



24th ANNUAL REPORT 2016-2017

NARAINGARH SUGAR MILLS LTD.

CIN No. : L74899HR1991PLC032873



BOARD OF DIRECTORS

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

COMPANY SECRETARIES

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 24th Annual General Meeting of the company is to be held on Wednesday, the 27th September, 2017 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, 2017 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 the following resolution as an ordinary resolution:

Appointment of Statutory Auditors and fix their remuneration

"RESOLVED THAT pursuant to be provisions of Section 139, section 142 and others applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Companies (Audit and Auditors rules, 2014, as amended from time to time, and pursuant to the recommendation of the Audit Committee, M/s KD & Associates, Chartered Accountants (FRN No. 024293N), be and is hereby appointed as auditors of the Company, to hold office from the conclusion of this Annual General Meeting ('AGM'), until the conclusion of the fifth consecutive AGM of the Company to be held in year 2022 (subject to ratification of the appointment by the Members at every AGM), 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:

To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2018.

"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, 2018, 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"

BY ORDER OF THE BOARD
FOR NARAINGARH SUGAR MILLS LTD
sd/-

Sandeep Singh
Whole Time DIRECTOR

Date: 18/08/2017
Place: Chandigarh



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 24th Annual General Meeting of the company to be held on Wednesday, the 27th September, 2017 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 24th Annual General Meeting of the company to be held on Wednesday, the 27th September, 2017

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

- (i) The voting period begins on Sunday 24th September 2017 at 9:00 am and ends on Tuesday 26th September 2017 at 5:00 pm. 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 Wednesday 20th September 2017 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
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. 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 24th September 2017 at 9:00 am and ends on Tuesday 26th September 2017 at 5:00 pm. 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 Wednesday 20th September 2017, 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 Wednesday 20th September 2017
- (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 24th AGM of the Company on September 27, 2017 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 21st September 2017 to Wednesday, the 27th September, 2017 (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. 4

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, 2018 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. 6 of the notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2018.

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. 4 of the Notice.

The Board recommends the ordinary resolution set out at Item no.4 of the Notice for approval by the shareholders as ordinary resolution.

Date: 18/08/2017

Place: Chandigarh

BY ORDER OF THE BOARD
FOR NARAINGARH SUGAR MILLS LTD

sd/-

Sandeep Singh
Whole Time DIRECTOR



DIRECTORS' REPORT

To

The Shareholders of
Naraingarh Sugar Mills Limited
Naraingarh

Your Directors are pleased to present the 24th Annual report of your company alongwith audited annual accounts of the company for the period ended 31st March, 2017.

OPERATIONS & FINANCIAL RESULTS

| Particulars | Year ended 31st March 2017 | Year ended 31st March 2016 |
|--|----------------------------------|----------------------------------|
| Income from operations | | |
| Net sales/income from operations | 18800.12 | 16793.25 |
| Other operating Income | 76.00 | 86.05 |
| Other Income | 18.86 | 18.77 |
| Total income | 18894.98 | 16898.07 |
| | | |
| Total expenses (excluding Depreciation and Finance costs) | 17331.81 | 17164.29 |
| EBIDTA | 1563.17 | (266.22) |
| Depreciation | 196.53 | 199.38 |
| Finance costs | 284.15 | 28.45 |
| Profit / (Loss) from ordinary activities after finance costs but before exceptional items | 1082.49 | (494.04) |
| Exceptional items | 0 | 0 |
| Profit / (Loss) from ordinary activities before tax | 1082.49 | (494.04) |
| Tax expense | 86.14 | (1.58) |
| Net Profit / (Loss) from ordinary activities | 996.35 | (492.46) |

It is informed that during the current financial year the company achieved a total income of Rs. 18894.98 Lacs which is approximately 11.82% higher than the previous year figure of Rs 16898.07 Lacs. The company had a profit after tax of Rs. 996.35 Lacs compared to net loss after tax of Rs. 492.46 lacs during last financial year. The comparative figures of Cane crushed and recovery during the current year and last year are given hereunder:-



| Particulars | 2016-17 | 2015-16 |
|------------------|---------|---------|
| Cane Crushed(MT) | 492868 | 340737 |
| Recovery (%) | 10.53 | 10.93 |
| Production(MT) | 51902 | 37253 |

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 & KMP

Mr. Sandeep Singh was promoted as the whole time Director of the company w.e.f 17th October 2015 and was regularized in the 23rd annual general meeting on 28th December 2016.

Mr. Aman Handa, Independent Director of the company had resigned from the said post w.e.f 25th August 2016.

Mr. Yogesh Jain was appointed as the Additional Director (independent) of the company w.e.f 3rd September 2016 and was regularized in the 23rd annual general meeting on 28th December 2016.

Mr. Rahul Pabreja was appointed as the Additional Director (independent) of the company w.e.f 2nd December 2016 and was regularized in the 23rd annual general meeting on 28th December 2016 but due to his personal reasons he resigned on 7th February 2017.

Mrs. Satinder Kaur Bedi was appointed as the Additional Director (independent) of the company w.e.f 2nd December 2016 and was regularized in the 23rd annual general meeting on 28th December 2016.

Mrs. Renu Anand, Director of the company had resigned from the said post w.e.f 2nd December 2016.