

ANNUAL REPORT

*For the Year ended
30th June, 2013*

ⓔ Eastern Sugar & Industries Limited

 **EASTERN SUGAR & INDUSTRIES LIMITED**

CHAIRMAN

Shri Bimal Kumar Nopany

DIRECTORS

Shri S. J. Goswami — *Whole Time Director*

Shri R. C. Jha

Shri C. K. Garodia

Shri D. Y. Manawwar

COMPLIANCE OFFICER

Shri D. R. Gill

REGISTERED OFFICE

Hanuman Sugar Mills,

P.O. Motihari

Dist.: East Champaran

Bihar – 845 401

REGISTRAR & SHARE TRANSFER AGENT

M/s. Maheshwari Datamatics Pvt. Ltd.

6, Mangoe Lane

Kolkata – 700 001

Phone: (033) 2248-2248 / 2243-5029

Fax: (033) 2248-4787

STATUTORY AUDITORS

M/s. Vivek Jaiswal & Co.

Chartered Accountants

Commerce House

Suite # 1A, Floor 8

2A, Ganesh Chandra Avenue

Kolkata – 700 013

BANKERS

Andhra Bank

EASTERN SUGAR & INDUSTRIES LIMITED

NOTICE

Notice is hereby given that the Annual General Meeting of the Members of Eastern Sugar & Industries Limited will be held on Friday, the 29th Day of November, 2013 at 1.00 P.M. at the Registered Office of the Company at Hanuman Sugar Mills, P.O. Motihari, Dist. East Champaran, Bihar-845 401 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 30th June, 2013 together with statement of Profit & Loss for the year ended on that date, and the reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. B. K. Nopany and Mr. S. J. Goswami, who retire by rotation and are eligible for re-appointment.
3. To appoint Auditors and to fix their remuneration.

By order of the Board
For **Eastern Sugar & Industries Limited**
(B. K. Nopany)
Chairman

Place : Kolkata
Dated : 31st October, 2013

NOTES:

1. **The Explanatory Statement pursuant to Section 173/2 of the Companies Act, 1956 is annexed hereto and form part of this office.**
2. **A member entitled to attend and vote at the Meeting is also entitled to appoint one or more proxies to attend and vote instead of himself and the proxy need not be a member of the Company.**
3. **Proxies in order to be effective must be received by the Company at least 48 hours before the time of the Meeting.**
4. All documents referred to in the Notice are open for inspection by the Members of the Company at the registered office of the Company on all working days between 11.00 a.m. to 1.00 p.m. up to the date of the Meeting convened by this Notice.
5. The Register of Members and Share Transfer Book of the Company will remain closed from 26th Day of November, 2013 to 29th November, 2013 (both days inclusive).
6. The Members are requested to intimate change in their address, if any, quoting their registered Folio No.
7. The Members are requested to bring their copies of Annual Report to the Meeting, as the same will not be redistributed at the venue of Annual General Meeting.
8. The Members attending the General Meeting are requested to bring enclosed attendance slip, duly filled in.
9. Members, who hold share in de-materialised form, are requested to bring their client ID and DP-ID number for the purpose of identification and attendance at the meeting.
10. Consequent upon the introduction of section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form No. 2B in

EASTERN SUGAR & INDUSTRIES LIMITED

duplicate (which will be made available on request) to the R&T Agents of the Company.

11. As per SEBI directive, shares of all the Companies have to be traded compulsorily in dematerialized form by all investors, the Company has appointed M/s Maheshwari Datamatics Pvt Ltd, 6, Mangoe Lane, 2nd Floor, Kolkata – 700001 as common agency to act as Registrars for the purpose of electronic connectivity for effecting dematerialization of shares as well as for transfer of physical shares.

By order of the Board
For **Eastern Sugar & Industries Limited**
(B. K. Nopany)
Chairman

Place : Kolkata
Dated : 31st October, 2013

INFORMATION REQUIRED TO BE FURNISHED UNDER CLAUSE 49 OF THE LISTING AGREEMENT IN RESPECT OF DIRECTORS BEING APPOINTED/RE-APPOINTED

Name	:	Mr. B. K. Nopany
Date of Birth	:	26.04.1943
Qualification	:	B. Com.
Profession	:	Industrialist
Expertise	:	Sugar, Construction and School
Other Directorships	:	1. Shree Hanuman Sugar & Industries Ltd. 2. Nopany Investments Pvt. Ltd. 3. Shree Milk & Food Industries Ltd. 4. Hanuman Industries (India) Pvt. Ltd. 5. Indo Austro Corporation Pvt. Ltd. 6. Shruti Spinners Ltd. 7. Shruti Ltd. 8. Nopany & Sons Pvt. Ltd. 9. Daulatram Rawatmull Pvt. Ltd. 10. Super Scans & Systems Pvt. Ltd. 11. Champaran Agri Park Private Ltd.
Shareholding in the Company	:	297865

Name	:	Mr. S. J. Goswami
Date of Birth	:	9th June, 1966
Qualification	:	Commerce Graduate , L.L.B.
Profession	:	Service
Expertise	:	Administration & Logistic
Other Directorships	:	1. Shruti Capital & Finance Ltd. 2. Indo Austro Corpn. Pvt. Ltd.
Shareholding in the Company	:	NIL

By order of the Board
For **Eastern Sugar & Industries Limited**
(B. K. Nopany)
Chairman

Place : Kolkata
Dated : 31st October, 2013

DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in presenting the Annual Report and the Audited Accounts of the Company for the financial year ended 30th June, 2013:

FINANCIAL RESULTS:

	(Rs. in Lacs)	
	<u>2012-13</u>	<u>2011-12</u>
Sales & Other Income	955.80	1135.73
Profit / (Loss) before Interest, Depreciation and Tax	543.87	843.75
Less: Interest	124.85	124.85
Depreciation	<u>335.89</u>	<u>344.00</u>
Profit/(Loss) before tax	83.13	374.91
Less: Provision for tax	<u>5.67</u>	<u>—</u>
Profit/(Loss) after tax	77.46	374.91
Add/Less: Balance brought forward from previous year	<u>1280.78</u>	<u>905.87</u>
Profit available for appropriation	<u>1358.24</u>	<u>1280.78</u>

APPROPRIATIONS (Rs. in Lacs):

Transfer to General Reserve	<u>500.00</u>	<u>—</u>
Balance (Loss) carried to Balance Sheet	<u>858.24</u>	<u>1280.78</u>

PERFORMANCE AND FUTURE PROGRAMMES:

During the year under review, total income stood at Rs.955.80 lacs, compared to Rs. 1135.73 lacs in the previous year 2011-12. Profit before Depreciation, Interest, and Tax (PBDIT) during 2012-13 includes Profit from sale of Investments amounting to Rs. 242.62 lacs and during 2011-12 includes Profit from sale of Fixed Assets amounting to Rs. 656.28 lacs, which are exceptional in nature. Therefore, PBDIT before exceptional incomes during 2012-13 stood at Rs. 301.25 lacs as against Rs. 187.47 lacs during 2011-12, which shows an increase of 60.69%.

Your Directors have been actively considering entering in to new activities for increasing company's business.

DIVIDEND:

Considering funds required for increasing business of the Company and also considering the requirement for strengthening its financial positions, your Directors do not recommend any dividend for the year.

DIRECTORS:

Mr. B. K. Nopany and Mr. S. J. Goswami retire at the conclusion of ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

AUDITORS:

The Auditors of the company M/s Vivek Jaiswal & Co., Chartered Accountants, hold office until the

EASTERN SUGAR & INDUSTRIES LIMITED

conclusion of the ensuing Annual General Meeting and are recommended for re-appointment. Certificate from Auditors has been received to the effect that their appointment, if made, would be within the limit prescribed under section 224(1B) of the Companies Act, 1956.

Notes forming part of accounts, which are specifically referred to by the Auditors in their report, are self explanatory and, therefore, do not call for any further comments.

FIXED DEPOSITS:

During the year under review, the Company has not accepted public deposits under section 58-A of the Companies Act, 1956.

DE-MATERIALISATION OF SHARES:

The Company's equity shares are available for de-materialization on both the depositories, viz., NSDL & CDSL. Shareholders may be aware that SEBI has made trading in your Company's shares mandatory, in de-materialized form. As on 30th June, 2013, 14007200 equity shares representing 82.88% of your Company's Equity Share Capital have been de-materialised.

ISSUE OF BONUS EQUITY SHARES TO PREFERENCE SHAREHOLDERS:

As approved by the Shareholders of the Company and pursuant to provisions of the Companies Act, 1956 read with SEBI Rules/Regulations, a sum of Rs. 4,90,00,000/- (Rupees four crores ninety lacs only) was capitalized, out of the amount standing to the credit of the General Reserve Account, and 49,00,000 Equity were issued and allotted as fully paid bonus shares of Rs. 10/- each to the holders of 300000 12% cumulative convertible preference shares of Rs. 100/- each and 700000 3% cumulative convertible preference shares of Rs. 100/- each.

LISTING AT STOCK EXCHANGE:

The Shares of the Company are listed on Bombay Stock Exchange, Mumbai and National Stock Exchange of India Ltd.

The shares at National Stock Exchange are still suspended for trading and efforts are being put for revocation of the suspension.

STATUTORY INFORMATION:

- There are no employees covered by the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.
- During the year under review, the Company has not carried out any manufacturing activity. Therefore, there are no particulars to be disclosed as per the Companies (Disclosures of Particulars in the Report of the Board of Directors) rules, 1988.
- The company had no foreign exchange earning and outgo during the year under report.
- Certificate received from the Auditors of the Company regarding Compliance of conditions of Corporate Governance, as required under clause 49 VII of the Listing Agreement, is annexed and forms part of this report.
- As required under 49 IV F of the Listing Agreement, Management Discussion and Analysis Report is annexed and forms part of this report.

EASTERN SUGAR & INDUSTRIES LIMITED

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to provisions of section 217 (2AA) of the Companies Act, 1956, your Directors confirm that:

- in the preparation of the Annual Accounts for the year ended 30th June, 2013, the applicable accounting standards had been followed, along with proper explanation relating to material departures;
- The Directors have selected such accounting policies and applied them consistently and made judgements 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 the loss of the company for the year under review;
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing, and detecting fraud and other irregularities; and
- The Directors have prepared the annual accounts on a going concern basis.

EMPLOYEE RELATIONS:

During the year under review, the relations between the Management and the workmen were cordial.

INVESTOR RELATIONS:

Your Company always endeavors to keep the time of response to Shareholders' requests/grievance at the minimum. Priority is accorded to address all the issues raised by the Shareholders and provide them a satisfactory reply at the earliest possible time. The Shareholders' Grievance Committee of the Board meets periodically and reviews the status of the redressal of Shareholders' Grievances. The Shares of the Company continue to be traded in Electronic Form and the Dematerialization arrangement exists with both the depositories, viz., National Securities Depository Limited and Central Depository Services (India) Limited.

ACKNOWLEDGEMENT:

Your Directors wish to place on record the sincere and dedicated efforts of all the members of the Company's team which has throughout the year remained active. Your Directors also take this opportunity to offer their sincere thanks to Financial Institutions, Banks, other Government Agencies, our valued customers and the investors for their continued support and assistance. The employees of your Company continued to display their unstinted devotion, co-operation. Your Directors take this opportunity to record their appreciation for the same. Your Directors also express their profound thanks to the Shareholders for their faith and continued support to the endeavors of the Company.

By order of the Board
For **Eastern Sugar & Industries Limited**
(B. K. Nopany)
Chairman

Place : Kolkata
Dated : 31st October, 2013

EASTERN SUGAR & INDUSTRIES LIMITED

CORPORATE GOVERNANCE REPORT

I. COMPANY'S PHYLOSOPHY ON CORPORATE GOVERNANCE

The Company considers Corporate Governance as an important tool for achieving all round excellence with ultimate objective of enhancing shareholders' value. The Company took initiative in practicing good Corporate Governance procedures, even before they were made mandatory.

It is firmly believed that Corporate Governance begins with Company's continuous review of its internal procedures and practices encompassing all its business areas in the most appropriate manner, which would spell fairness, transparency and accountability.

II. BOARD OF DIRECTORS

The Business of the Company is managed by the Board of Directors. The functions of the Board include formulation of strategic business plans, budgets, setting up goals and evaluation of performance, approving corporate philosophy and mission, monitoring corporate performance against strategic business plans, overseeing operations, recruitment of senior management personnel, review of material investment and fixed assets transactions, ensuring compliance with laws and regulations, keeping shareholders informed regarding plans, strategies and performance of the Company and other important matters.

The Board formulates the strategy, regularly reviews the performance of the Company and ensures that the previously agreed objectives are met on a consistent basis. Directors along with a team of professionals manages the day-to-day operations of the Company. The Non-Executive Directors are drawn from amongst persons with experience in business, industry and finance. The Board of Directors has the ideal composition with more than half the Directors being non-executive Directors. Since the Company has a Non-Executive Promoter Chairman, the Board's composition meets the stipulated requirement of at least one-half of the Board comprising independent Directors who have no professional and/or business relationship with the Company.

A. Composition of Board

The constitution of the Board as on June 30, 2013:-

Non-executive Chairman — Mr. B. K. Nopany, Chairman & Director

Promoter Director	Executive Director	Non-Executive Director and Independent Director
Mr. B. K. Nopany	Mr. S. J. Goswami	Mr. D. Y. Manawwar Mr. K. L. Darak Mr. R. C. Jha

B. Pecuniary Relationship

There is no pecuniary relationship or transaction of the non-executive Directors vis-à-vis the Company.

C. Attendance records of Board Meetings

During the year under review, Nine Board meetings were held on 27.08.2012, 07.09.2012, 26.09.2012, 08.11.2012, 29.11.2012, 09.02.2013, 25.02.2013, 06.04.2013 and 17.05.2013.

The Board members are given appropriate documents and information in advance of each

EASTERN SUGAR & INDUSTRIES LIMITED

Board meeting.

The attendance record of all the Directors on the Board was as under:-

DIRECTOR	No. of Board meetings attended	Attendance at last AGM
Mr. B. K. Nopany	9	Yes
Mr. Mr. S. J. Goswami	9	Yes
Mr. D. Y. Manawwar	7	Yes
Mr. R. C. Jha	8	Yes
Mr. C. K. Garodia	8	Yes

D. Directors of the Company having directorship in other Companies, Membership/ Chairmanship in Committees (as prescribed under Corporate Governance) across all Companies in which there are directors

Name of Director	Category of Directorship	No. of other Directorships held in Other Public Companies*	No of membership in other Companies Committees**	
			Member	Chairman
Mr. B. K. Nopany	Promoter & Non-executive Chairman	5	4	2
Mr. D. Y. Manawwar	Independent & Non-executive	Nil	Nil	Nil
Mr. R. C. Jha	Independent & Non-executive	Nil	Nil	Nil
Mr. S. J. Goswami	Independent & Executive	Nil	Nil	Nil
Mr. C. K. Garodia	Independent & Executive	Nil	Nil	Nil

* This excludes directorship held on Private Companies, Foreign Companies and Companies formed under section 25 of the Companies Act, 1956

** The Committee of Directors includes Audit Committee, Shareholders/Investors' Grievance Committee, Public Issue Committee and Remuneration Committee of Directors only. This does not include Memberships/Chairmanship in committees of Private Limited Companies.

III. BOARD PROCEDURES

The members of the Board have been provided with the requisite information as per the listing agreement well before the Board Meeting and the same was dealt with appropriately.

All the Directors who are in various committees are within the permissible limit of the listing agreement and none of the Directors are disqualified for appointment as director under any of

EASTERN SUGAR & INDUSTRIES LIMITED

the provisions of the Companies Act, 1956.

IV. AUDIT COMMITTEE

The Audit Committee comprising of three directors. All the members of the committee, during the financial year under review, viz., Mr. D. Y. Manawwar, Mr. C. K. Garodia and Mr. R. C. Jha are independent and non executives. The constitution of the Audit Committee meets the requirement of section 292A of the Companies Act, 1956 and the Listing Agreement. The power and role of the audit committee is as per the guidelines set out in the listing agreement and as prescribed under section 292A of the Companies Act, 1956.

During the year under review, the Committee met 4 (Four) times on 07.09.2012, 08.11.2012, 09.02.2013 and 17.05.2013 attendance of members at the meetings were as follows:

Name of Member	Status	No. of meetings attended
Mr. C. K. Garodia	Chairman	4
Mr. R. C. Jha	Member	4
Mr. D. Y. Manawwar	Member	4

V. REMUNERATION COMMITTEE

The Board of the Company has constituted Remuneration Committee, comprising of three directors, during the year under review, viz., Mr. B.K. Nopany, Mr. D.Y. Manawwar and Mr. C.K. Garodia. The committee has been constituted to review and approve the annual salaries, commission, service agreement and other employment conditions for the executive directors.

The remuneration policy is directed towards rewarding performance, based on review of achievements on a periodical basis. The remuneration policy is in consonance with the existing industry practice. During the year under review, the Committee had no meeting.

A. Details of the remuneration to the Executive Director provided as per accounts for the year ended 30th June, 2013 are given below:

Executive Director	Salary* (Rs.)	Commission (Rs.)	Service Contract
Mr. S. J. Goswami	6,00,000/-	Nil	Nil

* Salary includes basic salary, perquisites and allowances, contribution to provident fund etc.

B. Details of the remuneration to the Non-executive Directors provided as per accounts for the year ended 30th June, 2013 are given below:

Non-executive Director	Sitting Fee (Rs.)	Commission (Rs.)	Total (Rs.)
Nil	Nil	Nil	Nil

VI. SHAREHOLDERS' GRIEVANCE COMMITTEE

The Board has constituted a Shareholders' Grievance Committee, comprising of three directors under the chairmanship of Mr. C. K. Garodia. The other members in the committee being, Mr. B. K. Nopany and Mr. D. Y. Manawwar.

The committee has been constituted to specifically look into redressal of shareholders'

EASTERN SUGAR & INDUSTRIES LIMITED

grievances such as transfer, dividend, de-materialization related matters. The Committee has also been delegated the power to approve transfer/transmission of shares, issue of new or duplicate certificates, sub-division of shares, split of share, review of dematerialization of shares and all matters related to shares.

During the year under review, the committee met 9 (Nine) times on 17.08.2012, 23.10.2012, 27.11.2012, 24.12.2012, 15.01.2013, 20.02.2013, 27.03.2013, 19.04.2013 & 28.06.2013. All the members were present in all the meetings held during the year.

Total number of letters and complaints received and replied to the satisfaction of shareholders during the year under review was Nil. As on 30th June 2013, there are Nil complaints pending with the Company.

The Company has also adopted code of internal procedures and conduct for prevention of insider trading in the shares of the Company, pursuant to Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended. The Board has designated Mr. D. R. Gill as the Compliance Officer for this purpose.

VII. GENERAL BODY MEETINGS

The last three Annual General Meetings were held as under:-

Year	Location	Date	Time	Special Resolutions Passed
2011-12	Regd. Office: Hanuman Sugar, Mills, P.O. Motihari Dist.: East Champaran, Bihar - 845 401	31.12.2012	1.00 P.M.	N.A.
2010-11	Regd. Office: Hanuman Sugar, Mills, P.O. Motihari Dist.: East Champaran, Bihar - 845 401	15.12.2011	1.00 P.M.	N.A.
2009-10	Regd. Office: Hanuman Sugar, Mills, P.O. Motihari Dist.: East Champaran, Bihar - 845 401	31.12.2010	1.00 P.M.	N.A.

During the last year no special resolution was put through postal ballot.

VIII. DISCLOSURES

A. Basis of related party transaction

Related parties transactions with them as required under Accounting Standard 18 (AS-18) are furnished under point 12 Note No. 18 of the Notes on Accounts attached with the financial statement for the year ended 30th June, 2013. There are no pecuniary relationships or transactions with the non-executive independent Directors.

None of the transactions with any related parties were in conflict with the interest of the Company.

EASTERN SUGAR & INDUSTRIES LIMITED

B. Whistle Blower Policy

The company encourages an open door policy where employees have access to the Head of the business/Function. In terms of Company's Code of Conduct, any instance of non adherence to the code/ any other observed unethical behavior are to be brought to the attention of the immediate reporting authority, who is required to report the same to the Head of Corporate Human Resources. We hereby affirm that no personnel have been denied access to the audit committee.

Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years — Nil

The Company has complied with all mandatory requirements of the revised Clause 49 of the Listing agreement, which came into effect from 1st January 2006. Further, the Company has also complied with the nonmandatory requirement relating to constitution of Remuneration Committee, Shareholder Rights and establishing the Whistleblower Policy.

C. Code of Business Conduct and Ethics for Directors and management personnel

The Board has prescribed a Code of Conduct ("Code") for all Board members and senior management of the Company. The Code is provided on the Website of the Company. All Board members and senior management personnel have confirmed compliance with the Code for the year 2012 - 13. A declaration to this effect signed by the Executive Director of the Company is provided elsewhere in the Annual Report.

D. Disclosure of Accounting Treatment

In the preparation of financial statements for the year ended on 30th June 2013; there was no treatment different from that prescribed in an accounting standard that had been followed.

E. Board Disclosures – Risk Management

The Company has laid down procedures to inform Board members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management controls risk through means of properly defined framework.

F. Proceeds from Public Issues, Right Issues, Preferential Issues, etc.

During the year, the Company has not raised any amount through Public Issue, Right Issue, Preferential Issue, etc., except issue and allotment of 49,00,000 Equity shares as fully paid bonus shares of Rs. 10/- each to the holders of 300000 12% cumulative convertible preference shares of Rs. 100/- each and 700000 3% cumulative convertible preference shares of Rs. 100/- each. by way of capitalization of a sum of Rs. 4,90,00,000/- (Rupees four crores ninety lacs only) out of the amount standing to the credit of the General Reserve Account.

IX. SUBSIDIARY MOTORING FRAMEWORK

The Company has no subsidiary.

X. MEANS OF COMMUNICATION

Immediately after the Board of Directors of the Company took note of Results for quarter ended 30th September 2012, 31st December 2012, 31st March 2013 and Audited Annual Accounts, the same were informed to the National Stock Exchange and Bombay Stock Exchange Ltd., Mumbai were also published in English newspaper viz. Hindustan Times in Patna and Hindi newspaper, viz., Business Standard, in Patna.

EASTERN SUGAR & INDUSTRIES LIMITED

A management Discussion and Analysis report which forms part of the Annual Report is given by means of a separate annexure and is attached to the Directors' Report.

XI. GENERAL SHAREHOLDERS INFORMATION

1. Annual General Meeting:

Date	: 29 th November, 2013
Day	: Friday
Time	: 1.00 P.M.
Venue	: Regd. Office: Hanuman Sugar Mills, P.O. Motihari Dist.: East Champaran, Bihar-845 401

2. Financial Calendar

[Tentative and subject to change]:

Financial Year	July 1, 2013 to June 30, 2014
First Quarter Results	By 15 th November, 2013
Second Quarter Results	By 15 th February, 2014
Third Quarter Results	By 15 th May, 2014
Fourth Quarter Results	By 30 th August, 2014

3. Date of Book Closure

Monday, 26th November, 2013 to Friday, 29th November, 2013 (both days inclusive)

4. Listing on Stock Exchanges

The Shares of the Company are listed on Bombay Stock Exchange, Mumbai and National Stock Exchange of India Ltd. The shares at National Stock Exchange are still suspended for trading and efforts are being put for revocation of the suspension.

5. Stock Codes

Bombay Stock Exchange	: Scrip Code – 507528 Scrip ID – EASUG
National Stock Exchange	: Scrip Code – EASTSUGIND
ISIN Number for Dematerialized Shares	: INE 889B01016

6. Stock Market Data

Monthly high and low quotations (In Rs. Per share) equity shares traded at Bombay Stock Exchange Limited during the period from 01.07.2012 to 30.06.2013 are as follows:

MONTH	Bombay Stock Exchange	
	High	Low
July, 2012	8.20	6.46
August, 2012	8.40	6.15
September, 2012	7.98	6.16
October, 2012	11.38	6.48

EASTERN SUGAR & INDUSTRIES LIMITED

MONTH	Bombay Stock Exchange	
	High	Low
November, 2012	13.38	10.50
December, 2012	12.38	9.31
January, 2013	11.75	8.87
February, 2013	10.57	6.78
March, 2013	9.80	6.00
April, 2013	6.43	5.02
May, 2013	6.54	4.03
June, 2013	7.15	5.98

7. Registrar & Share Transfer Agent

M/s Maheshwari Datamatics Pvt Ltd.
6, Mangoe Lane, 2nd Floor
Kolkata – 700001
Phone : 033-2248 2248
 033-2243 5809
Fax : 033-2248 8787
E-mail : mdpl@cal.vsnl.net.in

8. Share Transfer System

Presently, the share certificates which are received for transfer in physical form are processed and are returned within a period of 10 to 15 days from the date of receipt, subject to the documents being valid and complete in all respects.

The transfers are approved in the Shareholders Grievance Transfer Committee which meets on a periodical basis.

9. Distribution of Shareholding as on 30th June, 2013

Nominal Value of Shareholding	No. of Shareholders		Number of Equity Shares	
	Total	Percentage of Total	Total Shares	Percentage of Share Capital
Upto Rs.5000	20367	95.0974	2462701	14.5721
Rs. 5001 to Rs. 10000	582	2.7175	502145	2.9713
Rs.10001 to Rs. 20000	209	0.9759	318751	1.8861
Rs.20001 to Rs. 30000	67	0.3128	167117	0.9889
Rs.30001 to Rs. 40000	45	0.2101	165509	0.9793
Rs.40001 to Rs. 50000	25	0.1587	127876	1.0656
Rs.50001 to Rs. 100000	43	0.2008	322772	1.9099
Rs.100001 and above	75	0.3502	12825068	75.8875
Total	21417	100.00	16900100	100.00

EASTERN SUGAR & INDUSTRIES LIMITED

10. Shareholding Pattern 30th June, 2013

Category Code	Category of Shareholder	Number of Sharholders	Total No. of Shares	Number of Shares held in dematerialised form	Total shareholding as percentage of total number of shares
(A)	Shareholding of Promoter and Promoter Group*				
(1)	Indian				
(a)	Individuals/Hindu Undivided Family	11	1607471	1542471	9.51
(b)	Central Government/ State Government(s)				
(c)	Bodies Corporate	3	3937714	3937614	23.30
(d)	Financial Institutions / Banks				-
(e)	Trustee of various Trust	4	455000	405000	2.69
(f)	Individual holding on behalf of Partnership Firm	1	509800	509800	3.02
	Sub-Total (A) (1)	19	6509985	6394885	38.52
(2)	Foreign				
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-
(b)	Bodies Corporate				-
(c)	Institutions	-	-	-	-
(d)	Any other (Specify)				-
	Sub-Total (A) (2)	-	-	-	-
	Total Shareholding of Promoters (A)	-	-	-	-
(B)	Public Shareholding³	19	6509985	6394885	38.52
(1)	Institutions				
(a)	Mutual Funds/UTI	1	11000	0	0.07
(b)	Financial Institutions / Banks	-	-	-	-
(c)	Central Government / State Government (s)	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-
(e)	Insurance Companies	-	-	-	-
(f)	Foreign Institutional Investors				
(g)	Foreign Venture				
(h)	Capital Investors Any other (Specify)				
	Sub-Total (B) (1)	1	11000	0	0.07

EASTERN SUGAR & INDUSTRIES LIMITED

Category Code	Category of Shareholder	Number of Shareholders	Total No. of Shares	Number of Shares held in dematerialised form	Total shareholding as percentage of total number of shares
(2)	Non Institutions				
(a)	Bodies Corporate	156	4827114	4634914	28.56
(b)	Individual Shareholders				
	(I) holding nominal share capital up to Rs.1 lakh	20828	3498475	1412775	20.70
	(II) holding nominal share capital in excess of Rs.1 lakh	34	1571362	1465262	9.30
(c)	Any other (Specify)				
	Foreign Company	376	481759	98959	2.85
	Non-resident Individual	3	405	405	0.0024
	Clearing Member				
	Sub-Total (B) (2)	21397	10379115	7612315	61.41
	Total Public Shareholding (B)	21398	10390115	7612315	61.48
	TOTAL (A) + (B)	21417	16900100	14007200	100.00
(C)	Shares held by Custodians and against which depository receipt have been issued	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	21417	16900100	14007200	100.00

11. Dematerialisation of Shares and liquidity

The dematting facility exists with both the NSDL and CDSL for the convenience of shareholders. As on 30th June, 2013, 14007200 equity shares representing 82.88% of your Company's Equity shares capital have been de-materialised.

12. Plant location

N.A.

13. Investors correspondence may be addressed to –

Eastern Sugar & Industries Ltd.
 'Chandra Kunj'
 3, Pretoria Street
 Kolkata - 700 071

By order of the Board
For Eastern Sugar & Industries Limited
(B. K. Nopany)
 Chairman

Place : Kolkata
 Dated : 31st October, 2013

 **EASTERN SUGAR & INDUSTRIES LIMITED**

**AUDITORS' CERTIFICATE ON COMPLIANCE OF
CONDITIONS OF CORPORATE GOVERNANCE**

To the Members of
Eastern Sugar & Industries Ltd.

We have examined the compliance of the conditions of Corporate Governance by **EASTERN SUGAR & INDUSTRIES LIMITED** for the year ended on 30th June, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the abovementioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that based on the report given by Investors' Grievance Committee, as on June 30, 2013 there were no investor grievance matters against the Company remaining unattended/pending for more than 30 days.

We further state that such compliance is neither an assurance as to the future viability of the Company nor that efficiency or effectiveness with which the Management has conducted the affairs of the Company

Commerce House
Suite # 1A, Floor 8
2A, Ganesh Chandra Avenue,
Kolkata-700 013
Date: 31st October, 2013

For **Vivek Jaiswal & Co.**
Chartered Accountants

Vivek Jaiswal
Partner
M. No. 057710

EASTERN SUGAR & INDUSTRIES LIMITED

DECLARATION BY W.T.D. UNDER CLAUSE 49 OF THE LISTING AGREEMENT

As required under clause 49 of the Listing Agreement with Stock Exchanges, it is hereby confirmed that for the year ended 30th June 2013, the Director's of Eastern Sugar & Industries Ltd have affirmed compliance with the Code of Conduct for Board Members as applicable to them and members of the senior management have affirmed compliance with Employee Code of Conduct, as applicable to them.

Place: Kolkata
Date: - 31st October, 2013

(S. J. Goswami)
Wholetime Director

W.T.D. AND CFO CERTIFICATION

We, S. J. Goswami, Wholetime Director and Ajay Kumar Kabra, Chief Financial Officer, responsible for the finance function certify that:

- a. We have reviewed the financial statements and cash flow statement for the year ended 30th June 2013 and to the best of our knowledge and belief:
 - I. These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;
 - II. These statements together, present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b. To the best of our knowledge and belief, no transactions entered into by the a. Company during the year ended 30th June, 2013 are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to the financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d. There has not been any significant change in internal control over financial reporting during the year under reference;
- e. There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and
- f. We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Place: Kolkata
Date: 31st October, 2013

(Ajay Kumar Kabra)
Chief Financial Officer

(S. J. Goswami)
Wholetime Director

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Presently the company is mainly engaged in trading activities apart from earning income from Block Usage Charges from its fixed assets useful in sugar mill. The Company is in the process of exploring new business activities in the coming years.

SEGMENTWISE PERFORMANCE

Presently, the Company mainly deals in trading activity. Therefore, it is not required to give segment wise performance.

INTERNAL CONTROL SYSTEMS THEIR ADEQUACY

Your Company has a proper and adequate system of internal control to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that the transactions are authorizedly recorded and reported correctly.

The Internal control system is designed to ensure that financial and other records are reliable for preparing financial information and other data and for maintaining accountability of assets. There is an elaborate internal audit system which is done by Independent firm of Internal Auditors. Their reports on the internal controls and their adequacy are regularly discussed with the Management and corrective measures wherever required, are taken and continuously monitored.

The Audit Committee of the Board meets regularly to review the adequacy of internal controls; internal audit findings and the corrective actions are taken, if necessary. The Management is reasonably satisfied about the adequacy of these internal control systems.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Revenue

The gross revenue during the year under review stood at Rs. 955.80 lacs as against Rs. 1135.73 lacs in the previous financial year 2011-12.

Profits

The Company has earned Profit before Interest, Depreciation and Tax of Rs. 543.87 lacs compared to Rs. 843.75 lacs during the financial year ended 30th June, 2012. Profit before interest, depreciation and tax during the year under review includes, inter alia, profit on sale of investments amounting to Rs. 242.62 lacs.

Earnings Per Shares (EPS)

The Company recorded an EPS of Rs. 0.12 per equity shares of Rs. 10/- each during 2012-13.

Dividend

Considering funds required for increasing business of the Company and also considering the requirement for strengthening its financial positions, your Directors do not recommend any dividend for the year.

 **EASTERN SUGAR & INDUSTRIES LIMITED**

MATERIAL DEVELOPMENT IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT

A cordial industrial relations environment prevailed in the Company during the year. There was constant focus on all round organizational development. Regular promotions are granted and succession plans are effectively implemented. Our system of compensation is as per the market trends and job requirements. Other benefits to employees are provided for motivation.

CAUTION STATEMENT

The above mentioned statements are only “forward looking statements” based on certain assumptions/expectations. The Company’s actual performance could differ materially from those expressed/projected depending upon changes in various factors. The Company does not assume any responsibility to any change(s) in “forward looking statements”, on the basis of subsequent development, information or events etc.

Place: Kolkata

Date: - 31st October, 2013

(B. K. Nopany)

Chairman

INDEPENDENT AUDITORS' REPORT

To the Members of
Eastern Sugar & Industries Limited

Report on Financial Statements

We have audited the attached Balance Sheet of **EASTERN SUGAR & INDUSTRIES LIMITED** as at 30th June, 2013, the Statement of Profit & Loss and the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for qualified opinion

Non compliance of sections 194-A, 192 & 192-J, of Income Tax Act, 1961 with respect to TDS on interest other than interest on securities, salary, & fee for professional & Technical services respectively. The TDS on above have not been deducted and deposited in time. *

Non compliance of generally accepted accounting principles in accounting of Gratuity, Leave liabilities towards employees, bonus, Professional Taxes, Trade License Fees, Interest and penalty

EASTERN SUGAR & INDUSTRIES LIMITED

on delayed deposit of TDS & income from interest on securities and other deposits as they are accounted for on cash basis.*

**The possible loss if any, arising out of above which might have consequential effect on the year's Profit & Loss and Net Current Asset position of the Company at the year end, has neither been ascertained nor provided for in these accounts.*

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) *in the case of the Balance Sheet, of the state of affairs of the Company as at 30th June, 2013;*
- b) *in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and*
- c) *in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.*

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

As required by Section 227(3) of the Act, we report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.

On the basis of the written representations received from the directors as on 30th June, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 30th June, 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.


For Vivek Jaiswal & Co.
Chartered Accountants
Firm Registration No. 0325948E
Vivek Jaiswal
Partner
M. No. 057710

Place : Kolkata
Date : 18th September, 2013

Annexure to the Independent Auditors' Report

(Referred to under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

1. The Company has maintained proper records showing full particulars including quantitative details and situations of fixed assets. We are informed that all the fixed assets have been physically verified by the management at the year-end and no material discrepancies have been noticed on such verification. No disposal of a substantial part of the fixed assets of the Company has taken place during the reporting period.
2. The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business. The Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
3. The Company has neither granted nor taken any loans, secured or unsecured, to / from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
4. The Company has adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to purchase of trading goods, raw materials including components, plant and machinery, equipment and other assets and also for the sale of goods. We have not come across any major weaknesses in internal control.
5. According to the information & explanation given to us there is no contract or arrangement that's needs to be entered in the register required to be maintained under sec 301 of the Companies Act.
6. The company has not accepted any deposits within the meaning of section 58A, 58AA or any other relevant provisions of Act and the rules framed there under.
7. In our opinion, the internal audit system of the Company is commensurate with the size and the nature of its business.
8. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records in respect of sugar u/s 290(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed account and records have been maintained.
9. The Company is generally regular in depositing undisputed statutory dues, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues.
10. According to the information and explanations given to us, no disputed amount payable in respect of Income Tax, Wealth Tax, Dividend Tax, Service Tax, Sales Tax, Custom Duty, Excise Duty and Cess were in arrears, as at 30th June, 2013 for a period of more than six months from the date they became payable.

 **EASTERN SUGAR & INDUSTRIES LIMITED**

11. The Company has no accumulated losses and has not incurred any cash loss during the year covered by our audit or in the immediately preceding financial year.
12. The Company has not defaulted in payment of dues to financial institution or banks. The company has not issued any debentures.
13. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
14. In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi/mutual benefit fund/societies.
15. In our opinion and according to information and explanations given to us, the company is not dealing or trading in shares, securities, debentures and other investments and therefore the provisions of Clause 4(xiv) of the order are not applicable. The securities and other investments have been held by the company in its own name.
16. The Company has not given any guarantee for loans taken by others from Banks or Financial Institutions during the reporting period.
17. The Company has not raised any term loans, so the provisions are not applicable to the Company.
18. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long term investments. No long term funds have been used to finance short term requirements.
19. During the year the company has issued 49,00,000 bonus equity shares to the existing Cumulative Convertible Preference Share Holders out of the General Reserves of the company.
20. The Company has not raised any money during the year through any public issue.
21. Based on the audit procedures adopted and information and explanations given to us by the management, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **Vivek Jaiswal & Co.**
Chartered Accountants
Firm Registrartion No. 0325948E

Vivek Jaiswal
Partner
M. No. 057710

Place : Kolkata
Date : 18th September, 2013

EASTERN SUGAR & INDUSTRIES LIMITED

BALANCE SHEET AS AT 30TH JUNE, 2013

PARTICULARS	Note No.	As at 30.06.2013 Amount Rs.(in lacs)		As at 30.06.2012 Amount Rs.(in lacs)	
I. EQUITY AND LIABILITIES:					
1. Shareholder's Funds					
(a) Share Capital	1	2,690.01		2,200.01	
(b) Reserves and Surplus	2	2,137.91	4,827.92	2,550.45	4,750.46
2. Share Application					
			1,300.00		
3. Non-current liabilities					
(a) Long-term borrowings	3		8,916.38		8,791.53
4. Current Liabilities					
(a) Short Term Borrowings	4	246.92		833.15	
(b) Trade Payables		1,765.72		1,652.64	
(c) Other Current Liabilities		376.00		0.47	
(d) Short-term Provisions		5.67	2,394.32	—	2,486.26
TOTAL :			17,438.61		16,828.25
II. ASSETS:					
1. Non-current assets					
a) Fixed Assets	5				
(i) Tangible Asset					
Gross Block		7,023.76		7,023.76	
Less: Depreciation		1,244.78		908.89	
Net Block		5,778.98		6,114.87	
(ii) Capital Work in Progress		4,753.17	10,532.15	4,753.17	10,868.04
(b) Non-Current Investments	6		1,870.33		2,762.19
(c) Long-Term Advances	7		52.17		369.72
2. Current assets					
(a) Inventories	8	1,543.40		989.24	
(b) Trade Receivables		386.60		—	
(c) Cash and Cash equivalents	9	19.73		43.03	
(d) Short-term loans and advances	10	3,034.23	4,983.96	1,796.03	2,828.30
TOTAL :			17,438.61		16,828.25
Significant accounting policies	17				

The accompanying notes are an Integral parts of financial statements

For and on behalf of the Board of Directors

B.K. Nopany, Chairman

Executive Director:

S.J. Goswami

Directors:

R.C. Jha, C.K. Garodia

As per our report of even date

For **Vivek Jaiswal & Co.**

Chartered Accountants

Vivek Jaiswal

Partner

M. No. 057710

Place: Kolkata

Date : 18th September, 2013

EASTERN SUGAR & INDUSTRIES LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 30.06.2013

(Rs. in Lacs)

PARTICULARS	NOTE No.	30.06.13		30.06.12	
		Rs.	Rs.	Rs.	Rs.
I Revenue From Operations	11	514.03		213.92	
II Other Income	12	441.77		921.81	
III Total Revenue			955.80		1,135.73
IV Expenses:					
Purchase of stock-in -trade	13	930.79		706.01	
Change in inventories of Finished Goods, Stock in Trade & By Products	14	(554.16)		(556.46)	
Employee Benefit Expenses	15	17.48		131.38	
Finance Cost		124.85		124.85	
Depreciation		335.89		344.00	
Other Expenses	16	17.83		11.05	
Total Expense			872.68		760.83
V Profit before tax (III-IV)			83.13		374.90
VI Tax expense:					
Current tax			5.67		—
VII Profit/(Loss) for the period (V-VI)			77.46		374.90
VIII Earnings per equity share:					
(1) Basic			0.12		2.65
(2) Diluted			0.12		2.65
IX No. of Shares Used in Computing Earning per Share					
(1) Basic			169.00		120.00
(2) Diluted			169.00		120.00
Significant Accounting Policy	17				

The accompanying notes are an Integral parts of financial statements

For and on behalf of the Board of Directors

B.K. Nopany, Chairman
Executive Director:
S.J. Goswami
Directors:
R.C. Jha, C.K. Garodia

Place: Kolkata
Date : 18th September, 2013

As per our report of even date
For **Vivek Jaiswal & Co.**
Chartered Accountants
Vivek Jaiswal
Partner
M. No. 057710

EASTERN SUGAR & INDUSTRIES LIMITED

NOTES TO ACCOUNTS FORMING PART OF BALANCE SHEET

NOTE 1: SHARE CAPITAL	As on 30.06.2013		As on 30.06.2012	
	No.of Shares	Amount (Rs.in lacs)	No.of Shares	Amount (Rs.in lacs)
(a) Authorised Capital				
Equity Shares (Shares of Rs.10 each)	20,000,000	2,000.00	20,000,000	2,000.00
Preference Shares (Shares of Rs.100 each)	1,000,000	1,000.00	1,000,000	1,000.00
Unclassified shares (Shares of Rs.100 each)	2,000,000	2,000.00	2,000,000	2,000.00
	23,000,000	5,000.00	23,000,000	5,000.00
(b) Issued, Subscribed & Paid up				
Equity Shares (Shares of Rs. 10 each fully paid)	16,900,000	1,690.01	12,000,000	1,200.01
12% Cumulative Convertible Preference Shares (Shares of Rs.100 each fully Paid)	300,000	300.00	300,000	300.00
3% Cumulative Convertible Preference Shares (Shares of Rs.100 each fully Paid)	700,000	700.00	700,000	700.00
	17,900,000	2,690.01	13,000,000	2,200.01
(c) Reconciliation of Number & Amount of Equity Shares outstanding at the beginning & at the end of the Reporting Year				
	As on 30.06.2013		As on 30.06.2012	
	No.of Shares	Amount (Rs.in lacs)	No.of Shares	Amount (Rs.in lacs)
Outstanding Shares at the Beginning of the Year	12,000,000	1,200.00	12,000,000	1,200.00
Add: Bonus of Equity Shares during the Year	4,900,000	490.00	-	-
Outstanding Shares at the End of the Year	16,900,000	1,690.00	12,000,000	1,200.00
(d) Detail of Equity shares held by shareholders holding more than 5% shares of the aggregate shares in the Company				
	As on 30.06.13		As on 30.06.12	
Name of the Share Holder	No.of Shares Held	% of Shares Holding	No.of Shares Held	% of Shares Holding
Indo Austro Corporation Pvt. Ltd.	2,152,576	12.74	1,103,137	9.19
Shruti Ltd.	1,780,343	10.53	1,737,685	14.48
Nopany Investments Pvt. Ltd.	1,114,352	6.59	561,807	4.68
Nopany & Sons Pvt. Ltd.	1,043,019	6.17	615,619	5.13
India Die Casting Co. Ltd.	965,568	5.71	664,168	5.53
(e) The company has one class of equity shares having a par value of Rs. 10 per share, and Two class of Cumulative Convertible Preference Shares, 12% and 3%, of Rs. 100 each.				
(f) Terms & Rights attached to Equity Shares				
Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholderes are elegible to receive the remaining assets of the Company after distribution of all preferential amount. The distribution to equity shareholders will be in proportion to the amount paid on the shares held by them.				
(g) Disclosure with Respect to Share Application				
The Company shall make a preferential allotment of 1,30,00,000 equity shares of Rs. 10 each at par. These equity				

EASTERN SUGAR & INDUSTRIES LIMITED

shares shall rank in all respects pari passu with the existing equity shares of the Company. The Company has sufficient Authorised Share Capital to cover the Share Capital amount on allotment of shares out of Share Application.

NOTE 2 : RESERVES & SURPLUS	As on 30.06.13		As on 30.06.12	
	Amount (Rs.in lacs)		Amount (Rs.in lacs)	
Revaluation Reserve				
As per last balance sheet	519.32		619.67	
Less: Transferred to General Reserve	—	519.32	(100.35)	519.32
General Reserve				
As per last balance sheet	750.35		650.00	
Add: Transferred from P/L account	500.00		—	
Less: Bonus Issue	(490.00)		—	
Add: Transferred from Revaluation Reserve	—	760.35	100.35	750.35
Profit & loss A/c				
As per last balance sheet	1,280.78		905.87	
Add: Transferred to General Reserve	(500.00)		—	
Add: Profit After Tax for the Current Year	77.46		374.91	
Balance brought forward		858.24		1,280.78
TOTAL		2,137.91		2,550.45

- (i) General reserve is primarily created to comply with the requirements of Section 205 (2A) of the Companies Act, 1956. This is a free reserve and can be utilised for any general purpose like issue of bonus shares, payment of dividend, buy back of shares etc.

NOTE : 3 LONG TERM BORROWINGS	As on 30.06.13		As on 30.06.12	
	Amount (Rs.in lacs)		Amount (Rs.in lacs)	
SDF Loan	1,337.00		1,337.00	
Accrued Interest on SDF Loan	676.11		624.09	
Cash Credit Borrowings from Bank	693.59		693.59	
Term Loan from Bank	6,209.68		6,136.85	
TOTAL		8,916.38		8,791.53
NOTE : 4 CURRENT LIABILITIES				
(a) Short Term Borrowings				
- From Body Corporates	243.24		829.47	
- From Others	3.68	246.92	3.68	833.15
(b) Trade Payables		1,765.72		1,652.64
(c) Other Current Liabilities		376.00	—	0.47
TOTAL		2,388.65		2,486.26

EASTERN SUGAR & INDUSTRIES LIMITED

NOTES TO BALANCE SHEET AT AT 30TH JUNE, 2013

Note 5: FIXED ASSET


(Rs. in Lacs)

	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 01.07.2012	Additions	Sales/ Adjustment	As at 30.06.2013	Up to 30.06.2012	For the year	On Asset Sold	Up to 30.06.2013	As at 30.06.2012	As at 30.06.2013
D E S C R I P T I O N										
A. FIXED ASSET										
Building	5.01	--	--	5.01	0.62	0.17	--	0.79	4.22	4.39
Plant & Machinery	6,969.65	--	--	6,969.65	866.97	331.06	--	1,198.03	5,771.62	6,102.68
Vehicles	49.10	--	--	49.10	41.30	4.66	--	45.96	3.14	7.80
TOTAL OF 'A'	7,023.76	--	--	7,023.76	908.89	335.89	--	1,244.78	5,778.98	6,114.87
B. CAPITAL WORK IN PROGRESS										
Capital Work in Progress	4,753.17	--	--	4,753.17	--	--	--	--	4,753.17	4,753.17
TOTAL OF 'B'	4,753.17	--	--	4,753.17	--	--	--	--	4,753.17	4,753.17
GRAND TOTAL (A+B)	11,776.93	--	--	11,776.93	908.89	335.89	--	1,244.78	10,532.15	10,868.04
PREVIOUS YEAR	12,727.64	1,585.00	2,535.72	11,776.93	1,221.17	344.00	656.28	908.89	10,868.04	11,506.48

 **EASTERN SUGAR & INDUSTRIES LIMITED**

NOTES TO ACCOUNTS FORMING PART OF BALANCE SHEET

NOTE : 6 NON CURRENT INVESTMENTS	Nominal value	As on 30.06.13 (Rs.in lacs)	As on 30.06.12 (Rs.in lacs)
Non Trade Investments			
Unquoted :			
92000 Equity Shares (of Shruti Ltd.)	10.00	--	604.66
300000 Equity Shares (of Nopany & Sons Pvt. Ltd.)	10.00	300.00	--
294000 Equity Shares (of Hanuman Industries India Pvt. Ltd., Previous Year, 294000 Shares)	10.00	1,570.33	2,157.53
TOTAL		1,870.33	2,762.19
NOTE: 7 LONG-TERM ADVANCES			
Advances to Related Party		52.17	369.72
TOTAL		52.17	369.72
NOTE : 8 INVENTORIES			
Closing Stock of Goods Traded			
Construction Rights		1,543.40	989.24
TOTAL		1,543.40	989.24
NOTE : 9 CASH & CASH EQUIVALENTS			
Cash in Hand		3.22	25.42
Balance with Schedule Banks (In Current Account)		16.50	17.61
TOTAL		19.73	43.03
NOTE : 10 SHORT TERM LOANS & ADVANCES			
(Unsecured , Considered Good)			
(a) Advances			
To Others		3,029.81	1,791.51
(b) Other Advances			
		4.42	4.52
TOTAL		3,034.23	1,796.03

 **EASTERN SUGAR & INDUSTRIES LIMITED**

NOTES TO A/C FORMING PART OF PROFIT & LOSS STATEMENT

	As on 30.06.13 (Rs.in lacs)	As on 30.06.12 (Rs.in lacs)
NOTE 11: INCOME FROM OPERATION		
Sale of Goods		
(Less Returns, Rebate, Discount etc.)		
Stores, Spares & Parts	347.77	213.92
Construction Rights	166.26	--
TOTAL:	514.03	213.92
NOTE 12: OTHER INCOME		
Profit from Sale of Fixed Assets	--	656.28
Fixed Asset Usage charges	199.15	265.53
Profit from Sale of Investments	242.62	--
TOTAL:	441.77	921.81
NOTE 13: PURCHASE OF STOCK IN TRADE		
Stores & Spare Parts	251.23	149.55
Construction Rights	679.56	556.46
TOTAL:	930.79	706.01
NOTE 14: INCREASE/DECREASE IN STOCK		
(As certified by Management)		
Closing Stock:		
Construction Rights	1,543.40	989.24
	1,543.40	989.24
Less: Opening Stock		
Construction Rights	989.24	432.78
	989.24	432.78
TOTAL:	554.16	556.46
NOTE 15: EMPLOYEE BENEFIT EXPENSES		
Salary & Wages	17.47	15.34
Provision for Provident Fund Liability	--	70.00
Provision for Gratuity	--	46.00
Employee Welfare Expenses	0.01	0.04
TOTAL:	17.48	131.38

 **EASTERN SUGAR & INDUSTRIES LIMITED**

NOTES TO A/C FORMING PART OF PROFIT & LOSS STATEMENT

	As on 30.06.13 (Rs.in lacs)	As on 30.06.12 (Rs.in lacs)
NOTE 16: OTHER EXPENSES		
Printing & Stationary Charges	1.92	0.60
Telephone Charges	0.05	0.02
Office & Maintenance	0.38	0.32
Advertisement Expenses	3.67	1.69
Professional Charges	3.83	3.56
Consultancy Fee	4.48	0.47
Certification Charges	0.03	--
Filing Fees	0.15	1.01
Legal Expenses	0.10	0.21
Travelling Expenses	1.24	1.18
Audit fees	--	0.47
Miscellaneous Expenses	1.98	1.52
TOTAL:	17.83	11.05

 **EASTERN SUGAR & INDUSTRIES LIMITED**

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 30TH JUNE, 2013

P A R T I C U L A R S	A M O U N T (Rs. in Lacs)		
	2012-2013	2010-2012	
A. Cash Flow from Operation Activities			
Net Profit Before Tax & Extra Ordinary Item	83.13		374.90
Adjustment for :			
Profit from Sale of Fixed Asset	--		(656.28)
Profit from Sale of Investments	(242.62)		--
Interest Paid	124.85		124.85
Depreciation	335.89		344.00
Operating Profit Before Working Capital Changes	301.25		187.47
Adjustment for :			
Current Borrowings	(586.23)		2.68
Other Current Liabilities	375.53		--
Increase in Inventories	(554.16)		(556.46)
Increase in Advances	(1,238.20)		695.33
Increase in Trade Receivable	(386.60)		--
Trade Payable	113.08	(1,975.33)	(353.92)
Less: Taxes Paid		--	--
Net Cash Generated from Operations		(1,975.33)	(24.90)
B. Cash Flow from Investing Activity			
Purchase of Fixed Assets	--		(1,585.00)
Purchase of Investments	(300.00)		(742.50)
Sale of Investments	1,434.48		--
Sale of Fixed Assets	--		2,535.73
Net Cash Generated from Investing Activity		1,134.48	208.23
C. Cash Flow from Financing Activity			
Interest Paid	(124.85)		(124.85)
Increase in Share Application	500.00		800.00
Long Term Advances	317.55		--
Long Term Borrowings	124.85		(875.15)
Net Cash Generated from Investing Activity		817.54	(200.00)
Total Cash Generated During the year (A+B+C)		(23.30)	(16.66)
Add: Cash Balance at the Beginning of the year		43.03	59.69
Cash Balance at the End of the Year		19.73	43.03

For and on behalf of the Board of Directors

B.K. Nopany, Chairman
Executive Director:
S.J. Goswami
Directors:
R.C. Jha, C.K. Garodia

Place: Kolkata
Date : 18th September, 2013

As per our report of even date

For **Vivek Jaiswal & Co.**
Chartered Accountants
Vivek Jaiswal
Partner
M. No. 057710

EASTERN SUGAR & INDUSTRIES LIMITED

17. SIGNIFICANT ACCOUNTING POLICIES

i) Basis of Preparation of Financial Statement

The Financial Statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) in India under the Historical Cost Convention on accrual basis except certain Tangible Fixed Asset which is carried at revalued amount.

GAAP comprises mandatory Companies (Accounting Standards) Rules, 2006 notified by the Central Government of India under Section 211(3C) of the Companies Act, 1956, other pronouncements of the Institute of Chartered Accountants of India, the provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India.

ii) Use of Estimates

The preparation of the Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenditure during the period.

iii) Fixed Assets and Work in Progress

Fixed Assets are stated at cost less accumulated depreciation and impairment losses determined, if any. The cost comprises the purchase price inclusive of duties (net of CENVAT Credit), taxes, incidental expenses, erection / commissioning expenses and borrowing costs if capitalization criteria are met and directly attributable cost of bringing the assets to its working condition for the intended use.

Expenditure during construction period: Expenditure incurred on projects under implementation are treated as Pre-operative expenses pending allocation to the assets and are shown under "Capital work-in-progress". Capital work-in-progress is stated at the amount expended up to the date of Balance Sheet for the cost of fixed assets that are not yet ready for their intended use.

iv) Depreciation

Depreciation on Fixed Assets is provided on Straight Line method in accordance with the rates as specified in Schedule XIV to the Companies Act, 1956 (as amended).

v) Investments

Investments are either classified as current or long-term based on Management's intention at the time of purchase. Long-term investments are carried at cost less provisions for diminution recorded to recognize any decline, other than temporary, in the carrying value of each investment. Current investments are carried at the lower of cost and fair value, category wise. Cost includes acquisition charges such as brokerage, fee and duties.

vi) Inventories

Inventories are valued at lower of cost and net realizable value. Cost of inventory comprises of purchase price, cost of conversion and other cost that have been incurred in bringing the inventories to their respective present location and condition. Interest costs are not included in value of inventories. The cost of Inventories is computed on weighted average basis.

vii) Revenue recognition

- i. Sale of goods is recognized at the time of transfer of substantial risk and rewards of ownership to the buyer for a consideration.

EASTERN SUGAR & INDUSTRIES LIMITED

ii. All other income is accounted for on accrual basis.

viii) Expenses

All the expenses are accounted for on accrual basis. Employee benefits, Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.

ix) Taxes on income

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred tax is recognized, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

x) Earnings per share

Basic earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of extra ordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of any extra ordinary items, if any) by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares.

xi) Dues to micro and small enterprises

There are no Micro and Small Enterprises, to whom the Group owes dues, which are outstanding for more than 45 days as at 30th June, 2013. This information as required to be disclosed under the micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Group.

xii) Impairment of assets

Impairment loss, if any, is recognized to the extent, the carrying amount of assets exceed their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Impairment losses recognized in prior years are reversed when there is an indication that the impairment losses recognized no longer exist or have decreased. Such reversals are recognized as an increase in carrying amount of assets to the extent that it does not exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized in previous years. After impairment, depreciation or amortization on assets is provided on the revised carrying amount of the respective asset over its remaining useful life.

xiii) Provisions, contingent liabilities and contingent assets

Provision is recognised in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered probable.

A provision is recognised if, as a result of a past event, the Company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

EASTERN SUGAR & INDUSTRIES LIMITED

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

A Contingent Asset is not recognised in the Accounts.

xiv) Cash Flow Statement

Statement notified under the Companies (Accounting Standards) Rules, 2006. Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing flows. The cash flows from operating, investing and financing activities of the Company are segregated.

18. Notes Forming Part of Financial Statements

- i) During the year the company has issued 49,00,000 bonus equity shares to the existing Cumulative Convertible Preference Share Holders out of the General Reserves of the company. The shares has been issued in the following terms & conditions:-
 - a) Bonus Equity shares has been issued to 12% Cumulative Convertible Preference Share in the ratio of 7:1.
 - b) Bonus Equity shares has been issued to 3% Cumulative Convertible Preference Share in the ratio of 4:1.
 - c) These shares shall rank pari passu in all respects with and carry the same rights as the existing fully paid equity shares of the company and shall be entitled to participate in full in any dividend to be declared for financial year in which bonus shares are allotted.
- ii) TDS on interest other than interest on securities, salary, & fee for professional & Technical services u/s 194-A, 192 & 192-J respectively, of Income Tax Act, 1961 have not been deducted and deposited in time. Interest and penalty on delayed deposit if any, will be accounted for on cash basis.
- iii) Leave encashment by the employees of the company except in the case of his or her death while in service is not allowed by the Company. Leave liability is, therefore, accounted for on cash basis.
- iv) Professional Taxes and Trade License Fees are to be accounted for on cash basis.
- v) Balance Confirmation Certificates from Debtors and Creditors are awaited from the respective parties.
- vi) In accordance with the requirements under the Accounting Standard (AS-22), Deferred Tax Assets (net) at the year end arising out of carry forward Business losses, carry forward of Long Term Capital Loss and unabsorbed depreciation has not been recognized in the current year in the accounts. The accounting treatment is in line with prudential accounting norms and recommendations under AS-22.
- vii) There is no impairment of assets. The management expects to recover amount higher than the carrying value of fixed assets.
- viii) The Company has operated in one segment only during the year ended on 30th June, 2013 and hence, Segment Reporting as per AS-17 issued by the ICAI is not applicable.

EASTERN SUGAR & INDUSTRIES LIMITED

ix) **Basis for Calculation of Basic and Diluted Earnings per share in terms of Accounting Standard-20 is as under: -**

	30.06.2013	30.06.2012
Profit after Tax as per Profit & Loss Account	77.46	374.91
Weighted Average No. of Equity Shares	169.00	120.00
Basic & Diluted Earning per Share	0.12	2.65

Re-stated EPS for 2011-2012 is Rs.2.22

x) **Cash and Cash Equivalents**

Cash and cash equivalents include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

xi) **Long Term Loans**

- a) Term Loan from Sugar Development Fund (SDF) of Rs. 1337 lakhs is secured by creating second charge on its fixed assets in favour of Central Government.
- b) Cash Credit borrowing from Bank of India are secured by hypothecation of stock of sugar, stores, spares and packing material.
- c) Term Loan from IDBI is secured by way of mortgage of whole of the movable properties of the company including its movable Plant & Machinery, Machinery spares, Tools & accessories and other movables, both present and future other than the movable Plant & Machinery on which the company has already created charge in favour of Bank of India (save and except book debts)

xii) **Related Party Disclosure**

a) **Names of Related Parties**

Associate Companies: Shree Hanuman Sugar & Industries Limited

Key Managerial Personnel: Directors of the Company

- b) Advances due towards Shree Hanuman Sugar & Industries Limited (Related Party) as on 30.06.2013 is Rs. 52.17 lakhs (Previous Year Rs.369.72 lakhs)

- xiii) Lease of sugar mill taken from M/s Shree Hanuman Sugar & Industries Ltd. Has been determined in the year 2005-2006 and as per the terms & conditions of the agreement entered into with the said company, all the fixed assets of the company will be acquired by the said company (erstwhile Lessor) at their gross value appearing in the books of the company as on the date of transfer, subject to the approval of the lending institutions for which they have agreed principle.

- xiv) Figure's of Previous Year have been re-arranged and re-grouped, where ever considered necessary.

For and on behalf of the Board of Directors

B.K. Nopany, Chairman

Executive Director:

S.J. Goswami

Directors:

R.C. Jha, C.K. Garodia

As per our report of even date

For **Vivek Jaiswal & Co.**

Chartered Accountants

Vivek Jaiswal

Partner

M. No. 057710

Place: Kolkata

Date : 18th September, 2013

EASTERN SUGAR & INDUSTRIES LIMITED

Regd. Office : Hanuman Sugar Mills
P.O.: Motihari, Dist.: East Champaran
Bihar-845 401

ATTENDANCE SLIP

[To be signed and handed over at the entrance of the meeting hall]

I/We hereby record my/our presence at the Annual General Meeting of the above named company at Regd. Office: Hanuman Sugar Mills, P.O.: Motihari, Dist.: East Champaran, Bihar-845401 at 1.00 p.m. on Friday the 29th day of November, 2013.

Name(s) of the Member

Registered Folio No.

DP-ID No.

CI-ID No.

Name of Proxy (in block letters):

(To be filled in if the Proxy attends instead of the Member)

Member's / Proxy's Signature

Note : The copy of the Annual Report may please be brought to the Meeting Hall.

EASTERN SUGAR & INDUSTRIES LIMITED

Regd. Office : Hanuman Sugar Mills
P.O.: Motihari, Dist.: East Champaran
Bihar-845 401

Registered Folio No.

PROXY

DP-ID No.

CI-ID No.

I/We.....of.....being a member / members of the above named Company, hereby appointof or failing him of as my/our proxy to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 1.00 p.m. on Friday the 29th day of November 2013 and at any adjourned thereof.

As WITNESS my/or hand(s) this..... day of 2013.

Revenue
Stamp

Note : Proxy Form duly completed must reach the Company's Registered Office not less than 48 hours before the time for holding the Meeting.

If undelivered please return to :

M/s Eastern Sugar & Industries Ltd.

Corp. Off : CHANDRA KUNJ
3, Pretoria Street, 4th Floor
Kolkata-700 071