



NATURAL SUGAR & ALLIED INDUSTRIES LTD.

An ISO 9001 : 2008 Company



DIRECTOR'S REPORT

Respected Shareholders,

Your Directors are pleased to present the Annual Report and the Company's audited financial statement for the financial year ended March 31, 2015.

1. FINANCIAL RESULTS

The Company's financial performance for the year under review along with previous year's performance is produced hereunder:

Particulars	For the year ended 31/03/2015 Rs.	For the year ended 31/03/2014 Rs.
Net Sales /Income from Business Operations	2691804029.00	2411453298.00
Other Income	2842504.00	16915028.00
Total Income	2694646533.00	2431368326.00
Less Interest	187179590.00	259225887.00
Profit before Depreciation	(98220799.00)	(147169169.00)
Less Depreciation	70001471.00	113579608.00
Profit after depreciation and Interest	(168222270.00)	(260748777.00)
Less Current Income Tax	(587795.00)	(74545.00)
Less Previous year adjustment of Income Tax ,	69495814.00	(16992967.00)
Less Deferred Tax	(57161171.00)	(59738169.00)
Net Profit after Tax	(40977490.00)	(183943096.00)

2. REVIEW OF BUSINESS OPERATIONS :

Your Directors wish to present the details of Business operations done during the year under review:

1) SUGAR DIVISION :

During the period under report, total crushing operations for 126 days and total sugarcane crushed is 632882 MT and sugar production of 639135 qtls. with an average sugar recovery of 10.10%.

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2) POWER DIVISION (CO-GENERATION) :

Our Company has installed capacity of 23 MW (10 MW + 13 MW) co-generation of Power, during the period under report, we generated 411.47 lacs units out of which 123.74 lacs units were exported to MSEDCL and balance power is used as captive for Ferro Alloys Division, Distillery, Dairy and Sugar Division. Our Company have earned a net profit of Rs. 2590.03 lacs from Co-generation divisions during the year.

3) FERRO ALLOYS DIVISION :

The financial performance of Ferro Alloys Division is not satisfactory as there is not market and demand for Ferro Alloys due to world recession. During the financial year, Ferro Alloys could produce 1715.350 MT of Ferro & Silico Manganese.

4) DISTILLERY DIVISION:

Our Company has established most modern and fully automatic Distillery Plant based on multi feed, multi pressure and multi product concept. During the financial year the Distillery Plant produced 78.08 lacsLtr. of RS / ENA and 18.09 LacsLtr. of Ethanol. The total consumption of molasses was 28244.800 MT with an average recovery of 276.8 Ltr. per MT. and the net profit of the Distillery Division is Rs. 341.22 lacs.

5) BIO-COMPOST & NATURAL PHOSPHATE DIVISION:

Our Company has established a Bio-Compost plant based on advanced technology of organic farming. The Bio-Compost is manufactured from press-mud which is waste of sugar plant and spent wash which is hazardous waste of Distillery Plant. With this Bio-Compost Plant, our Company has achieved Zero discharge concept and also converted waste and hazardous products in to valuable resources for the protection of Environment and Soil. During the financial year, total Bio-compost and Natural Phosphate production is 12551 MT which is sold to the farmers at the cheapest price, directly delivered to their farms. The Natural Phosphate is manufactured from Bio-compost, enriching with micro-nutrients and Phosphates.

8) NATURAL BIO-GAS & BIO-POWER PROJECT:

Our company has initiated activities of generation of bio-gas from the hazardous waste water of Distillery Plant. The total steam generation is 18685 MT from Bio-gas through gas fired boiler. Our company have earned net profit of Rs. 81.77 Lacs from this project.

9) NATURAL DAIRY & FOOD PROCESSING PROJECT:

Their performance of Dairy Division is very satisfied. To help the farmers who have less means of livelihood in the region, our company through NSAI Multi State Co-operative Credit Society gives regular loan to those farmers for purchase of cows / buffalos. Further we provide cattle feed at the cheapest rate and also provide emergency medical facilities to them. During this annual report, the total milk collection of Dairy Division is 145.23 lacsLtrs. and the payment to farmers is Rs. 3843.88 Lacs. The company has earned net profit of Rs. 398.36 Lacs from the Dairy Division.

10) NATURAL SOFTWARE DIVISION:

Our company has established and running a separate Software Division which provides software for carrying day to day activities online basis, thereby making work more speedy, accurate, convenient and paperless. This Division has all infrastructure required to develop software's under "Natural Sugar ERP" and has already made it commercially viable project. We have already provided services of software to 6 sugar factories in Maharashtra & performance is satisfactory.

3. DIVIDEND:

The Board of Directors does not recommend any dividend for the financial year under review.

4. TRANSFER TO GENERAL RESERVES:

The company has not transferred any amount to general reserves during the financial year of the company.

5. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Since there was no unpaid/unclaimed Dividend pending with the company pending with the company for more than previous seven years, no amount is transferred or required to be transferred to IEPF account as under the provisions of Section 125 of the Companies Act, 2013.

6. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED DURING THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:

No material changes and commitments affecting the financial position of the Company occurred between the ends of the financial year to which this financial statement relate on the date of this report

7. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**(A) CONSERVATION OF ENERGY**

Sr. No.	Particulars	Steps Taken
1	Steps taken or impact on conservation of energy	Company is taking benefit of power factor & has installed and maintained capacitors for the same
2	Steps taken by the company for utilising alternate sources of energy.	There is no alternative source of energy
3	Capital investment on energy conservation equipment's.	There is no capital investment, but precautions are taken on regular basis. Maintenance is done on day to day basis.

(B) TECHNOLOGY ABSORPTION

Sr. No.	Particulars	Steps Taken
1	Efforts made towards technology absorption	Efforts are being taken in this regard and systems are installed to ensure maximum absorption of technology
2	Benefits derived	Benefits derived from technology absorption - product improvement and cost reduction
3	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- the details of technology imported; the year of import; whether the technology been fully absorbed; if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	There is no imported technology utilised by the Company
4	Expenditure incurred on Research	NIL

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Sr. No	Particular	Amount for the year 14-15
1	foreign exchange inflow	-----
2	foreign exchange Outflow	-----

8. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

Pursuant to the requirement of Section 134 of the Companies Act, 2013, the Company has already in place a risk management policy which is annexed as **Annexure 1** and forms a part of the report.

The Company has a framework to identify and evaluate business risks and opportunities. The framework seeks to create transparency, minimize adverse impact on business objectives and enhance your Company's competitive advantage. In the opinion of the Board, currently there is no perceivable risk which may threaten the existence of the Company.

9. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Company has developed and implemented the Corporate Social Responsibility (CSR) initiatives during the year under review. The details of the Company's CSR activities is furnished in **Annexure 2** and attached to this report and forms a part of the report.

10. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The Company has not given any Loans, guarantees or made any investments under Section 186 of the Companies Act, 2013.

11. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

The particulars of Contracts or Arrangements made with related parties made pursuant to Section 188 is furnished in **Annexure 3** and is attached to this report.

12. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS

There are no qualifications / remarks as made by the Statutory Auditor of the Company in the Audit Report.

In respect of the qualifications/ remarks as made by the Practicing Company Secretary in the Secretarial Audit Report, we hereby like to state as under:

a. Point No. 4 of The Companies Act, 2013 in the Annexure to the Secretarial Audit report:
reply: The said point is self-explanatory.

b. Point No. 5 of The Companies Act, 2013 in the Annexure to the Secretarial Audit report:
reply: The said point is self-explanatory.

c. Point No. 6 of The Companies Act, 2013 in the Annexure to the Secretarial Audit report:
reply: The Company has constituted CSR Committee vide Board Resolution dated 27th November 2014 after appointment of Independent Director on the Board.

d. Point No. 1 of the Payment of Wages Act, 1936 in the Annexure to the Secretarial Audit report:
reply: The said point is self-explanatory.

e. Point No. 1 of the Workmen Compensation Act, 1923 in the Annexure to the Secretarial Audit report:
reply: The said point is self-explanatory.

f. Point No. 1 of the environmental laws in the Annexure to the Secretarial Audit report:
reply: Company had no person specializing in environmental laws as on the said event date and the management had no malafide intention in respect of non-filing of the said forms, within time.

g. Point No. 1 of the payment of Bonus Act, 1965 in the Annexure to the Secretarial Audit report:
reply: The said point is self-explanatory.

h. Point No. 1 of The Legal Metrology Act, 2011 in the Annexure to the Secretarial Audit report:
reply: The Company has made an application for registration under The Legal Metrology Act, 2011.

13. COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

The Company's Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is furnished in **Annexure 4** is attached to this report, and forms a part of the report.

14. EXTRACT OF ANNUAL RETURN

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished in **Annexure 5** and is attached to this Report.

15. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

The Company had 11 (Eleven only) Board Meetings during the financial year under review.

16. EVALUATION OF PERFORMANCE OF BOARD OF DIRECTORS, COMMITTEE OF DIRECTORS AND INDEPENDENT DIRECTORS

The Board of Directors of the Company has initiated and put in place evaluation of its own performance, its committees and individual directors as required under the provisions of the Companies Act, 2013.

The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process. The result of the evaluation is satisfactory and adequate and meets the requirement of the Company.

17. DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement:—

(a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

- (b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The directors had prepared the annual accounts on a going concern basis; and
- (e) Not applicable as the clause is for listed companies.
- (f) 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.

18. DETAILS OF FRAUD AS REPORTED BY THE AUDITORS OF THE COMPANY (INSERTED BY COMPANIES AMENDMENT ACT, 2015)

No frauds were reported by either by the Statutory auditors, Secretarial Auditors or the Cost auditors of the Company during the financial year under consideration, to the Company or any other authority.

19. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint venture or Associate Company.

20. DEPOSITS

The Company has neither accepted nor renewed any Public deposits or deposits falling with the purview of the provisions of Section 76 of the Companies Act, 2013 & rules made there under during the year under review.

21. DIRECTORS& KEY MANAGERIAL PERSONNEL

Mr. B. B. Thombare (DIN 00022391) was re-appointed as Managing Director for a period of three years from 01/02/2014 to 31/01/2017.

Mr. Anil B. Thombare (DIN 00002526) was re-appointed as Whole-Time Director for a period of three years from 01/04/2014 to 31/03/2017.

The Company has appointed Mr. Pandurang Sahebrao Awad (DIN 00242574) & Mr. Agatrao Rangnath Patil (DIN 00002956) as Independent Directors of the Company during the year.

The Company has appointed Mr. Suryakant Uddhavrao Vedpathak as Chief Financial Officer of the company w.e.f. 01/01/2015.

Mr. Bibhishan Krishna Bhatlawande, Mrs. Pratibha Bhairavnath Thombare and Mr. Balaji Bajirao Tat retire at this Annual General Meeting and being eligible offer themselves for re-election.

22. RESIGNATION OF DIRECTOR

No Director resigned during the year under review.

23. PAYMENT OF COMMISSION TO DIRECTORS:

The Directors of the company have not received any commission from the company or subsidiary company or holding company.

24. DECLARATION OF INDEPENDENT DIRECTORS

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

25. STATUTORY AUDITORS

M/s S. H. Kocheta & Associates, Chartered Accountants, Latur [FRN: 105260W] were appointed as Statutory Auditors for a period of one year in the Annual General Meeting held on 27th day of September 2014. The Board recommends the reappointment of M/s S. H. Kocheta & Associates, Chartered Accountants, Latur [FRN: 105260W] as the statutory auditors of the Company for the further period of one year i.e till the conclusion of next Annual General Meeting of the Company. The Company has received a certificate from the Auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

The Company will be complying with the provisions in respect of the mandatory rotation of the auditors in the next year as the Company has the time as under the provisions of the Law.

26. SECRETARIAL AUDIT REPORT

The provisions of secretarial audit are applicable to the Company as under the provisions of the Companies Act, 2013 for the year under review. The Company had appointed CS Kuldeep Ruchandani of M/s. KPRC & Associates, Company Secretaries as the Secretarial Auditors of the Company for the financial year 2014-2015. The Secretarial Audit report as received from the Secretarial Auditors for the financial year 2014- 15 is annexed as **Annexure 6** and forms a part of this Directors report.

27. DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM AND OTHER APPLICABLE COMMITTEES

(A) The Audit Committee consists of the following members

- a) Mr. Pandurang Sahebrao Awad - Independent Director
- b) Mr. Agatrao Rangnath Patil - Independent Director
- c) Mr. Bibhishan Krishna Bhatlawande - Director

The above composition of the Audit Committee consists of independent Directors viz., Mr. Pandurang Sahebrao Awad and Mr. Agatrao Rangnath Patil who form the majority. The Company has accepted all the recommendation of the Audit committee as and when made to the Board of Directors by the Committee.

The company has accepted all the recommendations as made by the audit committee during the financial year under review.

(B) Nomination & Remuneration Committee:

The Nomination & Remuneration Committee consists of the following members

- a) Mr. Pandurang Sahebrao Awad - Independent Director
- b) Mr. Agatrao Rangnath Patil - Independent Director
- c) Mr. Balaji Bajirao Tat - Director

The above composition of the Nomination & Remuneration Committee consists of independent Directors viz., Mr. Pandurang Sahebrao Awad and Mr. Agatrao Rangnath Patil who form the majority. The Company has accepted all the recommendation of the Nomination & Remuneration Committee as and when made to the Board of Directors by the Committee.

The company has accepted all the recommendations as made by the Nomination & Remuneration Committee during the financial year under review.

(C) Stakeholders Relationship Committee:

The Stakeholders Relationship Committee consists of the following members

- a) Mr. Pandurang Sahebrao Awad - Independent Director
- b) Mr. Agatrao Rangnath Patil - Independent Director
- c) Mr. Balaji Bajirao Tat - Director

The above composition of the Stakeholders Relationship Committee consists of independent Directors viz., Mr. Pandurang Sahebrao Awad and Mr. Agatrao Rangnath Patil who form the majority. The Company has accepted all the recommendation of the Stakeholders Relationship Committee as and when made to the Board of Directors by the Committee.

The company has accepted all the recommendations as made by the Stakeholders Relationship Committee during the financial year under review.

(D) Corporate Social Responsibility Committee:

The Corporate Social Responsibility Committee consists of the following members

- a) Mr. Pandurang Sahebrao Awad - Independent Director
- b) Mr. Agatrao Rangnath Patil - Independent Director
- c) Mr. Balaji Bajirao Tat - Director

The above composition of the Corporate Social Responsibility Committee consists of independent Directors viz., Mr. Pandurang Sahebrao Awad and Mr. Agatrao Rangnath Patil who form the majority. The Company has accepted all the recommendation of the Corporate Social Responsibility Committee as and when made to the Board of Directors by the Committee.

The company has accepted all the recommendations as made by the Corporate Social Responsibility Committee during the financial year under review.

28. SHARES:

a. BUY BACK OF SECURITIES

The Company has not bought back any of its securities during the year under review.

b. SWEAT EQUITY

The Company has not issued any Sweat Equity Shares during the year under review.

c. BONUS SHARES

No Bonus Shares were issued during the year under review.

d. EMPLOYEES STOCK OPTION PLAN

The Company has not provided any Stock Option Scheme to the employees during the year under review.

29. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013 :

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent contractual, temporary, trainees) are covered under this policy.

The following is the summary of sexual harassment complaints received and disposed of during each calendar year.

No. of Complaints received: Nil

No. of Complaints disposed off: Nil

30. COST AUDITORS:

The company has appointed M/s. N.D. Chavan & Company, as the cost auditors of the company during the financial year 2014-2015 according to the provisions of the Companies Act, 2013 & rules made there under.

31. DETAILS OF SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS & COMPANY'S OPERATIONS IN FUTURE:

There are no significant & material orders passed by the regulators or courts or tribunals impacting the going concern status & company's operations in future.

32. PROVISION OF MONEY BY COMPANY FOR PURCHASE OF ITS OWN SHARES BY EMPLOYEES OR BY TRUSTEES FOR THE BENEFIT OF EMPLOYEES:

No provision of the money by company for purchase of its own shares by employees or by trustees for the benefit of employees.

33. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:

a) **Maintenance of books of accounts of the Company:** The Company has a well-established system of maintenance of books of accounts with adequate security controls which have proper measures to safeguard against tampering of data.

b) **Internal Audit :** The Company has appointed an Internal Auditor and the internal audit team works in coordination with the management to adhere to the guidelines as suggested by the Audit Committee. The Internal Auditor of the Company conducts the audit on regular basis and the Audit Committee periodically reviews internal audit reports and effectiveness of internal control systems.

c) **Budgeting:** Based on the guidelines as given by the Audit Committee to the management, the Company has adequate control over its financial activities. Budgets and actual expenses are reviewed periodically by the finance team and the audit committee.

- d) **Internal business review:** The Company has a structure to review the business activities periodically through various MIS reports, statements etc from the concerned departments.
- e) **Vigil mechanism & Whistle Blower Policy :** The Company has a vigil mechanism named Vigil Mechanism & Whistle Blower Policy to deal with instances of fraud and mismanagement, if any.
- f) **Risk Management:** The Company has a framework to identify and evaluate business risks and opportunities. The framework seeks to create transparency, minimize adverse impact on business objectives and enhance your Company's competitive advantage. In the opinion of the Board, currently there is no perceivable risk which may threaten the existence of the Company.
- g) **Legal & statutory compliance :** The Company lays paramount importance to legal and statutory compliance. The Company has a well-established legal department to look after the statutory compliances and offer legal advice to the management. The Company also avails the services of advocates and other consultants for compliances under various laws.
- h) **Secretarial function:** The Company has a Company secretarial team to handle Company secretarial matters. The Company has now ensured that the secretarial compliances are regularly audited by a practicing Company Secretary as required under the provisions of Law.
- i) **Cost Audit:** Based on the recommendations of Audit Committee, the Company had appointed M/s N. D. Chavan & Company as Cost Auditors to conduct the Cost Audit for FY 2014-15. The Company has filed Cost Compliance Report for FY 2013-14 with the Registrar of Companies within the due date as prescribed by the Ministry of Corporate Affairs.

34. PARTICULARS OF EMPLOYEES:

- There were no employees who were employed throughout the year & drawing the remuneration of not less than sixty lakh rupees for the year 2014-2015 in the aggregate.
- There were no employees who were employed for the part of the year & drawing remuneration for not less than five lakh rupees per month.
- There were no employees who were employed throughout the year & drawing remuneration in that year, in aggregate, in excess of that remuneration as drawn by the Managing Director, Whole Time Director or Manager.
- There were no employees who hold by himself or along with his spouse & dependent children, not less than two percent of the equity shares of the company.

35. CORPORATE GOVERNANCE(APPLICABLE ONLY TO THE COMPANIES WHO HAVE PAID THE REMUNERATION TO THE DIRECTORS AS PER SCHEDULE V)

- (i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors;
- A) Mr. B. B .Thombare, Managing Director - Rs. 1875000/-
B) Mr. Anil Thombare, Whole-Time Director- Rs. 797750/-
- (ii) Details of fixed component and performance linked incentives along with the performance criteria: Not Applicable
- (iii) Service contracts, notice period, severance fees: Not Applicable
- (iv) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable: Not Applicable

36. **AWARDS:**

Our Company and Chairman & Managing Director Mr. B. B. Thombare have been awarded by various State and National Organizations for the outstanding & remarkable work done for the society & Sugar Industry during last 15 years. The details are as follows :-

1. **“Marathwada Udyog Ratan Award”** presented by International Marathi Chamber of Commerce & Industries at Aurangabad in 2001.
2. **“Rashtriya Udyog Ratan Award”** presented by International Economic Development Council & Priyadarshini Loknyas, New Delhi on 19/11/2001.
3. **“Indira Gandhi Sadbhavana Award”** Presented by Global Economic Council, New Delhi on 22/11/2002.
4. **“Bharatiya Udyog Ratan Award”** presented by Indian Economic Development & Research Association (IEDRA) New Delhi on 21/03/2003.
5. **“Year 2004 Rotary Award ”** presented by Rotary Club of Latur Metro on 02/11/2004.
6. **“Year 2006-07 Wayvasaik Utkrushthata Puraskar”** Presented by Rotary Club of Pune Metro on 12/06/2007.
7. **“Latur Gaurav Pursakar”** on occasion of silver jubilee of Latur District for outstanding work done for the industrial development of Latur District on 16/01/2008.
8. **“Krushhi Udhogratna Maratha Samaj Bhushan Pursakar”** presented by Maratha SevaSangh, Maharashtra Rajya at Latur on 01/09/2008.
9. **“Chhatrapati Sambhaji Maharaj Rashitray Pursakar”** presented by Sambhaji Briged, 5th Mahadhivechan, Maharashtra Rajya, Nanded on 30/11/2008.
10. **“Marathwada Gaurav Pursakar”** presented by Marathwada Lokvikas Manch, Mumbai on 27/06/2009.
11. **“Shams Award”** presented by Urs Hazrat Khawja Shamsuddin Gazi Rah. Osmanabad on 12/07/2009.
12. **“Kusumtai Chavan Smruti Pursakar”** presented by, Dainik Satyaprabha, Nanded, on 14/07/2009.
13. **“State Level Udyog bhushan Puraskar-2011 ”** presented by, Avishakar Social and Educational Foundation, Kolhapur District, Maharashtra State, on 22/01/2011.
14. **“International Level Satish Haware Business Excellence Award-2011”** presented by Saturday Club Global Trust Mumbai, on 20/02/2011.
15. **“Marathwada Bhushan Samajik Award”** presented on Marathwada Mukti Din at Pune, on 17/09/2011.
16. **“Udyog Gaurav Award”** presented by Laghu Udyog Bharti, Daogiri Prant Aurangabad, on 23/09/2011.
17. **“Maratha Vishwabhusan Award”** presented by Maratha Seva Sangh, Beed.
18. **“Industry Excellence Award Go-Green 2011-12”** presented by Daynik Divya Marathi, Aurangabad
19. **“Successful Industrialist of Marathwada”** presented by Marathwada Chamber of Commerce Industry Association, Aurangabad on 21/04/2012.

20. **“Jivan Gaurav Puraskar”** presented by Kirloskar Vasundhara International Film Function, Ambajogai on 02/10/2012.
21. **“Dr. Panjabrao Deshmukh Krushiratna Puraskar”** presented by Government of Maharashtra on 30/10/2012 at Amravati.
22. **“Fello of Marathwada Agri University”** presented by Vasantrao Nail Agri University, Parbhani on 22/02/2013.
23. **“Award For Excellence in Entrepreneurship-2013”** presented by MACCIA & IBN Lokmat, Mumbai on 09/08/2013.
24. **“Jal-Mitra Award - 2014”** presented by Maharashtra Vikas Kendra, Pune on 14/05/2014.
25. **“Life Time Achievement Award”** presented by Dr. Babasaheb Ambedkar Marathwada University, Aurangabad on 23/08/2015.
26. **“Life Time Achievement Award-2015”** presented by STAI & DSTA, Pune on 04/09/2015.

37. **ACKNOWLEDGEMENTS:**

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Natural Sugar & Allied Industries Limited

[A. B. Thombare]
Whole Time (Technical) Director
(DIN 00002526)

[B.B. Thombare]
Chairman & Managing Director
(DIN 00022391)

Place : SainagarRanjani

Date : 26.08.2015

Annexure 1
Risk Management Policy

Objectives must exist before management can identify potential events affecting their achievement. Enterprise Risk Management ensures that management has in place a process to set objectives and that the chosen objectives support and align with the entity's mission and are consistent with its risk appetite.

The Company's business is exposed to many internal risks and external risks like Threat to market share due to Local and Global Competition, Technology Risk, Human Resource risk, Regulatory and Compliance risk etc. and in order to address the same in a systematic manner, the Board of Directors pursuant to Section 134, of the Companies Act, 2013, has instructed the management to do a detailed analysis of risk and present to the board.

Business risk, inter-alia, further includes financial risk, political risk, fidelity risk, legal risk. The focus on the nature of risk in Indian Sugar industries and possible policy option for mitigate risks.

The key objective of the policy is:

- Identify the weather condition which affect production of Sugarcane
- Analyze Sugar price volatility trend in India
- Identify Systematic and unsystematic risk in sugar industries
- Understand the impact of risk on stakeholders
- Critically examine the current policy framework
- Explore the risk management measures to mitigate unpredictable risk

The Management recognized that risk is an integral and unavoidable component of business and is committed to managing the risk in a proactive and effective manner The Company believes that the Risk cannot be eliminated. However, it can be:

- Transferred to another party, who is willing to take risk, say by buying an insurance policy.
- Reduce, by having good Internal Controls;
- Avoided, by not entering into Risky Businesses;
- Retained, to either avoid the cost of trying to reduce risk or in anticipation of higher profits by taking on more risk, and;
- Shared, by following a middle path between retaining and transferring risk.

The Board, its Audit Committee and its Executive Management should collectively identify the risks impacting the company's business and document their process of risk identification, risk minimization, risk optimization as a part of a Risk Management Policy or Strategy. Currently the Risk Management activity is under development stage. The Enterprise Wide Risk Management with focus on three key elements, viz:

1. Risk Assessment
2. Risk Management
3. Risk Monitoring

We have adopted a system based approach for risk management, with clear objectives of identification, evaluation, monitoring and minimization of the identified risks. The Board of directors takes decision for assessment and evaluation of the risks associated with the business through its risk document. The management periodically reviews the risk management framework to identify the major business risks as applicable to the Company and works out their mitigation strategy.

For Natural Sugar & Allied Ind. Ltd.

Mr. B.B. Thombare
Chairman & Managing Director
(DIN 00022391)

ANNEXURE 2

THE ANNUAL REPORT ON CSR ACTIVITIES:

1. A brief outline of the Company's CSR policy, including overview of the projects or programs proposed to be undertaken and a reference to the web link to CSR Policy and projects or programs:

The Company has constituted CSR Committee according to the provisions laid down under Section 135 of the Companies Act, 2013 along with the rules made thereunder.

The CSR Committee of the Company adopted CSR Policy and identified key areas for CSR expenditure as under:

- Donation paid to Sai Sarvangin Vikas Pratishthan for Rural Hospital to provide medical facility.
- Any other area as may be prescribed / allowed by Schedule VII amended from time to time. The CSR Policy of the Company is posted on the website www.naturalsugar.in

2. The Composition of the CSR Committee:

The Company has constituted the Corporate Social Responsibility Committee as under the provisions of section 135 of the Companies Act, 2013. The said committee consists of the following members:

- a. Mr. Pandurang Sahebrao Awad
- b. Mr. Agatrao Rangnath Patil
- c. Mr. Balaji Bajirao Tat

3. **Average net profit of the company for the last three financial year:** Rs. 15442732/-

4. **Prescribed CSR Expenditures (2 percent of the amount as in item 3 above):** Rs. 308855/-

5. Details of CSR spent during the financial year.

(a) Total amount to be spent for the financial year: Rs. 2562539/-

(b) Amount unspent, if any: Rs. ----/-

(c) Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs were undertaken	Amount outlay (budget) project or programs wise Rs.	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads: Rs.	Cumulative expenditure upto the reporting period. Rs.	Amount spent: Direct or through implementing agency Rs.
1	Donation paid to Sai Sarvangin Vikas Pratishthan for rural hospital to provide medical facility	Sainagar Ranjani Tal. Kallam Dist. Osmanabad - 413528	Project in local area in Sainagar Ranjani Tal. Kallam Dist. Osmanabad (Maharashtra)	3000000/-	2562539/-	2562539/-	
	TOTAL				2562539/-	2562539/-	

6. The Company has not been able to spend the entire amount as prescribed under the Act and the rules made thereunder, as time was too short to identify suitable areas where the amount could be spent.
7. The CSR Committee of the Company hereby states that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

For Natural Sugar & Allied Ind. Ltd.

Mr. B.B. Thombare
Chairman & Managing Director
(DIN 00022391)

Annexure 3

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 arm's length transactions under third proviso thereto

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

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

Sr. No.	Particulars	Details
1.	A Name(s) of the related party and nature of relationship	Shri Sai Gramin Bigar sheti Sahakari Patsanstha Ltd. Associate
	B Nature of contracts/arrangements/ transactions	Lease rent received
	C Duration of the contracts / arrangements/ transactions	01/04/2014 to 31/03/2015
	D Salient terms of the contracts or arrangements or transactions including the value, if any	Rs. 17500/-
	E Date(s) of approval by the Board, if any	23/05/2007
	F Amount paid as advances, if any	---

2.	A Name(s) of the related party and nature of relationship	Natural Bazaar Consumer Stores Limited Associate
	B Nature of contracts/arrangements/ transactions	General materials purchase & sale
	C Duration of the contracts / arrangements/ transactions	01/04/2014 to 31/03/2015
	D Salient terms of the contracts or arrangements or transactions including the value, if any	Purchase of Rs. 1308818/- Sale of Rs. 7821057/-
	E Date(s) of approval by the Board, if any	24/02/2015
	F Amount paid as advances, if any	---

3.	A	Name(s) of the related party and nature of relationship	Natural Cattle Feed Private Ltd. Associate
	B	Nature of contracts/arrangements/ transactions	Sale of Molasses & other
	C	Duration of the contracts / arrangements/ transactions	01/04/2014 to 31/03/2015
	D	Salient terms of the contracts or arrangements or transactions including the value, if any	Rs. 5780966/-
	E	Date(s) of approval by the Board, if any	24/02/2015
	F	Amount paid as advances, if any	---

For Natural Sugar & Allied Ind. Ltd.

Mr. B.B. Thombare
Chairman & Managing Director
(DIN 00022391)

Annexure 4
Nomination & Remuneration Policy

The company considers Human Resources as its invaluable assets. This policy on the nomination and remuneration of the Directors, Key Managerial Persons (KMPs) and other employees has been formulated in terms of the Companies Act, 2013, in order to pay equitable remuneration to the Directors, Key Managerial Persons (KMPs) and other employees of the company and to harmonize the aspiration of human resources consistent with the Goal of the company.

In case of any inconsistency between the provisions of law and this remuneration policy, the provisions of the law shall prevail and the Company shall abide by the applicable law. While formulating this Policy, the Nomination and Remuneration Committee ("NRC") has considered the factors laid down under Section 178(4) of the Act, which are as under:

- 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, KMP 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".

The purpose of the policy are:

- To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- To formulate criteria for evaluation of Independent Directors and the Board.
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To carry out evaluation of Director's performance.
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- To devise a policy on Board diversity, composition, size.
- Succession planning for replacing Key Executives and overseeing.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties

Key principles governing this remuneration policy are as follows:

Remuneration for Independent Directors and Non-Independent Non-Executive Directors

Overall remuneration should be reflective of the size of the Company, complexity of the sector/industry/company's operations and the company's capacity to pay the remuneration.

Independent Directors ("ID") and Non-Independent Non-Executive Directors ("NED") may be paid sitting fees (for attending the meetings of the Board and of committees of which they may be members) and commission within regulatory limits. Quantum of sitting fees may be subject to review on a periodic basis, as required. Within the parameters prescribed by law, the payment of sitting fees and commission will be recommended by the NRC and approved by the Board.

Overall remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain and motivate Directors aligned to the requirements of the Company (taking into consideration the challenges faced by the Company and its future growth imperatives). Overall remuneration practices should be consistent with recognized best practices.

In addition to the sitting fees and commission, the Company may pay to any Director such fair and reasonable expenditure, as may have been incurred by the Director while performing his / her role as a Director of the Company.

The Nomination and Remuneration Committee (NRC) or the Board may review the Policy as and when it deems necessary. The NRC may issue the guidelines, procedures, formats, reporting mechanism and manual in supplement and better implementation to this Policy, if it thinks necessary. This Policy may be amended or substituted by the NRC or by the Board as and when required and also by the Compliance Officer where there is any statutory changes necessitating the change in the policy.

Remuneration for Managing Director (MD)/Executive Directors (EDs)/KMP/rest of the employees

The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be:

- Market competitive (market for every role is defined as companies from which the Company attracts talent or companies to which the Company loses talent),
- Based on the role played by the individual in managing the Company including responding to the challenges faced by the Company,
- Reflective of size of the Company, complexity of the sector/ industry/company's operations and the Company's capacity to pay,
- Consistent with recognized best practices and
- Aligned to any regulatory requirements.

For Natural Sugar & Allied Ind. Ltd.

Mr. B.B. Thombare
Chairman & Managing Director
(DIN 00022391)

Annexure 5

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:

1. i) CIN : U72214MH1998PLC121048
2. ii) Registration Date : 24/11/1998
3. iii) Name of the Company : NATURAL SUGAR AND ALLIED INDUSTRIES LIMITED
4. iv) Category / Sub-Category of the Company: PUBLIC LIMITED COMPANY
5. v) Address of the registered office and contact details: SAINAGAR RANJANI, TAL. KALLAM DIST.
OSMANABAD -413528
6. vi) Whether listed company: NO
7. vii) Name, Address and Contact details of Registrar and Transfer Agent, if any: NO

8. II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	White Crystal Sugar	170199.02 / 170199.09	69.00
2	Ferro Alloys / Silico Slag	IS.2544	01.00
3	Rectified Spirit	IS.323/1959	09.00
4	Extra Neutral Alcohol	IS.6613/1972	
5	Power Generation		03.00
6	Bio-Gas & Bio-Power		
7	Milk & Milk by Product		18.00
		Total =	100.00

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S. no.	Name & Address of the company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
	N.A.				

IV. SHAREHOLDING PATTERN: (Equity Share Capital Breakup as Percentage of Total Equity)

i) 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	0	136800	1809200	7.56	0	150800	1809200	8.34	0.78
B. Public Shareholding: 1. Institutions 2. Non Institutions a) Bodies Corp. b) Individuals	0	274900	1809200	15.19	0	274900	1809200	15.19	0.00
	0	1397500	1809200	77.25	0	1383500	1809200	76.47	-0.78
C. Shares held by custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	0	1809200	1809200	100.00	0	1809200	1809200	100.00	0.00

B. SHAREHOLDING OF PROMOTERS:

Sl. No.	Shareholder's Name	Shareholding at the Beginning of the year (01/04/2014)			Shareholding at the End of the year (31/03/2015)			% 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	Thombare Bhairavnath Bhagwanrao	41000	2.27		44000	2.43		0.16
2	Thombare Pratibha Bhairavnath	20000	1.11		20000	1.11		0
3	Thombare Anil Bhagwanrao	10000	0.55		13000	0.72		0.17
4	Kaldate Dnyaneshwar Ramrao	1300	0.07		1300	0.07		0

5	Mohite Vishnu Tukaram	2000	0.11		2000	0.11		0
6	Thombare Harshal Bhairavnath	11200	0.62		11200	0.62		0
7	Thombare Shubhangi Bhairavnath	10000	0.55		10000	0.55		0
8	Thombare Nagarbai Bhagwanrao	10000	0.55		11000	0.61		0
9	Thombare Nanda Anil	10000	0.55		10000	0.55		0
10	Thombare Vimal Goroba	10000	0.55		13000	0.55		0
11	Thombare Shripad Goroba	11000	0.61		11000	0.61		0
12	Thombare Shivani Bhairavnath	0	0		2500	0.14		0
13	Thombare Geetanjali Harshal	0	0		1500	0.08		0
14	Thombare Rutuja Goroba	200	0.01		200	0.01		0
15	Thombare Geeta Goroba	100	0.01		100	0.01		0
	TOTAL	136800	7.56		150800	8.17		0.61

C. CHANGE IN PROMOTERS' SHAREHOLDING (PLEASE SPECIFY, IF THERE IS NO CHANGE):

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Date wise Increase/ Decrease in promoters share holding during the year	Reasons for increase / decrease
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company		
01.	Thombare Bhairavnath Bhagwanrao	41000	2.27	44000	2.43	21/10/2014	Transmission
02.	Thombare Anil Bhagwanrao	10000	0.55	13000	0.72	21/10/2014	Transmission
03.	Thombare Nagarbai Bhagwanrao	10000	0.55	11000	0.61	21/10/2014	Transmission
04.	Thombare Vimal Goroba	10000	0.55	13000	0.72	21/10/2014	Transmission
05.	Thombare Shivani Bhairavnath	0	0	2500	0.14	21/10/2014	Transfer
06.	Thombare Geetanjali Harshal	0	0	1500	0.08	23/12/2014	Transfer

D. SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRs AND ADRs):

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Date wise Increase/ Decrease in share holding during the year	Reasons for increase / decrease
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company		
01.	Choughule Gajanan Tatyarao	11000	0.61	11000	0.61		

02.	Shah Ashok Padamshi	10000	0.55	10000	0.55		
03.	Dale Mangala Kishor	10000	0.55	10000	0.55		
04.	Munde Pankaja Gopinathrao	10000	0.55	10000	0.55		
05.	Munde Pradnya Gopinathrao	10000	0.55	10000	0.55		
06.	Gangane Vishal Vishwambhar	0	0	9000	0.50	20/05/2014	Transfer
07.	Bhise Balasaheb Vaijanath	8500	0.47	8500	0.47		
08.	Lakde Kranti Shivaji	8100	0.45	8100	0.45		
09.	Ikhe Pratibha Banshidhar	8000	0.44	8000	0.44		
10.	Patil Shivraj Ramrao	8000	0.44	8000	0.44		

E. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year		Date wise Increase/ Decrease in share holding during the year	Reasons for increase / decrease
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company		
	For each of the Directors and KMP						
01.	Thombare Bhairavnath Bhagwanrao	41000	2.27	44000	2.43	21/10/2014	Transmission
02	Gore Dinkar Baburao	13700	0.76	13700	0.76		
03	Awad Pandurang Sahebrao	12000	0.66	12000	0.66		
04	Thombare Anil Bhagwanrao	10000	0.55	13000	0.72	21/10/2014	Transmission
05	Bhatlawande Bibhishan Krishna	6000	0.33	6000	0.33		
06	Patil Agatrao Rangnath	10000	0.55	10000	0.55		
07	Pardeshi Surajmal Sukhlal	9000	0.50	9000	0.50		
08	Pawar Lalasaheb Balasaheb	4000	0.22	4000	0.22		
09	Devane Sunil Ashruba	8200	0.45	8200	0.45		
10	Tat Balaji Bajirao	10500	0.58	10500	0.58		
11	Thombare Pratibha Bhairavnath	20000	1.11	20000	1.11		

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	254702779/-	349185000/-	---	603887779/-
ii) Interest due but not paid	---	---	---	---
iii) Interest accrued but not due	---	---	---	---
Total (I + ii + iii)	254702779/-	349185000/-		603887779/-

Change in Indebtedness during the financial year				
1) Addition	270700000/-	250000000/-	--	520700000/-
2) Reduction	97638565/-	349185000/-		446823565/-
Net Change	173061435/-	-99185000/-		73876435/-
Indebtedness at the end of the financial year				
1) Principal Amount	427764214/-	250000000/-	--	677764214/-
2) Interest due but not paid	---	---		
3) Interest accrued but not due.	---	---		
Total (I + ii + iii)	427764214/-	250000000/-		677764214/-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole Time Director and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount	
		Mr. B. B. Thombare (MD)	Mr. Anil. B. Thombare (WTD)		
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	18,75,000/-	7,97,750/-	--	2872750/-
2	Stock Option	--	--	--	--
3	Sweat Equity	--	--	--	--
4	Commission: - as % of profit - others, specify...	--	--	--	--
5	Others, please Specify	--	--	--	--
	Total (A)	1875000/-	797750/-	--	2872750/-
	Ceiling as per the Act	30,00,000/-	30,00,000/-		60,00,000/-

B. Remuneration to Other Director:

Sl. No.	Particulars of Remuneration	Name of Director		Total Amount	
		Mr. P. S. Awad	Mr. A. R. Patil		
	1. Independent Directors 2.				
	• Fee for attending board / committee meetings	8000/-	8000/-	---	16000/-
	• Commission	--	--		
	• Others, please specify	--	--		

	Total (1)	8000/-	8000/-	--	16000/-
	2. Other Non Executive Directors	NA	NA	--	
	<ul style="list-style-type: none"> • Fees for attending Board/ Committee meeting • Commission • Others, please specify 				
	Total (2)	----	----	----	--
-	Total (B) = (1)+(2)	8000/-	8000/-	--	16,000/-
	Total Managerial Remuneration	1883000/-	805750/-	--	2688750/-
	Overall Ceiling as per the Act.	NA	NA	NA	NA

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

Sl .No.	Particulars of Remuneration	Key Managerial Person			
		CEO	CS	CFO	Total
				Mr. S. U. Vedpathak	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--	430035/-	
2	Stock Option	--	---	--	--
3	Sweat Equity	--	--	--	--
4	Commission: - as % of profit - others, specify...	--	--	--	--
	Others, please Specify	--	--	--	--
	Total			4,30035/-	

VII. PENALTIES/ PUNISHMENTS/ COMPOUNDING OF OFFENCES:

Type	Section of Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/ COURT)	Appeal Made, if any (Give details)
A. COMPANY					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
B. DIRECTORS					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--

Compounding	--	--	--	--	--
C. OTHER OFFICERS IN DEFAULT					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--

For Natural Sugar & Allied Ind. Ltd.

Mr. B.B. Thombare
Chairman & Managing Director
(DIN 00022391)

Annexure 6
FORM MR- 3
Secretarial Audit Report

For the financial year ended on 31st March 2015

[Pursuant to Section 204(1) of the Companies Act 2013 and rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules 2014]

To,
The Members
Natural Sugar and Allied Industries Limited
Ranjani, Tal. Kallam,
Dist.Osmanabad,
Maharashtra- 413528

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to Good Corporate Practices by NATURAL SUGAR AND ALLIED INDUSTRIES LIMITED (hereinafter called the 'Company')

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Management's Responsibility for Secretarial Compliances:

The company's management is responsible for preparation and maintenance of secretarial records and devising proper systems to ensure compliance with the provisions of applicable Laws and Regulations.

Auditor's Responsibility:

Our responsibility is to express an opinion on the Secretarial records, standards and procedures followed by the Company with respect to Secretarial Compliances on test basis.

Opinion:

Based on our verification of the Company'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,

We hereby report that in our opinion the Company has during the audit period covering the financial year ended on 31st March 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.

We have examined the books papers minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2015 according to the provisions of:

- i. The Companies Act 2013 (the Act) and the rules made thereunder and the Companies Act 1956 (to the extent applicable):
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;- **Not Applicable.**
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under; **Not Applicable.**

- iv. Foreign Exchange Management Act 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment Overseas Direct Investment and External Commercial Borrowings- **Not Applicable**
- v. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act 1992 ('SEBI Act') **Not Applicable**

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided to us by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March 2015, complied with the above listed statutory provisions; subject to our observations as listed in the **Annexure A** to this report.

Based on the information received and records maintained, we 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. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, 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.

Based on the Compliance mechanism established by the Company and based on the decisions taken by the Board of Directors at their meetings, we are of the opinion that the management has;

- A. Reasonable 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.
- B. Complied the following laws and the Rules made thereunder which are applicable to the Company; subject to our observations in the **Annexure A** to this report;
 1. Essential Commodities Act, 1955
 2. Sugarcane (Control) Order, 1966
 3. Sugar Cess Act, 1982
 4. Sugar Development Fund Act, 1982
 5. Food Safety and Standards Act, 2006
 6. Factories Act, 1948
 7. The Boiler Act, 1923
 8. The Electricity Act, 2003
 9. Environment Protection Act, 1986
 10. Hazardous Waste (Management and Handling) Rules, 1989
 11. The Water (Prevention and Control of Pollution) Act, 1974
 12. The Air (Prevention and Control of Pollution) Act, 1981
 13. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
 14. Employee State Insurance Act, 1948
 15. The Payment of Wages Act, 1956
 16. The Minimum Wages Act, 1948
 17. The Employees' Compensation Act, 1923
 18. Equal Remuneration Act, 1976

19. The Payment of Bonus Act 1965
20. The Payment of Gratuity Act, 1972
21. The Legal Metrology Act, 2011
22. Land Revenue and all other local laws applicable to its plants and offices
23. Various Laws cover under Maharashtra Pollution Control Board (MPCB)
 - I. Bombay Labour Welfare Fund Rules, 1953
 - II. Bombay Prohibition Act, 1949

We further report that during the audit period the company;

The company has filed a Writ Petition on 07th April 2015, with the High Court, Mumbai Bench, vide Writ Petition No. 3753, against the Order passed by the subordinate Court, in the matter of the assets of the company lying with the Jagdamba Sugar Sahakari Karkhana (JSSK), which was reported in the balance sheet by way of contingent liability of INR 8,51,88,050/-. In this regard the Hon'ble Mumbai Bench has passed an Oder, directing ad interim relief till the next hearing.

*For KPRCL Associates,
Company Secretaries*

*Sd/-
CS Kuldeep Ruchandani
Partner*

Date: 26th August 2015

Place: Pune

Mem.No. 7971

C.P. No. 8563

Note: 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 TO THE SECRETARIAL AUDIT REPORT

In furtherance to our aforementioned observations/remarks/comments, we further report that;

○ **Companies Act, 2013:**

- We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company
- We have obtained wherever required the Management representation about the compliance of laws rules and regulations and happening of events etc
- 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.
- Few e-forms due to be filed with the Jurisdictional Registrar of Companies within prescribed time were pending and certain forms were to be filed as on date of our certification, for which we were updated that the management is in process of complying with the same.
- Pursuant to the provision of Section 204 of the Companies Act 2013, the company is required to appoint a Company Secretary in whole time employment and the company is in process of recruiting a suitable candidate as a Company Secretary of the Company.
- The company has constituted the Corporate Social Responsibility Committee (CSR Committee) of the Board of Directors; vide Board Resolution dated 27th November 2014.

○ **Payment of Wages Act, 1936:**

- During the year under report the company has not paid wages to the employees within the prescribed time limit, in compliance the provisions of section 9 to section 13 of Payment of Wages Act 1936. However the Company has paid the wages on or before 15th of the following month.

○ **Workmen's Compensation Act, 1923**

- The company had not intimated the department under the provisions of the Workmen's Compensation Act, 1923, about the accidents took place in the factory/company premises, however the company had intimated the same to the Factory Inspector from time to time

○ **Environmental Laws:**

- The company is required to file the Water Cess Return (water consumption) in prescribed "Form-I" under Water (Prevention & Control of Pollution) Cess Act 1977, on 5th day of every calendar month, showing the quantity of water consumed during the previous month, however there has been insignificant delay in filing of these returns in few months.

○ **The Payment of Bonus Act 1965**

- In compliance of the provisions of the Payment of Bonus Act, during the period under review, company has paid minimum prescribed Bonus at the rate of 8.33% for the financial year 2013-14.

○ **The Legal Metrology Act, 2011**

- The company has not yet obtained the registration under the Legal Metrology act 2011; however the company has made an application for registration under said Act, in the month of January 2015.

*For KPRC&I Associates,
Company Secretaries*

*Sd/-
CS Kuldeep Ruchandani
Partner*

Date: 26th August 2015

Place: Pune

Mem.No. 7971

C.P. No. 8563