



CIN-U72214MH1998PLC121048

**NATURAL SUGAR & ALLIED INDUSTRIES LTD.**

An ISO 9001:2008 Company

**DIRECTOR'S REPORT**

Respected Shareholders,

Your Directors are pleased to present the 20<sup>th</sup> Annual Report and the Company's audited financial statement for the financial year ended on 31<sup>st</sup> March, 2019.

**1. Financial Results**

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

Sr. No.	Particulars	For the financial year ended on 31/03/2018 (Rs.)	For the financial year ended on 31/03/2019 (Rs.)
1	Turnover	2,50,40,66,389.00	5,27,90,77,520.00
2	Other Income	47,96,137.00	48,46,732.00
	Gross Revenue	<b>2,50,88,62,526.00</b>	<b>528,39,24,252.00</b>
	Less: Expenses	2,06,75,50,727.00	4,76,69,48,765.00
3	Profit before, finance cost and depreciation	<b>44,13,11,799.00</b>	<b>51,69,75,486.00</b>
4	Less: Finance Cost	17,68,13,820.00	30,00,34,286.00
5	Less: Depreciation and Amortization	8,92,43,318.00	8,71,93,519.00
6	Profit before Exceptional items	<b>17,52,54,661.00</b>	<b>12,97,47,681.00</b>
7	Exceptional Items	50,87,056.00	1,83,00,795.00
8	Profit before Tax	<b>18,03,41,717.00</b>	<b>14,80,48,476.00</b>
9	Less Tax Expenses	8,02,79,878.00	4,78,34,261.00
10	Net profit for the year	<b>10,00,61,839.00</b>	<b>10,02,14,215.00</b>
11	Earning per share (basic and Diluted)	<b>55.31</b>	<b>55.39</b>
12	Proposed dividend (10%)	1,80,92,000.00	1,80,92,000.00
13	Amount Transferred to General Res.	1,00,06,184.00	1,00,21,422.00

**2. Performance of Operations And Future Prospects:**

During the financial year 2018-19, total 187 sugar factory incorporated crushing season out of which 101 sugar factories were under Co-operative sector and 86 were in private sector. All these total sugar factories crushed 957 Lakhs ton of sugarcane and produced 107 Lakh ton of sugar. The average recovery during this crushing season was 11.24%. In the previous crushing season there was thrice increase in the crushing of sugarcane and the recovery remained averagely same.

During the financial year under review, the Company achieved the total turnover of Rs. 527.90 Cr as compared to Rs. 250.40 Cr. in previous year. The net profit after tax expenses was Rs. 10.02 Cr. as compared to Rs. 10.00 Cr. in previous year. The division wise performance is discussed below:

**2.1. SUGAR DIVISION:**

Though there was much shortfall in the rain during the season which affect on the productivity of sugarcane, the Company achieved record crushing of sugarcane amounted to 827942.690 MT from Unit 1 and 227463.747 MT from Unit 2 of the Company. The Company produced 961250 quintal of sugar having average recovery of the sugar at Unit 1 was 11.61% and 254540 quintal having average recovery of 11.19% at unit 2, which is moderately satisfactory.

In spite of huge crushing and good recovery of sugar, the sugar prices was reduced as expected every year. Due to decrease in sugar price and high guaranteed rate to sugarcane, the Company had incurred the loss in sugar division of Rs. 20.85 Cr.

During the financial year 2018-19, there was no satisfactory rainfall within the working area of factory, and dams, canals were completely dried. Hence there was no sufficient water for Sugarcane. This affected badly

for the crushing season 2019-20 which resulted and compelled the management of the company to shutting down the crushing season form 2019-20

#### **Sugarcane Rate:**

For crushing season 2018-19 at the beginning the sugar price was Rs. 2705,-/ per quintal but reduced up to Rs. 2605/- and at the end of season the average rate was Rs. 2988/-per quintal

As per the Government mandate the sugarcane rate was fixed at Rs. 3066 per tone (ex gate) and deducting rs. 580/- towards Harvesting and Transportation cost of sugarcane, Rs. 2487/- per ton (ex field) was fixed. In spite of this, the Company paid the net rate of Rs. 2487/- per ton (ex-field) and Rs. 3066/- per ton (ex gate) to sugar cane producers at Unit No. 1. This rate is as per the FRP.

At the same time at Unit No. 2 the Central Government rate was fixed at Rs. 3066 /- (ex gate) and after deducting the harvesting and transportation cost of Rs. 618/- per ton, the rate came to Rs. 2448/- per ton, but the Company paid Rs. 2450/- per ton (ex-field) and Rs. 3068 per ton at ex gate, to sugar cane growers at Unit 2 of the Company.

Both the rates are reasonable and fair as decided by the Central Government.

#### **2.2. Power Division (Co-Generation):**

During the financial year 2018-19, the Company generated 506.60 Lakhs units from Company's 10 MW and 13 MW power generation units. Out of this generation, the Company exported 124.76 Lakhs units to Mahadiscom and remaining units were exported to other plants of the Company. The Company gained near about Rs. 1536.37 lakhs of net profit.

#### **2.3 Ferro Alloys Division:**

The Ferro Alloys and steel division produced aggregate of 3355 tons of Ferro Manganese and Silico Manganese and out of this sold 3081 MT. The division achieved the turnover of Rs. 2103.96 Lakhs. But the division incurred the loss of Rs. 70.92 Lakhs.

#### **2.4 Distillery Division:**

The company has modern and updated fully automatic distillery plant based on multi feed, multi pressure and multi product concept. During the year under review, the Distillery division had produced 97.99 lakhs litters of RS and 109.80 Lakhs liters of ethanol. For the production of the RS division utilized 35120.392 ton of molasses. The average recovery was 279.02 ltr. per ton of molasses. The Division gained the profit of Rs. 1293.18 Lakhs for the year.

#### **2.5 Bio-Compost & Natural Phosphate Division:**

The press mud and spent wash (polluted water) generated from the Sugar Plant, is used for production of bio compost and natural phosphate fertilizers. During the Financial year 2018-19, the said division produced 14833 MT of bio compost and was sold to the farmers at very reasonable rate.

#### **2.6 Natural Bio-Gas & Bio-Power Project:**

From the waste water exhaled by the Distillery division, Bio Gas plant having capacity of 45000 cubic meter Plant produced 21922 Mt steam and gained the net profit of Rs. 156.72 Lakhs.

#### **2.7 Natural Dairy & Food Processing Project:**

The performance of Dairy Division is very satisfactory. As a supplementary business to Farming, it helps the farmers for their livelihood in bad condition like drought, low or no farm incomes etc. During the year under review, the dairy division purchased milk of 205.16 Lakhs Liters from 8525 milk producers' farmers and paid Rs. 5488.35 Lakhs to them against the said purchase of milk. The division earned Rs.970.37 Lakhs profit from the sale of milk and milk products during the financial year 2018-19.

#### **2.8 Solar Energy:**

The Company's ultra-modern Solar Energy Plant having the Capacity of 604 KWH, which move constantly towards sun has generated 678270 units of electricity and was used in the Factory unit and administrative office of the Company which helped the company in reducing the Electricity bill expenses.

#### **2.9. Natural Software Division:**

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. General Reserves:**

During the year under review, Rs.100.21 Lakhs was transferred to General Reserve account which is 10% of the profit of the year.

### **4. Dividend:**

The Board of Directors has pleasure to recommend the declaration and payment of 10% dividend on the equity shares of the Company for the financial year 2018-19, which comes to Rs. 180.92 Lakhs. For the purpose of deciding the eligibility of receiving dividend the 06/09/2019 is fixed as Record date. Whose names are registered in the Register of Members of the Company as on that date shall be eligible for receiving the dividend, if approved in the AGM.

### **5. Transfer Of Unclaimed Dividend To Investor Education And Protection Fund:**

There was unclaimed dividend amount of Rs. 327,1000/- for the financial year 2017-18 remained unpaid in the account of the Company. The said amount will be transferred to Investors Education and Protection Fund as per the provisions of the Companies Act after 7 years, if this amount remained in the unpaid dividend account of the Company.

### **6. Board of Directors**

The board of Directors of the Company is duly constituted. There are three Executive Directors, 2 Independent Directors and 6 non-executive Directors on the Board. The Board meets 8 times during the financial year 2018-19

### **7. Policy For Appointment / Re-Appointment And Remuneration To Directors:**

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 – 1** is attached to this report, and forms a part of the report.

### **8. Evaluation Of Performance Of Board Of Directors, Committee Of Directors And Independent Directors**

The Board of Directors of the Company has established the committee of independent Directors and that committee evaluate and analyse the performance of Executive and non-executive Directors' performance, as required under the provisions of the Companies Act, 2013.

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.

### **9. 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 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) 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.

### **10. Directors and Key Managerial Personnel Intending For Appointment/Re-Appointment:**

Shri Sunil Ashruba Devane (DIN 00002955) and Mrs. Pratibha B. Thombare (DIN 01171135) who retire by rotation and being eligible offers themselves for being re-elected as a Director of the Company, liable to retire by rotation in the ensuing annual general meeting.

Shri Harshal Thombare was reappointed as Whole Time Director w.e.f. 01/10/2018 by the Board of Directors after the confirmation by Audit Committee and Nomination and Remuneration Committee. His appointment shall be for three years subject to the approval by the Members in 20<sup>th</sup> Annual General Meeting of the Company. .

The term of Shri Pandurang S. Awad (DIN 00242574) and Shri Agatrao R. Patil (DIN: 00002956) both Independent Directors, is ending on 26<sup>th</sup> November, 2019. The Board of Directors of the Company has proposed to re-appoint them for the next term of five years.

**11. Directors' remuneration as required under the provisions of Corporate Governance (Applicable to the Companies paying remuneration to Managerial personnel as per the provisions of Schedule V of the Companies Act, 2013)**

- (i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors;
  - a) Mr. B. B. Thombare, Chairman & Managing Director -- Rs. 32, 72,346/-
  - b) Mr. A. B. Thombare, Technical Director – Rs. 14, 83,529/-
  - c) Mr. H. B. Thombare, Whole Time Director – Rs. 10, 24,927/-
- (ii) The executive Directors are eligible for the receipt of incentive and profit sharing at 2 % per annum in the event of company earns the net profit in the financial year depending on the performance of the Directors.
- (iii) Service contracts, notice period, severance fees;
- (iv) No Stock option is given to any director or employee for the purchase of Company's shares.

**12. Payment Of Commission To Directors:**

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

**13. Declaration of Independent Directors:**

The Company has obtained the declaration from the Independent Directors that they fulfill all the requirements of independence as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

**14. Details Of Fraud As Reported By The Auditors Of The Company:**

There was no fraud reported by the statutory auditors of the Company during the financial year under review.

**15. Committees of the Directors of the Company:**

The Board of Directors has formed the committees as required under the provisions of the Companies Act, 2013. The details of these committees are as below:

**15.1 Audit Committee:**

As provided under the Companies Act, 2013, the Audit Committee of the Directors is constituted to look after the Financial Activities and transactions and the working of Directors responsibilities and authorities. The committee has following members:

Shri Pandurang S. Awad	Chairman of the Committee
Shri Agatrao R. Patil	Member
Shri Bibhishan K. Bhatlawande	Member

The Audit Committee met 8 times during the year. All the recommendations of the audit committee were accepted by the Board of Directors.

**15.2 Stakeholders Relationship Committee**

The Stakeholders Relationship Committee is constituted for the purpose of considering and resolving the grievance of investors and matters relating to transfer/transmission etc. The Committee consists of following members:

Shri Pandurang S. Awad	Chairman of the Committee
Shri Agatrao R. Patil	Member
Shri Bibhishan K. Bhatlawande	Member
Shri Bhairavnath B. Thombare	Member

The Committee met 7 times during the year under review.

**15.3 Nomination and Remuneration Committee:**

The Nomination and Remuneration Committee as constituted by the company is required to decide over the appointment and fixing the remuneration of Directors, Key managerial personnel and recommending the Board of Directors accordingly in respect of the same. The Committee consists of the following members:

Shri Pandurang S. Awad	Chairman of the Committee
Shri Agatrao R. Patil	Member
Shri Bibhishan K. Bhatlawande	Member

The committee met 4 times during the Financial Year. All the recommendations of the committee were accepted by the Board of Directors. Company's Policy for Nomination & Remuneration is annexed with this report in Annexure No. 1

#### 15.4 Corporate Social Responsibility Committee:

As per the provision of the Companies Act, 2013, the provisions of Corporate Social Responsibility are applicable to the Company and accordingly the Committee known as Corporate Social Responsibility Committee is constituted by the Board of Directors of the Company consisting of following members

Shri Pandurang S. Awad	Chairman of the Committee
Shri Agatrao R. Patil	Member
Shri Bibhishan K. Bhatlawande	Member

The Committee looks after the social work to be undertaken by the Company and frame the policy for the social work and implementing the same conducting by the company itself or through other social agency. Committee met 2 times during the year under review. All the recommendations of the committee were accepted by the Board of Directors.

#### 15.5 Committee of Independent Directors:

The Company has two Independent Directors as members. The Board of Directors has established the said separate Committee of Independent Directors to evaluate the working performance of Executive Directors, Key Managerial personal and other Directors of the company. The Committee consists of following members:

Shri Pandurang S. Awad	Chairman of the Committee
Shri Agatrao R. Patil	Member

The Committee held one meeting during the year under review.

#### 16. Particulars of Loans, Guarantees or Investments Made Under Section 186 of The Companies Act, 2013.

The Company has not given any loan or made any investments under Section 186 of Companies Act, 2013 during the year 2018-19 but the Company has given guarantees during the year as per details below:

Sr. No.	Descriptions	Amount Rs.
<b>1</b>	<b>Employees Loan</b>	
	a) Shri Sai Gramin Bigar Sheti Sahakari Patsanstha Ltd.	1,02,25,000.00
<b>2</b>	<b>Harvesting &amp; Transportation Contractor Loan</b>	
	a) Shri Sai Gramin Bigar Sheti Sahakari Patsanstha Ltd.	17,76,00,000.00
	b) Nsai Multi State Co-p. Credit Society Limited, Latur	51,00,00,000.00

#### 17. Prevention Of Women From Sexual Harassment

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under for prevention and redressal of complaints of sexual harassment at workplace. The Company is committed to providing equal opportunities without regard to their race, caste, sex, religion, colour, nationality, disability, etc. All women associates (permanent, temporary, contractual and trainees) as well as any women visiting the Company's office premises or women service providers are covered under this Policy. All employees are treated with dignity with a view to maintain a work environment free of sexual harassment whether physical, verbal or psychological.

No incidence/complaint was recorded for sexual harassment during the year under review.

#### 18. Particulars Of Contracts Or Arrangements Made With Related Parties

The particulars of Contracts or Arrangements made with related parties made pursuant to Section 188 are furnished in **Annexure – 2** and is attached to this report.

#### 19. Statutory Auditors:

M/s D. D. Darphalkar & Associates, Chartered Accountants, Latur,( FRN 135523W) were appointed as Statutory Auditors of the Company for the period of five financial years commencing from 1<sup>st</sup> April 2017 and ending on 31<sup>st</sup> March 2022.

## 20. Statutory Audit Report:

The Statutory Auditors report on the financial statement of the Company for the financial year 2017-18 given by M/s D. D. Darphalkar & Associates, Chartered Accountants, Latur, is self-explanatory except following observations /matter of emphasis:

- i) *We draw attention to note 21A.ii) in the financial statements; during the year, Government has announced various incentive to sugar Companies due to depressed sugar prices in the market. The Company has recognised subsidy claims amounting to Rs. 19,82,62,301/-. The recognition of accruals/claims and assessment of recoverability of the claims is subject to significant judgment of the management. The area of judgment includes certainty in relation to the satisfaction of conditions specified in the notifications/policies, collections, provisions thereof, likelihood of variation in the related computation rates, and basis for determination of accruals/ claims.*
- ii) *We draw attention to note 23c in the financial statements; as on March 31, 2019, the Company has inventory of sugar with the carrying value Rs. 328,36,35,583/-. The inventory of sugar is valued at the lower of cost or net realizable value. The relative size of the balance in the financial statements and significant judgment involved in the consideration of factors such as minimum sale price, monthly quota, fluctuation in selling prices and the related notifications of the Government in determination of net realizable value.*
- iii) *We draw attention to Note No. 29.4.4 of accompanying financial statements in respect of recovery of amounts/assets belonging to JSSK unit assets which comprises total amount of Rs 4,43,96,489/-, the recovery and outcome of which is uncertain as on the date of balance sheet and therefore provision for doubtful recovery has been made into the accounts. However management expects recovery in the account.*
- iv) *We draw attention to the Note No. 29.4.10 of accompanying financial statements in respect of contingencies related to uncertainty of claims by creditors pertaining to Unit No. II which may arise in due course of time, of which liability at present is not known and not accounted for.*
- v) *We draw attention to note 29.4.11 in the financial statements about working of harvesting & transportation expenses. In absence of certified H & T rates from District Collector; the management has worked out H & T Expenses as per conventional method and accordingly made the cane payment to cane growers. The management do not expect further liability in this aspect as in the past.*
- vi) *We draw attention to note 29.4.12 in the financial statements for non provisioning of interest on delayed payments amounting to Rs 3,05,34,401/- for which management do not expect any liability.*
- vii) *We draw attention to the Note No. 29.22 of accompanying financial statements, regarding scrap value of certain machineries withdrawn from effective use. The amount of scrap value appearing in Balance Sheet of Rs 4,86,52,038/-is subject to actual realization. The management expects realization value of scrap as reported in the financial statements.*

The management reply to the said observation/ qualification or adverse remark is as under:

1. The stock of sugar is valued as per realizable value of sugar at the end of financial year.
2. In respect of recovery of assets of JSSK unit, the management of the Company has decided to appeal in higher court against the decision of lower court/arbitrator where the management is of the view that the case result will be in favour of the Company.
3. The management does not expect any further claims as stated in the said note no. 29.4.10. which will have an huge impact on the financial condition of the company.
4. The harvesting and transportation expenses are decided by the State Government considering various issues in this connection. Up till now the Government has not issued any order in this behalf and accordingly, the management of the Company had calculated the harvesting and transportation expenses considering the market variable and trend in this regard and fix the rate accordingly which is quite fair and reasonable. The Management expect that, even if the government declares the rate for payment towards harvesting and transportation cost, the Company's rate would be higher than government declared rate. Hence considering no further liability in this behalf.
5. There was delayed in payment of certain payment of sugar cane. But matter was settled and not expecting any further liability in this connection.
6. Some of the machineries are out of date and not usable and maintenance cost for these is not affordable. The Management of the Company had decided to treat these machineries as scrap and may be sold out at reasonable price.

## 21. **Secretarial Auditors and Its report :**

The Company continued the appointment of M/s Manoj H. Shah & Associates, Company Secretaries, Pune as Secretarial Auditors for the financial Year 2018-19. The Secretarial Audit report as received from the Secretarial Auditors for the financial year 2018-19 is annexed as **Annexure – 3** and forms a part of this Directors report. Observation/ Qualification or Adverse remark mentioned in the Secretarial Audit Report and management's reply thereon is given below:

### 1. **Companies Act , 2013:**

- Pursuant to the provisions of Section 77 of the Companies Act, 2013 read with the Rules there under the Company had to file form no. CHG1 for the various loans as availed by the Company and the Form no. CHG4 for the satisfaction of charge for the repayment of the loans as done by the company. The said forms were pending for filing as at the end of the financial year under review. Further the petitions as to be filed for the condonation of delay in filing of the said forms is also pending as at the end of the year under review.
- Pursuant to the provisions of Section 179 of the Companies Act, 2013 read with the rules there under, the Company had to file various resolutions in the prescribed form no. MGT 14 with the office of the Registrar of Companies in respect of loans as taken by the Company and /or Corporate Guarantees as given by the Company. The said forms were pending for filing, as at the end of the financial year under review.
- Pursuant to the provisions of Sec 124 and Section 125 of the Companies Act, 2013 read with the rules there under the filing of the details of the unpaid Dividend with the Investor Education and Protection Fund for the previous years was pending at the end of the financial year under review. In respect of Dividend for F Y 2010-11 certain outstanding amount is debited by the bank and payments made to the members after expiry of period of seven years wherein the amount was due to be transferred to Investor Education and Protection Fund.
- Pursuant to the provisions of Section 123 of the Companies Act, there was a delay in transfer of dividend amount to the dividend account for the dividend as declared in the annual general meeting as held in the year which was due to the technical reasons in the bank, wherein there was a delay in opening of the banking account by the bank.

### 2. **Factories Act 1948.**

- The Company is required to get "No Objection Certificate" from The Director Maharashtra Fire & Emergency Services-Mumbai, for its factory units, which has not been obtained.

### 3. **Payment of Wages Act 1936.**

- As per the provisions of Payment of Wages Act 1936 the payment to workers are not paid within the prescribed time limit as provided under the provisions of the Act .

The Explanation of the management to above observations is as follows:

- a) In respect of recovery of assets of JSSK unit, the management of the Company has decided to appeal in higher court against the decision of lower court/arbitrator where the management is of the view that the case result will be in favour of the Company
- b) Some forms in respect of Charge creation for loan taken from financial institution, passing of resolutions by the board, intimation of unpaid dividend etc. were pending for filing and the said delay was inadvertently done. The Company is taking all steps for filing/ rectifying the forms at the earliest.
- c) The amount of unpaid dividend for the financial year 2010-11 was claimed by the shareholders who had not claimed earlier and accordingly the Company issued the cheques to the shareholders. But bank in which the Dividend Account was opened, was taken some extra time for clearing those cheques.
- d) While opening the Dividend Account for the financial year 2017-18, the Bank asked various details and NOC from other Banks. Therefore much more time was consumed to comply with this.
- e) The Company is under the process of getting no objection from The Director Maharashtra Fire & Emergency Services-Mumbai.
- f) The payment to employees was delayed due to non-availability of funds in time.

## 22. **Internal Audit Control:**

The management has sufficient control over the affairs of the internal matter of the Company. The Board of Directors had appointed M/s Shinde Chavan Gandhi & Co. Chartered Accountant, Pune, as an Internal Auditors of the Company for the financial year 2018-19. The internal Auditors check the financial and other matter of the Company from time to time and report to the board quarterly.

**23. Cost Auditors:**

The Board of Directors had appointed M/s Deepak V. Marne, cost Accountants, as Cost Auditors of the Company as required under the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, for the completion of Cost Audit for the financial year 2018-19 and decided to continue for the financial year 2019-20. The Audit Committee also approved and recommended the said appointment.

**Cost Audit Report**

The Cost Audit Report presented by Shri Deepak Marne, Cost Auditors is self explanatory and not qualified by the observations or adverse remark.

**24. 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 adopted the Vigil Mechanism & Whistle Blower Policy to deal with instances of fraud and mismanagement, if any.
- f) **Risk Management:** The Company has also adopted a Risk Management Policy to identify and evaluate business risks and opportunities. The policy 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 always endeavour to follow the various provisions of Laws applicable to the company and its compliance from time to time. The Company has established a separate 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 experts/ consultants for compliances under various laws.
- h) **Secretarial Compliance:** The Company has a secretarial team to handle Company Law and allied Laws 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.

**25. Material Changes And Commitment If Any Affecting The Financial Position Of The Company Occurred During The Financial Year To Which These Financial Statements Relate And The Date Of The Report:**

During the year under review, there is no any such matter/event or incidence that may change materially or affecting the financial position or change of the management of the Company.

**26. 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 factory & has installed and maintained capacitors for the same
2	Steps taken by the company for utilising alternate sources of energy.	Company has other source of such as steam and bio gas for the generating of Boiler consequently the power consumption has been minimized.
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	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 2018-19 Rs.
1	foreign exchange inflow	-----
2	foreign exchange Outflow	-----

**27. Statement Concerning Development And Implementation Of Risk Management Policy Of The Company**

Pursuant to the requirement of Section 134 of the Companies Act, 2013, a separate **annexure -4** on Risk Management Policy is annexed and forms a part of the report.

The management of 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.

**28. Corporate Social Responsibility.**

The company has established Corporate Social Responsibility as required under the Companies Act, 2013. The Committee prepares the policy for the Social Responsibility Activity to be undertaken by the Company for the purpose of commitment towards social responsibility. During the year though there was no sufficient funds to be expended towards Corporate Social Responsibility the management had allocate Rs. 25.00 Lakhs for the CSR Activity and accordingly expended on the project of providing clean drinking water widening and deepening of river etc. Detailed report on CSR activity and expenditure incurred thereon is given separate **Annexure 5** and attached to this report.

**Particulars Of Employees: [pursuant to the provisions of Section 197 (12) of the Companies Act, 2013 and Rule 5(1) and 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]:**

The Company does not have any employee whose particulars are required to be given pursuant to the provisions of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**29. 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 - 6** and is attached to this Report.

**30. Recognition or awards:**

Mr. B.B. Thombare, the Promoter- Chairman and managing director of the company has been honoured with following awards:

Sr. No.	Name of the Award	Institute giving the award	Year of Award
1	Marathwada Udyog Ratan Award	International Marathi Chamber of Commerce & Industries at Aurangabad	2001
2	Rashtriya Udyog Ratan Award	International Economic Development Council & Priyadarshini Loknyas, New Delhi	19/11/2001
3	Indira Gandhi Sadbhavana Award	Global Economic Council, New Delhi	22/11/2002
4	Bharatiya Udyog Ratan Award	Presented by Indian Economic Development & Research Association (IEDRA) New Delhi	21/03/2003
5	Year 2004 Rotary Award	Rotary Club of Latur Metro	02/11/2004

6	Year 2006-07 Wayvasaik Utkrushthata Puraskar	Rotary Club of Pune Metro	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	16/01/2008
8	Krushhi Udhogratna Maratha Samaj Bhushan Pursakar	Maratha Seva Sangh, Maharashtra Rajya at Latur	01/09/2008
9	Chhatrapati Sambhaji Maharaj Rashitray Pursakar	Sambhaj iBriged, 5 <sup>th</sup> Mahadhiveshan, Maharashtra Rajya, Nanded	30/11/2008
10	Marathwada Gaurav Pursakar	Marathwada Lokvikas Manch, Mumbai	27/06/2009
11	Shams Award	Urs Hazrat Khawja ShamsuddinGazi Rah. Osmanabad	12/07/2009
12	Kusumtai Chavan Smruti Pursakar	Dainik Satyaprabha, Nanded	14/07/2009
13	State Level Udyog bhushan Puraskar-2011	Avishakar Social and Educational Foundation, Kolhapur District, Maharashtra State	22/01/2011
14	International Level Satish Haware Business Excellence Award-2011	Saturday Club Global Trust Mumbai	20/02/2011
15	Marathwada Bhushan SamajikPursakar	on occasion of 63 <sup>rd</sup> Marathwada Mukti din at Pune, for outstanding work done for the Social and Industrial development of rural Maharathwada.	17/09/2011
16	Udyog Gaurav Puraskar-2011	Laghu Udyog Bharti Devagiri Prant, Aurangabad	24/09/2011
17	Maratha Vishwabhusan Puraskar - 2011	Shivashri Purushottam Khedekar for 14 <sup>th</sup> National Seminar, Beed	13/11/2011
18	Industry Excellence Award - Go Green	Daily Divya Marathi, Aurangabad	25/03/2012
19	Marathwada Audhyogik Yogdan Sanmanpatra – 2012	CMIA, MACCIA, MCCTC & AGVM	21/04/2012
20	Jivan Gaurav Puraskar – 2012	Yogeshwari Shikshan Santha & Kirloskar Vasundhara Antar-Rashtriya Chitrapat Mahotsava Ambajogai	02/10/2012
21	Dr. Panjabrao Deshmukh Krushiratna Award-2011	Maharashtra Dept. Agriculture & Marketing, Mantralaya	30/10/2012
22	Marathwada Krushi Vidhyapith Fellow	Marathwada Krushi Vidhyapith Parbhani	22/02/2013
23	Agriculture & Food Processing category Award	Maharashtra Chamber of Commerce, Industry & Agriculture & IBN-Lokmat	09/08/2013
24	Jal - Mitra Award – 2014	Maharashtra Vikas Kendra, Pune	14/05/2014
25	Jivan Gaurav Puraskar	Dr. Babasaheb Ambedkar Marathwada University, Aurangabad	23/08/2015
26	Life Time Achievement Award	STAI-Delhi & DSTA-Pune jointly convention at Goa	04/09/2015
27	Krushiratna Award	Vasanttrao Naik Marathwada Agriculture University Parbhani	25/03/2017
28	Vasundhara Sanman Award	Kirloskar Vasundhara International Film Festival Solapur	18/08/2017
29	“Yeshwantrao Chavan Award (Agriculture)”	Yeshwantrao Chavan Smruti Sameeti, Ambajogai	27/11/2018
30	Adarsh Udyog Ratna Award-2019	Adarsh Maitri Foundation, Latur,	16/02/2019
31	Dakshineshwar Sanman Award-2019	Eminent Lord Ganesha of Latur City Shri Ausa Hanuman Ganesh Sanskartik Mandal, Latur	08/09/2019

**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 during the year under review.

**32. Shares:**

There is no change in the Authorised or paid up share capital of the Company. The Authorised Share Capital of the Company is Rs. 20.00 Cr and the paid up Capital is Rs. 18.092 Cr as on 31<sup>st</sup> March 2019.

The Board of Director is considering to issue of 125000 Equity Shares to certain of persons other than existing shareholders by way of preferential allotment basis. Members are requested to pass the necessary resolution authorizing the board of Directors to issue and allot the above said equity shares.

In the last Annual General Meeting held on 29/09/2018, the Members were passed the resolution authorizing the Board, for issue and allotment of Equity shares. But due to change in provisions of law in respect of allotment of shares, the Board could not issue and allot the shares. The validity of the resolution is remain only for 12 months from the passing of the resolution in general meeting. Therefore the Board has again recommend the members to pass the necessary resolution mentioned in the notice of AGM.

**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.

**33. Subsidiaries, Joint Ventures And Associate Companies**

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

**34. Acknowledgements:**

Directors of the Company place on record their sincere thanks to bankers, business associates, consultants, various Government Authorities, customers, suppliers of the Company, Farmers for their continued support extended to management of the Company during the year under review. Directors also appreciate and acknowledge gratefully for the support and confidence shown on the management of the Company.

Place: Sainagar Ranjani  
Date: 06/09/2019

For and on behalf of Board of Directors  
**Natural Sugar & Allied Industries Ltd.**

**[ B. B. Thombare ]**  
**Chairman & Managing Director**  
**DIN: 00022391**

## **Annexure 1**

### **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 is:

- 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 (NCR) 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.**

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

**Annexure -2**  
**FORM NO. AOC -2**

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

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

**1. Details of contracts or arrangements or transactions not at Arm's length basis:**

There were no contracts or arrangements or transactions entered in to during the year ended March 31, 2018, which were not at arm's length basis.

**2. Details of contracts or arrangements or transactions at Arm's length basis:**

Name(s) of the related party	Nature of Relationship	Duration of contract	Salient terms	Dates of Approval by the Board	Amount Rs.	Amount paid as advances , if any
<b>Nature of Contract:</b> Lease rent received & other						
Shri Sai Gramin Bigar Sheti Sahakari Patsanstha Ltd.	Some Directors of Company are directors in the society	99 years	As per market rate	23/05/2018	19250.00	NIL
Nsai Multi State Co-op. Cr. Society	Some Directors of Company are directors in the society	25 years	As per market rate	23/05/2018	2,12,000.00	NII
<b>Nature of Contract:</b> Purchase & Sale of goods						
Natural Bazaar Consumer Stores Ltd.	Some Directors of Company are directors in Company	01/04/2018 to 31/03/2019	As per market rate	23/05/2018	Sale: Rs. 42,01,96,421.00 Purchase: 58,75,146.00	NIL
<b>Nature of Contract:</b> Sale and purchase of Molasses & other						
Natural Cattle Feed Private Ltd.	Director	01/04/2018 to 31/03/2019	As per market rate	23/05/2018	Sale: Rs.. 6735516.00 Purchase: NIL	NIL
<b>Nature of Contract:</b> Providing Vehicles for goods/passenger transport						
Sai baba Securities Private limited	Dierctors	0104/2018 to 31/03/2019	As per market Rate	23/05/208	1,77,66,014.00	NIL
<b>Nature of Contract:</b> Payment for purchase of Sugarcane						
B. B. Thombare	CMD	01/04/2018 to 31/03/2019	As per market rate	24/07/2018	394898/-	NIL
Anil B. Thombare	Technical Director	01/04/2018 to 31/03/2019	As per market rate	24/07/2018	472256/-	NIL
Harshal B. Thombare	Whole Time Director	01/04/2018 to 31/03/2019	As per market rate	24/07/2018	438727/-	NIL
Pandurang S. Awad	Independent Director	01/04/2018 to 31/03/2019	As per market rate	24/07/2018	679050/-	NIL
Pratibha B. Thombare	Director	01/04/2018 to 31/03/2019	As per market rate	24/07/2018	696745/-	NIL
Lalasaheb Pawar	Director	01/04/2018 to 31/03/2019	As per market rate	24/07/2018	559625/-	NIL

Sunil Ashruba Devne	Director	01/04/2018 to 31/03/2019	As per market rate	24/07/2018	944861/-	NIL
Prabhawati D. Gore	Director	01/04/2018 to 31/03/2019	As per market rate	24/07/2018	1130031/-	NIL
Anand Dinkar Gore	Relative of Director	01/04/2018 to 31/03/2019	As per market rate	24/07/2018	548433/-	
Bibhishan K. Bhatlawande	Director	01/04/2018 to 31/03/2019	As per market rate	24/07/2018	184001/-	NIL
Agatrao R. Patil	Independent Director	01/04/2018 to 31/03/2019	As per market rate	24/07/2018	410517/-	NIL
Shubhangi Bhairavanath Thombare - Jadhav	Relative of Director	01/04/2018 to 31/03/2019	As per market rate	24/07/2018	322004/-	NIL
Nanda Anil Thombare	Relative of Director	01/04/2018 to 31/03/2019	As per market rate	24/07/2018	1085414/-	NIL
Vimal Goroba Thombare	Relative of Director	01/04/2018 to 31/03/2019	As per market rate	24/07/2018	597887/-	NIL
Shakuntala Ashruba Devane	Relative of Director	01/04/2018 to 31/03/2019	As per market rate	24/07/2018	0	NIL
Alankawati Sunil Devane	Relative of Director	01/04/2018 to 31/03/2019	As per market rate	24/07/2018	0	NIL
Balbhim Rambhau Devane	Relative of Director	01/04/2018 to 31/03/2019	As per market rate	24/07/2018	2250474/-	NIL
Amarsingh Pandurang Awad	Relative of Director	01/04/2018 to 31/03/2019	As per market rate	24/07/2018	450023/-	NIL
Balasaheb Sahebrao Awad	Relative of Director	01/04/2018 to 31/03/2019	As per market rate	24/07/2018	720695/-	NIL
Kevalbai Sahebrao Awad	Relative of Director	01/04/2018 to 31/03/2019	As per market rate	24/07/2018	0	NIL
Mahesh Pandurang Awad	Relative of Director	01/04/2018 to 31/03/2019	As per market rate	24/07/2018	385261/-	NIL
Suryakant Sahebrao Awad	Relative of Director	01/04/2018 to 31/03/2019	As per market rate	24/07/2018	527468/-	NIL
Rukminibai Pandurang Awad	Relative of Director	01/04/2018 to 31/03/2019	As per market rate	24/07/2018	318311/-	
Vandana Manik Tat	Relative of Director	01/04/2018 to 31/03/2019	As per market rate	24/07/2018	417319/-	NIL
Varsha Balaji Tat	Relative of Director	01/04/2018 to 31/03/2019	As per market rate	24/07/2018	346215/-	
Dharmaraj Balasaheb Pawar	Relative of Director	01/04/2018 to 31/03/2019	As per market rate	24/07/2018	2521705/-	NIL
Varsha Dharmaraj Pawar	Relative of Director	01/04/2018 to 31/03/2019	As per market rate	24/07/2018	185480/-	NIL
Limbraj Lalasaheb Pawar	Relative of Director	01/04/2018 to 31/03/2019	As per market rate	24/07/2018	214081/-	NIL
Rahul Lalasaheb Pawar	Relative of Director	01/04/2018 to 31/03/2019	As per market rate	24/07/2018	568367/-	NIL

**Justification for entering into Related Party Transactions:**

- Rent received from Patsanshta and Society.:** The Company's commercial property has been leased out to Shri Sai Gramin Bigar Sheti Patsanstha Ltd. and Nsai Multi State Co-operative Credit Society Ltd. at market rate in the area. The commercial shops/ buildings were remained vacant before lease out of these property and of no use immediately to the Company. Hence the property was leased out to these organizations so that the property will be maintained properly and the Company will gain something. Hence the property was leased out after the approval of Audit committee and Board of Directors accordingly.

2. **Natural Bazaar Consumer Stores Ltd:** Natural Bazaar Consumer Stores Ltd is in the business of grocery and some the Company's products are sell from their outlets. Many times the Company also required to purchase grocery and other things for maintenance of Guest House, canteens and other office purposes. Therefore the sale purchase transactions were entered into between the said related parties.
3. **Natural Cattle Feed Private Ltd.:** There is huge wastage remained after the manufacture of various products like sugar etc. the waste is agribase and may be used for preparing the natural/organic fertilizers which may be useful in the farms. Keeping in view to provide the indirect help to farmers in the nearby vicinity, the waste are sold to Natural Cattle Feed Private Ltd.
4. **Transactions with Directors and their relatives:** Most of the Directors and their relatives are farmers and sugarcane growers. The Company is in the field of manufacturing of Sugar from sugarcane, the company purchased the sugarcane from directors and their relatives and paid the amount accordingly.

All the transactions with related parties are at arms length and the amount paid/received by the Company is on the basis of prevailing market system and approved by the Audit Committee and Board of Directors accordingly.

**For Natural Sugar & Allied Ind. Ltd.**

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



FORM NO. MR-3

SECRETARIAL AUDIT REPORT

*FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH 2019*

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

To,

The Members,  
**Natural Sugar & Allied Industries Limited.**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Natural Sugar & Allied Industries Limited (hereinafter called the 'Company'). The Secretarial Audit was conducted in a manner that provided me areas on able basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records as maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2019 complied with the statutory provisions listed here under. Further the Company has proper Board-processes and compliance – mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Natural Sugar & Allied Industries Limited** ("the Company") for the financial year ended on 31<sup>st</sup> March 2019, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under; **Not applicable to the company for the financial year under review.**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under; **Not applicable to the company for the financial year under review.**
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **Not applicable to the company for the financial year under review.**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):- **Not applicable to the company for the financial year under review.**
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **Not applicable to the company for the financial year under review.**
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; **Not applicable to the company for the financial year under review.**
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Not applicable to the company for the financial year under review.**

- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **Not applicable to the company for the financial year under review.**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not applicable to the company for the financial year under review.**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **Not applicable to the company for the financial year under review.**
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not applicable to the company for the financial year under review.**

And

- (h) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998; **Not applicable to the company for the financial year under review.**

(vi). The Other Laws, as informed and certified by the management of the Company which are specifically applicable to the Company, based on the Sector/industry are:

- Trade Marks Act, 1999
- Information Technology Act, 2000
- Information Technology (Amendment) Act, 2008
- Weight and Measures Act,
- Legal Metrology Act, 2009
- Sugarcane (Control) Order 1966-
- Sugar Cess Act, 1982
- The Indian Boiler Act 1923
- Essential Commodities Act, 1955
- Sugar (Packing and Marketing) order 1970
- The Sugar (Regulation and Production) Act,1961
- Energy Conservation Act, 2011
- Food Safety and Standards Act, 2006
- The Milk and Milk Product Order 1992
- The Molasses Control Order 1961
- The Environment Protection Act, 1986& Rules
- Water (Prevention and Control of pollution) Act, 1974& Rules
- Air (Prevention and Control of Pollution) Act, 1981& Rules
- The Noise Pollution (Regulation and Control) Rules, 2000
- The Petroleum Act, 1934 and Rules
- Explosive Act, 1884 and Explosive Rules 2008
- The Employees Compensation Act, 1923
- The Control of Major Accidents Hazard Rules 2003
- The Payment of Wages Act, 1936& Rules
- The Equal Remuneration Act, 1976
- Payment of Gratuity Act,1972 and Rules
- Payment of Bonus Act, 1965, and Rules
- The Minimum wages Act, 1948 and rules
- Protection of Women against Sexual Harassment at Workplace Act and Rules
- The Contract Labour (Regulation and Abolition) Act,1970& Rules
- The Industrial Disputes Act, 1947
- The Trade Unions Act, 1926
- The Workmen's Compensation Act, 1923 and Rules
- The Factories Act, 1948

- The Employees Provident Fund and Miscellaneous Provisions Act, 1952
- The Employees State Insurance Act, 1948 and Rules
- Land Revenue and local laws as applicable.
- The Maharashtra Recognition of Trade Union and Prevention of Unfair labour Practices Act, 1971 and Rules
- Hazardous Waste MH & TM Rules 2008

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered in to by the Company with Stock Exchange: **Not applicable to the company for the financial year under review.**

Based on our verification of the Company's record during the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the observations as mentioned in Annexure B as annexed to this report. The report to be read with the Annexure as annexed to this report.

I further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. 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.
3. All the Decisions were unanimously made and there were no dissenting members' views on any item which were to be reported.

Based on the information as provided by the management, I further report that there are 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.

***I further report that during the audit period:***

1. The Claims against Company not acknowledged as debts including Award Passed by Arbitrator in the matter of JSSK Ltd Leased Unit to the company, Differential Liability is subject to appeal as made in the Supreme Court and its final decision. In continuation to above during the year, the company has received District Court, Pune order dated 19/07/2019 awarding damages against company and management of the company has been asked to pay an amount of Rs 6,98,87,094/-. Though the management of company is contesting the case by filing appeal; being court order the company has provided for residual liability into accounts.

*Place: Pune*  
*Date:6/9/2019*

*Signature:*  
***For Manoj H. Shah & Associates***  
***Company Secretaries***  
***SD/-***  
***CS Manoj H. Shah***  
***FCS 4238 /C P No. 2499***

**'Annexure A'**

To,  
The Members  
Natural Sugar & Allied Industries Limited  
Ranjani.

**Management Responsibility:**

- 1) Maintenance of the secretarial records is the responsibility of the management of the Company only .My responsibility is to express an opinion on the secretarial records based on my audit.

**Auditor's Responsibility:**

- 2) I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
- 3) **I have broadly reviewed the financial records/ cost records and books of account as maintained by the Company However, I have not made detailed examination of the records with a view to determine the correctness and appropriateness of financial records/ cost records and Books of Accounts as maintained by the Company and relied on the other professionals who have audited the said records.**
- 4) Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- 5) The compliance of the provisions of Corporate and of other applicable laws, rules, regulations, standards is the responsibility of management only. My examination was limited to the verification of procedures on test basis.

**Disclaimer:**

- 6) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Pune  
Date:6/9/2019

Signature:  
**For Manoj H. Shah & Associates**  
**Company Secretaries**  
**SD/-**  
**CS Manoj H. Shah**  
**Membership No. FCS 4238**  
**Certificate of Practice no. 2499**

**Annexure B :Annexure to the Secretarial Audit Report**

**1. Companies Act , 2013:**

- Pursuant to the provisions of Section 77 of the Companies Act, 2013 read with the Rules there under the Company had to file form no. CHG1 for the various loans as availed by the Company and the Form no. CHG4 for the satisfaction of charge for the repayment of the loans as done by the company. The said forms were pending for filing as at the end of the financial year under review. Further the petitions as to be filed for the condonation of delay in filing of the said forms is also pending as at the end of the year under review.
- Pursuant to the provisions of Section 179 of the Companies Act, 2013 read with the rules there under, the Company had to file various resolutions in the prescribed form no. MGT 14 with the office of the Registrar of Companies in respect of loans as taken by the Company and /or Corporate Guarantees as given by the Company. The said forms were pending for filing, as at the end of the financial year under review.
- Pursuant to the provisions of Sec 124 and Section 125 of the Companies Act, 2013 read with the rules there under the filing of the details of the unpaid Dividend with the Investor Education and Protection Fund for the previous years was pending at the end of the financial year under review. In respect of Dividend for F Y 2010-11 certain outstanding amount is debited by the bank and payments made to the members after expiry of period of seven years wherein the amount was due to be transferred to Investor Education and Protection Fund.
- Pursuant to the provisions of Section 123 of the Companies Act, there was a delay in transfer of dividend amount to the dividend account for the dividend as declared in the annual general meeting as held in the year which was due to the technical reasons in the bank, wherein there was a delay in opening of the banking account by the bank.

**2. Factories Act 1948.**

- The Company is required to get “No Objection Certificate” from The Director Maharashtra Fire & Emergency Services-Mumbai, for its factory units, which has not been obtained.

**3. Payment of Wages Act 1936.**

- a. As per the provisions of Payment of Wages Act 1936 the payment to workers are not paid within the prescribed time limit as provided under the provisions of the Act .

Place: Pune  
Date:6/9/2019

Signature:  
**For Manoj H. Shah & Associates**  
**Company Secretaries**  
Sd/--  
**CS Manoj H. Shah**  
**Membership No. FCS 4238**  
**Certificate of Practice no. 2499**

**Annexure 4**  
**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 conditions 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.**

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

**Annexure 5**  
**Annual Report on Corporate Social Responsibility**

**Details of CSR Activity and Amount Spent During the Financial Year 2018-19**

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

- Providing drinking water facility and rain harvesting for residents of Latur.
- The CSR Policy of the Company is posted on the website [www.naturalsugar.in](http://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       | Chairman and Member |
| b. Mr. Agatrao Rangnath Patil        | Member              |
| c. Mr. Bibhishan Krushna Bhatlawande | Member              |

**3. Average net profit of the company for the last three financial year: (\*)**

**4. Prescribed CSR Expenditures (2 percent of the amount as in item 3 above):10,50162/-**

**5. Details of CSR spent during the financial year.**

- (a) Total amount to be spent for the financial year: Rs. 10,50,162/-  
(b) Actual Amount spent during the financial year: Rs. 25,00,000/-  
(c) Amount unspent, if any: NIL  
(d) Manner in which the amount spent during the financial year is detailed below:

(\* calculation of available average profit for CSR Activity) :

Calculation of average profit of three years

Sr. No.	Financial Year	Amount (Rs.)
1	2015-16	5,26,98,651.00
2	2016-17	47,63,860.00
3	2017-18	10,00,61,839.00
	Total	15,75,24,350.00
	Average of three years	5,25,08,116.66
	Amount available for CSR Activities (2%)	10,50,162.33

**Amount available for CSR Activity 2% of above = INR Rs. 10,50,162/-**

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 <b>Sub-heads:</b> (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)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Providing health care including preventive healthcare	Health	Ranjani Village Tah. Kallam, Dist. Osmanabad, Maharashtra	25,00,000/-	25,00,000,-	25,00,000/-	25,00,000/-

	related services to the farmers, their relatives and other people residing in rural area						
	<b>TOTAL</b>			<b>25,00,000/-</b>	<b>25,00,000/-</b>	<b>25,00,000/-</b>	<b>25,00,000/-</b>

1. The Company has spent the amount for CSR beyond the available amount as a social responsibility and considering upliftment of social and individual health of the people residing within the area of factory and nearby villages of factory site.
2. 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.
3. The Company spent the amount on Corporate Social Responsibility Activity as mentioned above. As per the provisions of Companies Act, 2013 and rules made in relation to therewith, the minimum expenditure to be made during the financial year 2018-19 comes to Rs. 10.50 Lakhs. But the management and the CSR Committee proposed to expend beyond the available amount as the need for purchase of medical instruments and premises development and renovation of hospital area.

**For Natural Sugar & Allied Ind. Ltd.**

**[ Pandurang S. Awad ]  
Chairman of CSR Committee  
(DIN: 00242574)**

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



**Annexure -6**  
**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**As on the Financial Year ended on 31/03/2019**  
[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:**

Sr. No.	Particular	Details
1	CIN	U72214MH1998PLC121048
2	Registration Date	24/11/1998
3	Name of the Company	Natural Sugar And Allied Industries Limited
4	Category/subcategory of the Company	Public Limited Company
5	Address of the Registered office and contact details	SAINAGAR RANJANI, TAL. KALLAM DIST. OSMANABAD - 413528 Ph. No. 02473 265503, 04, 05 Fax: 02473 265600 Email ID: <a href="mailto:naturalgad@gmail.com">naturalgad@gmail.com</a> / <a href="mailto:naturalsugarcs@gmail.com">naturalsugarcs@gmail.com</a> ; Web: <a href="http://www.naturalsugar.in">www.naturalsugar.in</a>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

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

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	62.1
2	Milk & Milk Product	9961122	15.77

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: NA**

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

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

**A) Category Wise Share Holding:**

Category of Shareholders	No. of Shares held at the Beginning of the year				No. of Shares held at the End of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1) Indian									
a) Individual/ HUF	0	161100	161100	8.91	0	171100	171100	9.46	0.55
B. Public Shareholding:									
1. Institutions									
2. Non Institutions									
a) Bodies Corp.									
i) Indian	0	274900	274900	15.19	0	274900	274900	15.19	0
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	919600	919600	50.83	0	919600	919600	50.83	0
ii) Individual shareholders									

holding nominal share capital in excess of Rs 1 lakh	0	453600	453600	25.07	0	443600	443600	24.52	-0.55
C. SHARES HELD BY CUSTODIAN FOR GDRs & ADRs	0	0	0	0	0				
<b>Grand Total (A+B+C)</b>	<b>0</b>	<b>1809200</b>	<b>1809200</b>	<b>100.00</b>	<b>0</b>	<b>1809200</b>	<b>1809200</b>	<b>100.00</b>	<b>0</b>

#### B. SHAREHOLDING OF PROMOTERS:

Sl. No.	Shareholder's Name	Shareholding at the Beginning of the year (01/04/2016)			Shareholding at the End of the year (31/03/2017)			% 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 Pledge d/ encumbered to total shares	
1	Thombare Bhairavnath Bhagwanrao	46000	2.54	Nil	56000	3.10	Nil	0.55
2	Thombare Pratibha Bhairavnath	20000	1.11	Nil	20000	1.11	Nil	0
3	Thombare Anil Bhagwanrao	15000	0.83	Nil	15000	0.83	Nil	0
4	Kaldate Dnyaneshwar Ramrao	1300	0.07	Nil	1300	0.07	Nil	0
5	Mohite Vishnu Tukaram	2000	0.11	Nil	2000	0.11	Nil	0
6	Thombare Harshal Bhairavnath	11200	0.62	Nil	11200	0.62	Nil	0
7	Thombare Shubhangi Bhairavnath	10000	0.55	Nil	10000	0.55	Nil	0
8	Thombare Nanda Anil	10000	0.55	Nil	10000	0.55	Nil	0
9	Thombare Vimal Goroba	13000	0.72	Nil	13000	0.72	Nil	0
10	Thombare Shripad Goroba	11000	0.61	Nil	11000	0.61	Nil	0
11	Thombare Shivani Bhairavnath	5000	0.28	Nil	5000	0.28	Nil	0
12	Thombare Geetanjali Harshal	5000	0.28	Nil	5000	0.28	Nil	0
13	Thombare Shivkumar Anil	5000	0.28	Nil	5000	0.28	Nil	0
14	Thombare Pallavi Shripad	5000	0.28	Nil	5000	0.28	Nil	0
15	Thombare Rutuja Goroba	400	0.02	Nil	400	0.02	Nil	0
16	Thombare Geeta Goroba	100	0.01	Nil	100	0.01	Nil	0
17	Shinde Amarja Ajit	1100	0.06	Nil	1100	0.06	Nil	0.0
	<b>TOTAL</b>	<b>161100</b>	<b>8.91</b>	<b>Nil</b>	<b>171100</b>	<b>9.46</b>	<b>Nil</b>	<b>0.55</b>

**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	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	46000	2.54	46,000	2.54	01/04/2018		
				10000			56,000	Transfer/purchase
				56,000	3.10	31/03/2019	56,000	

**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	Date wise Increase/ Decrease in share holding during the year	Reasons for increase / decrease
		No. of shares	% of total shares of the co.	No. of shares	% of total shares of the co.			
01.	Dale Mangala Kishor	16000	0.88	16000	0.88		NA	NA
02.	Gore Anand Dinkarrao			11900	0.66	23/05/18	8700	Transmission
03.	Choughule Gajanan Tatyrao	11000	0.61	11000	0.61		NA	NA
03.	Munde Pankaja Gopinathrao	10000	0.55	10000	0.55		NA	NA
04.	Munde Pradnya Gopinathrao	10000	0.55	10000	0.55		NA	NA
05.	Gangane Vishal Vishwambhar	9000	0.50	9000	0.50		NA	NA
06.	Bhise Balasaheb Vaijanath	8500	0.47	8500	0.47		NA	NA
07.	Lakde Kranti Shivaji	8100	0.45	8100	0.45		NA	NA
07.	Ikhe Pratibha Banshidhar	8000	0.44	8000	0.44		NA	NA
07.	Pardeshi Surajmal Sukhalal	8000	0.44	8000	0.44		NA	NA
08.	Jaishwal Shankarlal Ramlal	8000	0.44	8000	0.44		NA	NA
08.	Tat Manik Bajirao	8000	0.44	8000	0.44		NA	NA
09.	Zende Pradip Padmakar	7500	0.41	7500	0.41		NA	NA
09.	Salunke Sarjerao Ganpatrao	7500	0.41	7500	0.41		NA	NA
10.	Dongare Lalita Radhakrushna	7000	0.39	7000	0.39		NA	NA
	Reddy Sambhaji Goroba	7000	0.39	7000	0.39		NA	NA

**E. Shareholding Of Directors And Key Managerial Personnel:**

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year		Date	Date wise Increase/ Decrease in share holding during the year	Reasons for increase / decrease
		No. of shares	% of total shares of the co.	No. of shares	% of total shares of the co.			
	<b>For Each Of The Directors And KMP</b>							
01.	Thombare Bhairavnath Bhagwanrao	46000	2.54	56000	3.10	24/07/18	10000	Transfer
02.	Awad Pandurang Sahebrao	12000	0.66	12000	0.66		NA	NA
03.	Thombare Anil Bhagwanrao	15000	0.83	15000	0.83		NA	NA
04.	Thombare Harshal Bhairavnath	11200	0.62	11200	0.62		NA	NA

05	Bhatlawande Bibhishan Krishna	6000	0.33	6000	0.33		NA	NA
06	Patil Agatrao Rangnath	10000	0.55	10000	0.55		NA	NA
07	Pawar Lalasaheb Balasaheb	4000	0.22	4000	0.22		NA	NA
08	Devane Sunil Ashruba	8200	0.45	8200	0.45		NA	NA
09	Tat BalajiBajirao	10500	0.58	10500	0.58		NA	NA
10	Thombare Pratibha Bhairavnath	20000	1.11	20000	1.11		NA	NA
11	Gore Prabhawati Dinkar	0	0	8100	0.45	23/05/18	5000	Transmission

#### V. INDEBTEDNESS:

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	2,57,46,40,854.00	40,11,78,490.00		2,97,58,11,344.00
ii) Interest due but not paid	-	-		-
iii) Interest accrued but not due	-	-		-
<b>Total (I + ii + iii)</b>	<b>2,57,46,40,854.00</b>	<b>40,11,78,490.00</b>		<b>2,97,58,11,344.00</b>
<b>Change in Indebtedness during the financial year</b>				
1) Addition	22,96,73,424.00	0		22,96,73,424.00
2) Reduction	-19,27,45,987.00	-40,11,78,490.00		-59,39,24,477.00
<b>Net Change</b>	<b>3,69,27,437.00</b>	<b>-40,11,78,490.00</b>		<b>-36,42,51,053.00</b>
<b>Indebtedness at the end of the financial year</b>				
1) Principal Amount	2,61,15,68,291.00	0		2,61,15,68,291.00
2) Interest due but not paid	-	-		-
3) Interest accrued but not due.	-	-		-
<b>Total (I + ii + iii)</b>	<b>2,61,15,68,291.00</b>	<b>0</b>		<b>2,61,15,68,291.00</b>

#### 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	Mr. Anil B. Thombare	Mr. H. B. Thombare	
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	32,72,346/- 0 0	14,83,529/- 0 0	10,24,927/- 0 0	57,80,802/- 0 0
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission: - as % of profit - others, specify...	-	-	-	-
5	Others, please Specify				
	<b>Total (A)</b>	<b>32,72,349/-</b>	<b>14,83,529/-</b>	<b>10,24,927/-</b>	<b>57,80,802/-</b>
	<b>Ceiling as per the Act</b>	<b>84,00,000/-</b>	<b>84,00,000/-</b>	<b>84,00,000/-</b>	<b>84,00,000/-</b>

**B. Remuneration to Other Director:**

Sl. No.	Particulars of Remuneration	Name of Director			Total Amount
		Mr. P. S. Awad	Mr. A. R. Patil	Other Directors	
	1. Independent Directors <ul style="list-style-type: none"> <li>• Fee for attending board / committee meetings</li> <li>• Commission</li> <li>• Others, please specify</li> </ul>	8000/-	8000/-	-	16000/-
	Total (1)	8000/-	8000/-	-	16,000/-
	2. Other Non-Executive Directors <ul style="list-style-type: none"> <li>• Fees for attaining Board/ Committee meeting</li> <li>• Commission</li> <li>• Others, please specify</li> </ul>	-	-	48,000/-	48,000/-
	Total (2)	-	-	-	-
	Total (B) = (1)+(2)	8000/-	8000/-	48000/-	64000/-
	Total Managerial Remuneration				
	Overall Ceiling as per the Act.	84,00,000/-	84,00,000/-	84,00,000/-	840000/-

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

Sl .No.	Particulars of Remuneration	Key Managerial Person			
		CEO	CS	CFO	Total
			<b>Shri S. V. Shende</b>	<b>Shri S. U. Vedpathak</b>	
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	-	3,54,592,.00	5,53,856.00	9,08,448.00
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission: - as % of profit - others, specify...	-	-	-	-
	Others, please Specify	-	-	-	-
	Total	-	<b>3,54,592,.00</b>	<b>5,53,856.00</b>	<b>9,08,448.00</b>

**VII. PENALTIES/ PUNISHMENTS/ COMPOUNDING OF OFFENCES: Nil**

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

For Natural Sugar &amp; Allied Ind. Ltd.

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

**PROXY FORM**  
**FORM NO. MGT-11**

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN	U72214MH1998PLC121048
Name of the Company	NATURAL SUGAR AND ALLIED INDUSTRIES LIMITED
Registered Office	Sainagar, Ranjani, Tal. Kallam, Dist. Osmanabad - 413528

Name of the Members (s)	
Registered Address	
Email Id	
Folio No. Client ID	
DP. ID	

I/We, being a holder(s) of \_\_\_\_\_ shares of the above named Company, hereby appoint

1	Name	
	Address	
	Email Id	
	Signature	

**Or failing him/her**

2	Name	
	Address	
	Email Id	
	Signature	

**Or failing him/her**

3	Name	
	Address	
	Email Id	
	Signature	

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 19<sup>th</sup> Annual General Meeting of the Company to be held on Monday the 30<sup>th</sup> September 2019 at 11.00 p.m. at Shri Sai Mangal Karyalaya Sainagar, Ranjani, Tal. Kallam, Dist. Osmanabad - 413528 (MS) and at any adjourned thereof in respect of such resolutions as are indicate below:

Sr. No.	Resolution	Optional	
		For	Against
<b>Ordinary Business</b>			
1	Adoption of Balance Sheet as at 31 <sup>st</sup> March, 2019 and the Profit & Loss Account for the year ended on that date and Directors' and Auditors' Report thereon		
2	To declare and pay the dividend		
3	To appoint Shri Sunil Ashruba Devane (DIN : 00002955) as Director on the Board who retires by rotation after conclusion of this meeting.		
4	To appoint Sou. Pratibha B. Thombare (DIN 01171135) as Director on the Board who retires by rotation after conclusion of this meeting.		
5	To ratify the appointment of Statutory Auditors and fix their remuneration		
<b>Special Business</b>			
6	To fix the remuneration of Cost Auditor		
7	To appoint Shri. Harshal B. Thombare (DIN: 03176256) as a Whole Time Director w.e.f. 01/10/2018.		
8	To reappoint Shri. Pandurang S. Awad (DIN- 00242574) as an Independent Director w.e.f. 27/11/2019		
9	To reappoint Shri. Agatrao R. Patil (DIN- 00002956) as an Independent Director w.e.f. 27/11/2019		
10	To authorise the Board of Directors to issue and allot the Equity Shares of the Company by way of private placement and preferential allotment basis.		

Signed this \_\_\_\_\_ day of September 2019

Signature \_\_\_\_\_

**NOTE:**

1. The proxy form must be deposited at the registered office of the company at Sainagar, Ranjani, Tal. Kallam, Dist. Osmanabad - 413528 not less than forty-eight hours before the commencement of the meeting.

It is optional to put the '✓' in the appropriate column against the resolutions indicated in the Box. If you leave blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she thin

Affix Revenue Stamp
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**NATURAL SUGAR AND ALLIED INDUSTRIES LIMITED**

Registered Office: SAINAGAR, RANJANI, TAL. KALLAM, DIST. OSMANABAD – 413528

**CIN: U72214MH1998PLC121048**

## FORM MGT-12

## POLLING PAPER

[Pursuant to Section 109 (5) of the Companies Act, 2013 and Rule 21(1) (c) of the Companies (management and Administration) Rules, 2014]

Name of the Company : **NATURAL SUGAR AND ALLIED INDUSTRIES LIMITED**Registered Office : **SAINAGAR, RANJANI, TAL. KALLAM, DIST. OSMANABAD – 413528 (MS)****BALLOT PAPER**

S. No.	Particulars	Details
1	Name of the first Name Shareholder (In Block Letters)	
2	Postal Address	
3	Registered Folio No/ Client ID No. (Applicable to investors holding shares in dematerialized form)	
4	Class of Shares	Equity

I hereby exercise my vote in respect of Ordinary/Special resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:

Item	Short Description	VOTES CAST	
		For	Against
	<b>Ordinary Business</b>		
1.	<b>Ordinary Resolution</b> Adoption of Balance Sheet as at 31 <sup>st</sup> March, 2019 and the Profit & Loss Account for the year ended on that date and Directors' and Auditors' Report thereon		
2.	<b>Ordinary Resolution</b> <i>To declare and pay the 10% dividend on equity shares of the Company</i>		
3	<b>Ordinary Resolution</b> To appoint Shri Sunil Ashruba Devane (DIN : 00002955) as Director on the Board who retires by rotation after conclusion of this meeting.		
4	<b>Ordinary Resolution</b> To appoint Sou. Pratibha B. Thombare (DIN 01171135) as Director on the Board who retires by rotation after conclusion of this meeting.		
5	<b>Ordinary Resolution</b> To ratify the appointment of Statutory Auditors and fix their remuneration		
	<b>Special Business</b>		
6	<b>Ordinary Resolution</b> To fix the remuneration of Cost Auditor		
7	<b>Special Resolution</b> To appoint Shri. Harshal B. Thombare (DIN: 03176256) as a Whole Time Director w.e.f. 01/10/2018.		
8	<b>Special Resolution:</b> To reappoint Shri. Pandurang S. Awad (DIN- 00242574) as an Independent Director w.e.f. 27/11/2019		
9	<b>Special Resolution:</b> To reappoint Shri. Agatrao R. Patil (DIN- 00002956) as an Independent Director w.e.f. 27/11/2019		
10	<b>Special Resolution</b> To authorise the Board of Directors to issue and allot the Equity Shares of the Company by way of private placement and preferential allotment basis.		

Please place (✓) in the appropriate column.)

Place: Sainagar Ranjani

Date: 30<sup>th</sup> September, 2019\_\_\_\_\_  
Signature of the Shareholder/Proxy

# नॅचरल शुगर अँड अलाईड इंडस्ट्रीज लि., साईनगर रांजणी ता.कळंब जि.उस्मानाबाद

**BALANCE SHEET AS ON 31st March, 2019** ३१ मार्च २०१९ रोजीचे एकत्रीत ताळेबंद पत्रक

S.N. अ.क्र.	PARTICULARS तपशील	Note No. परिशिष्ट क्र.	As at 31 March, 2019 (Rs.) ३१.३.२०१९ अखेर (रु.)	As at 31 March, 2018 (Rs.) ३१.३.२०१८ अखेर (रु.)
<b>A</b>	<b>EQUITY AND LIABILITIES</b> समभाग व देयता			
1	<b>Shareholders' funds</b> भागधारकांचा निधी			
	(a) Share capital भागभांडवल	2	18,09,20,000	18,09,20,000
	(b) Reserves and surplus गंगाजळी व निधी	3	113,01,13,788	105,17,10,436
	<b>Total एकूण</b>		<b>131,10,33,788</b>	<b>123,26,30,436</b>
2	<b>Non-current liabilities</b> अचल देणी			
	(a) Long-term borrowings दिर्घ मुदती उचली	4	2,37,03,279	13,00,60,740
	(b) Deferred tax liabilities (net) डेफर्ड टॅक्स देयता	5	15,59,02,555	11,10,68,293
	(c) Other long-term liabilities इतर दिर्घ मुदती देणी	6	2,35,61,351	1,91,99,494
	(d) Long-term provisions दिर्घ मुदती तरतुदी	7	40,28,981	42,10,402
	<b>Total एकूण</b>		<b>20,71,96,166</b>	<b>26,45,38,929</b>
3	<b>Current liabilities</b> चालू देणी			
	(a) Short-term borrowings अल्प मुदती उचली	8	256,34,36,756	273,49,41,822
	(b) Trade payables व्यापारी देणे	9	102,16,92,327	77,63,80,396
	(c) Other current liabilities इतर चालू देणी	10	117,15,61,172	72,16,76,900
	(d) Short-term provisions अल्प मुदती तरतुदी	11	5,80,56,879	7,98,40,560
	<b>Total एकूण</b>		<b>481,47,47,134</b>	<b>431,28,39,678</b>
	<b>GRAND TOTAL</b>		<b>633,29,77,087</b>	<b>581,00,09,043</b>
<b>B</b>	<b>ASSETS</b>			
1	<b>Non-current assets</b> अचल मालमत्ता			
	(a) Fixed assets कायम मालमत्ता			
	(i) Tangible assets सद्दृश्य मालमत्ता	12.A	195,04,80,221	200,93,09,666
	(ii) Intangible assets असद्दृश्य मालमत्ता	12.B	89,500	89,500
	(iii) Work in Progress चालू असलेली कामे	12.C	--	--
	(b) Non-current investments अचल गुंतवणूक	13	50,55,410	1,78,00,910
	(c) Long-term loans and advances दिर्घ मुदती कर्ज व उचली	14	8,73,45,828	6,03,45,827
	(d) Other non-current assets अचल मालमत्ता	15	--	--
	<b>Total एकूण</b>		<b>204,29,70,959</b>	<b>208,75,45,903</b>
2	<b>Current assets</b> चालू मालमत्ता			
	(a) Inventories साठा	16	361,03,72,092	342,41,47,112
	(b) Trade receivables व्यापारी येणी	17	22,32,43,045	4,80,68,629
	(c) Cash and cash equivalents रोख व चालू खाते शिल्लक	18	2,69,65,504	3,16,72,778
	(d) Short-term loans and advances अल्प मुदती कर्ज व आगाऊ रक्कम	19	40,31,65,667	20,06,34,266
	(e) Other current assets इतर चालू मालमत्ता	20	2,62,59,820	1,79,40,355
	<b>Total एकूण</b>		<b>429,00,06,128</b>	<b>372,24,63,140</b>
	<b>GRAND TOTAL एकूण</b>		<b>633,29,77,087</b>	<b>581,00,09,043</b>
	See accompanying notes forming part of the financial statements and significant accounting policies	1/29		

AS PER OUR REPORT OF EVEN DATE

For and on behalf of the Board of Directors

FOR M/S D. D. DARPALKAR & CO  
CHARTERED ACCOUNTANTS

(A.B. THOMBARE.)  
Technical Director

(H.B. THOMBARE.)  
Whole Time Director

(B.B. THOMBARE.)  
Chairman & Managing Director

(CA DHANANJAY D DARPALKAR)

(P.B. Thombare.)  
Director

(P.S.AWAD)  
Independent Director

(B.B.TAT)  
Director

PROPRIETOR  
M.NO. 150254 F. R. NO. 135523W  
UDIN :- 19150254AAAAAP5238

(P.D.GORE)  
Director

(B.K.BHATLAWANDE.)  
Director

(S.A. DEVANE)  
Director

Place : CAMP RANJANI.  
Date : 06 /09/2019

(A.R. PATIL.)  
Independent Director

(L.B.PAWAR)  
Director

(S.U.VEDPATHAK)  
Chief Finance Officer

(S.V. SHENDE)  
Company Secretary



२० वा वार्षिक अहवाल २०१८-२०१९

३७





# नॅचरल शुगर अँड अलाईड इंडस्ट्रीज लि., साईनगर रांजणी ता.कळंब जि.उस्मानाबाद

## PROFIT & LOSS A/C FOR THE YEAR ENDED 31/03/2019 मार्च २०१९ अखेर संपणाच्या वर्षाचे नफा तोटा पत्रक

S.N. अ.क्र.	PARTICULARS तपशील	Note No परिशिष्ट क्र.	As at 31 March, 2019 (Rs.) ३१.३.२०१९ अखेर (रु.)	As at 31 March, 2018 (Rs.) ३१.३.२०१८ अखेर (रु.)
<b>A</b>	<b>CONTINUING OPERATIONS</b> महसुली उत्पन्न एकूण जमा			
1	Revenue from operations (gross) महसुली उत्पन्न एकूण जमा	21.A	527,90,77,520	251,87,12,665
	Less: Excise duty वजा अबकारी कर	21.B	--	1,46,46,276
	<b>Revenue from operations (net)</b> निव्वळ महसुली जमा		<b>527,90,77,520</b>	<b>250,40,66,389</b>
2	Other Income इतर उत्पन्न	22	48,46,732	47,96,137
3	<b>Total Revenue (1+2)</b> एकूण महसुली उत्पन्न		<b>528,39,24,252</b>	<b>250,88,62,526</b>
4	<b>Expenses</b> खर्च			
	(a) Cost of materials consumed कच्चा माल खरेदी किंमत	23.a	393,15,57,460	382,86,04,384
	(b) Purchases of Traded Goods व्यापारी खरेदी माल	23.b	16,70,91,569	14,72,97,736
	(c) Changes in inventories of finished goods, Work-in-Progress and stock-in-trade पक्का माल, प्रक्रियेतील माल व व्यापारी माल साठ्यातील फरक	23.c	(17,95,81,939)	(2,55,05,12,744)
	(d) Employee benefits expense कर्मचारी कल्याण खर्च	24	20,96,06,569	17,99,88,264
	(e) Other expenses इतर खर्च	25	63,82,75,106	46,21,73,087
	<b>Total</b> एकूण		<b>476,69,48,765</b>	<b>206,75,50,727</b>
5	<b>Profit / Loss Before Finance Cost, Depreciation &amp; amortization Before Exceptional and Extra Ordinary Items &amp; Tax (3-4)</b>		51,69,75,486	44,13,11,799
6	Finance Costs	26	30,00,34,286	17,68,13,820
7	Depreciation and amortization expense घसारा खर्च	27	8,71,93,519	8,92,43,318
8	<b>Profit / (Loss) before exceptional and extraordinary items and tax (5-6-7=8)</b> असामान्य बाबापूर्वीचा नफा (तोटा)		<b>12,97,47,681</b>	<b>17,52,54,661</b>
9	Exceptional items	28.a	1,83,00,795	50,87,056
10	<b>Profit / (Loss) before extraordinary items and tax (8-9 = 10)</b> नफा-(तोटा) असामान्य बाबी व कर पूर्वीचा		<b>14,80,48,476</b>	<b>18,03,41,717</b>
11	Extraordinary items असामान्य खर्च		-	-
12	<b>Profit / (Loss) before tax (10-11= 12)</b> करपूर्व नफा (तोटा)		<b>14,80,48,476</b>	<b>18,03,41,717</b>
13	<b>Tax expense:</b> कर खर्च			
	(a) Current tax expense for current year चालू वर्षातील कर खर्च		3,00,00,000	4,20,00,000
	(b) (Less): MAT credit गतवर्षीचा मॅट जमा		(2,70,00,000)	(3,60,00,000)
	(c) Current tax expense relating to prior years गतवर्षी संबंधित चालू कर		-	(5,86,210)
	(d) Net current tax expense निव्वळ चालू कर खर्च		<b>30,00,000</b>	<b>54,13,790</b>
	(e) Deferred tax लांबणीवर टाकलेला कर		4,48,34,261	7,48,66,088
	<b>Total</b> एकूण		<b>4,78,34,261</b>	<b>8,02,79,878</b>

# नॅचरल शुगर अँड अलाईड इंडस्ट्रीज लि., साईनगर रांजणी ता.कळंब जि.उस्मानाबाद

## PROFIT & LOSS A/C FOR THE YEAR ENDED 31/03/2019 मार्च २०१९ अखेर संपणाऱ्या वर्षाचे नफा तोटा पत्रक

S.N. अ.क्र.	PARTICULARS तपशील	Note No	As at 31 March, 2019 (Rs.) ३१.३.२०१९ अखेर (रु.)	As at 31 March, 2018 (Rs.) ३१.३.२०१८ अखेर (रु.)
14	Profit / (Loss) from continuing operations (12 +13)		10,02,14,215	10,00,61,839
15	Profit / (Loss) from discontinuing operations		--	--
16	Profit from total Operations		10,02,14,215	10,00,61,839
17	Profit / (Loss) for the year		10,02,14,215	10,00,61,839
18	Earnings per share (of Rs 100/- each):			
	(a) Basic (Continuing & Total Operating)		55.39	55.31
	(b) Diluted (Continuing & Total Operating )		55.39	55.31
	See accompanying notes forming part of the financial statements	1/29		

AS PER OUR REPORT OF EVEN DATE

For and on behalf of the Board of Directors

FOR M/S D. D. DARPHALKAR & CO  
CHARTERED ACCOUNTANTS

(A.B. THOMBARE.)  
Technical Director

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Whole Time Director

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Director

PROPRIETOR

(P.D.GORE)

(B.K.BHATLAWANDE.)

(S.A. DEVANE)

M.NO. 150254 F. R. NO. 135523W  
UDIN :- 19150254AAAAAP5238

Director

Director

Director

Place : CAMP RANJANI.

(A.R. PATIL.)

(L.B.PAWAR)

(S.U.VEDPATHAK)

(S.V. SHENDE)

Date : 06 /09/2019

Independent Director

Director

Chief Finance Officer

Company Secretary

