as an additional director of the company pursuant to section 149 and schedule IV of Companies Act 2013 effective from 3rd September 2016, 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, not liable to retire by rotation for a period of 5 years beginning from 3rd September 2016.”

7. 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 Ms. Satinder Kaur Bedi, Additional Director

“RESOLVED THAT Ms. Satinder Kaur Bedi, who was appointed as an additional director of the company pursuant to section 149 and schedule IV of Companies Act 2013 effective from 2nd December 2016, 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, not liable to retire by rotation for a period of 5 years beginning from 2nd December 2016.”

8. 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. Rahul Pabreja, Additional Director

“RESOLVED THAT Mr. Rahul Pabreja, who was appointed as an additional director of the company effective from 2nd December 2016, 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 and the requisite amount of deposit in terms of Section 160 of the Companies Act, 2013, be and is hereby appointed as Director of the company, liable to retire by rotation.”

Date: 02/12/2016
Place: Chandigarh

BY ORDER OF THE BOARD
FOR NARAINGARH SUGAR MILLS LTD
sd/-
Sandeep Singh
Whole Time DIRECTOR



NOTES

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

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

2. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the company a certified copy of the Board resolution authorising their representatives to attend and vote on their behalf at the Meeting.
3. Brief resume of Directors including those proposed to be appointed/re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under clause 49 of the Listing agreement with the Stock exchanges are annexed herewith.
4. A statement pursuant to Section 102(1) of the Companies Act 2013, relating to the special business to be transacted at the meeting is annexed hereto.
5. A member or Proxy should bring the duly filled attendance slip along with their copy of Annual report to the meeting. The attendance slip shall be deposited at the entrance of the meeting hall.
6. In case of Joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Pursuant to the provision of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the company is pleased to offer e-voting to the members to cast their votes electronically on all resolutions set forth in the Notice convening the 23rd Annual General Meeting to be held on Wednesday the 28th December, 2016 at 11.30 a.m. at Registered Office of the company. The company has engaged the services of Central Securities Depository Limited (CDSL) to provide e-voting facility. The e-voting facility is available at the link: www.evotingindia.com

These details and instructions form an integral part of the notice convening the 23rd AGM to be held on 28th December 2016.

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

- (i) The voting period begins on Sunday, December 25, 2016 at 9.00 a.m. and ends on Tuesday, December 27, 2016, 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 21st December, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.



- (iv) Click on Shareholders.
- (v) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none">Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none">If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.



- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password& enter the details as prompted by the system.

8. GENERAL INSTRUCTIONS FOR E-VOTING

- (i) The e-voting period commences on Sunday, December 25, 2016 at 9.00 a.m. and ends on Tuesday, December 27, 2016, 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 21st December, 2016, 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 21st December, 2016.
- (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. Kanwaljit Singh Thanewal, Practicing Company Secretary (Membership No. FCS5870) 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.
- (vi) The results declared along with the Scrutinizer’s Report shall be placed on the CDSL website www.evotingindia.com within three working days of the passing of the resolutions at the 23rdAGM of the Company on December 28, 2016 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 Thursday, the 22nd December 2016 to Wednesday, the 28th December, 2016 (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 atleast 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. 4

Mr. Sandeep Singh has been associated with the company in the capacity of a Director. Keeping in mind the contribution of Mr. Sandeep Singh in the capacity of a Director of the company] and appreciating his efforts and efficiency towards the growth and development of the company, the board of directors hereby wish to propose his appointment as the Whole Time Director of the company for a term of 5 year w.e.f. 17th October, 2015.

The board of directors is of an opinion that the continued association of Mr. Sandeep Singh with our company shall be of great advantage to the business and shall add to the productivity and efficiency to the company. The board therefore proposes the above resolution to be passed by the members.

Except for Mr Sandeep Singh none of the directors, Key Managerial Personnel and their relatives are concerned or interested in the aforesaid resolution.

Item-5

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, 2017 as per the following details:

Sl. No.	Name of the Cost Auditor	Industry	Audit fees
01	Khushwinder Kumar & Co., Cost Accountants	Sugar	Rs. 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. 5 of the notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2017.

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. 6

Mr. Yogesh Jain was appointed as an Additional Director on the board of the company w.e.f. 3rd September 2016. 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. Yogesh Jain for the office of the director pursuant to section 149 and schedule IV of Companies Act 2013 who shall not be liable to retire by rotation for a period of 5 years beginning from 3rd September 2016 .”

In the opinion of the Board, Mr. Yogesh Jain fulfils the conditions specified in the Act and the Rules made thereunder for appointment as Independent Director and he is independent of the management.

None of the directors of the company except Mr. Yogesh Jain are interested or concerned with this resolution.

Item No. 7

Mr. Rahul Pabreja was appointed as an Additional Director on the board of the company w.e.f. 2nd December 2016. 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. Rahul Pabreja for the office of the director under the provisions of section 161 of the Companies Act 2013 and shall be liable to retire by rotation.

None of the directors of the company except Mr. Rahul Pabreja are interested or concerned with this resolution.

Item No. 8

Ms. Satinder Kaur Bedi was appointed as an Additional Director on the board of the company w.e.f. 2nd December 2016. Pursuant to Section 161 of the Companies Act 2013, she 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 Ms. Satinder Kaur Bedi for the office of the director pursuant to section 149 and schedule IV of Companies Act 2013 who