



## **EASTERN SUGAR & INDUSTRIES LIMITED**

### **ANNUAL REPORT 2016-17**

#### **CHAIRMAN**

Bimal Kumar Nopany

#### **DIRECTORS**

S. J. Goswami - Whole Time Director

R. C. Jha

C. K. Garodia

R. Vaswani

#### **REGISTERED OFFICE :**

Hanuman Sugar Mills

P.O. Motihari

Dist. East Champaran

Bihar - 845 401

#### **REGISTRAR & SHARE TRANSFER AGENT**

M/s Maheshwari Datamatics Pvt. Ltd.

23 R.N. Mukherjee Road, 5th Floor, Kolkata 700 001

Phone : (033) 2248 2248 / 2243 5029

Fax : (033) 2248 4787

#### **STATUTORY AUDITORS**

M/s. Saraf Manoj & Co.

Chartered Accountants

14/2 Old China Bazar Street

Bikhanchand Market,

4th Floor, Room No. 417

Kolkata 700 001



**NOTICE**

Notice is hereby given that the Annual General Meeting of the Members of **EASTERN SUGAR & INDUSTRIES LIMITED** will be held on **MONDAY, THE 18<sup>th</sup> September, 2017 AT 12.00 P.M.** at the Registered Office of the Company at **HANUMAN SUGAR MILLS, P.O. MOTIHARI, DIST. EAST CHAMPARAN, BIHAR-845401** to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31<sup>st</sup> March, 2017 and the reports of the Board of Directors (the Board) and the Auditors thereon.
2. To appoint Director in place of Mr. B. K. Nopany, who retire by rotation and is eligible for re-appointment.
3. In term of section 139 of the Companies Act, 2013, the term of M/s. Vivek Jaiswal & Co., Chartered Accountants, the current Statutory Auditor of the Company, will end at the conclusion of the AGM of the Company

The Board recommended that M/s Saraf manoj & Co. Chartered Accountants (Firm Registration 323473E), to be appointed as the Statutory Auditor of the Company, for a term of 5 years commencing from the conclusion of this Annual General Meeting (AGM) to the conclusion of the fifth consecutive Annual General Meeting (subject to ratification of the appointment by the members at every AGM held after this AGM) and that the Board of Directors be and are hereby authorized to fix such remuneration as may be determined by the audit committee of the Board in consultation with the auditors

**SPECIAL BUSINESS**

**4. Appointment of Ms. Ratna Vaswani as an Independent Director**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and Regulation 27(1) of the Listing Regulation, Ms. **Ratna Vaswani** (DIN: 02657363), an Independent Director of the Company since 22/06/2017, be and is hereby appointed as Independent Director of the Company to hold office for a term ending on June 21, 2022.”

Place : Kolkata  
Dated : 30th May 2017

By order of the Board  
For **Eastern Sugar & Industries Limited**  
**Bimal Kumar Nopany**  
Chairman

**NOTES:**

1. **A member entitled to attend and vote at the Annual General Meeting (the Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.**  
  
**A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.**
2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
4. All documents referred to in the Notice will be available for inspection at the Company's registered office during normal business hours on working days up to the date of the AGM.
5. The Register of Members and Share Transfer Books of the company will remain closed from 12.09.2017 to 18.09.2017 (both days inclusive).
6. Members holding shares in electronic form are requested to intimate immediately any change in their address to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address immediately to the Company/Registrar and Transfer Agent.
7. **Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.**
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Registrar.
9. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.



10. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Registrar and Transfer Agent, for consolidation into a single folio.
11. Non-Resident Indian Members are requested to inform the Registrar, immediately change in their residential status on return to India for permanent settlement.
12. The Members attending the General Meeting are requested to bring enclosed attendance slip, duly filled in.
13. 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.
14. Details under Regulation 27 (2) -of the SEBI Listing Regulations 2015 (LODR), with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/ re-appointment.
15. Electronic copy of the Annual Report for the year 2016-17 is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of the Annual Report for 2016-17 is being sent in the permitted mode.
16. Electronic copy of this Notice inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless a member has requested for a hard copy of the same. For members who have not registered their email address, physical copies thereof is being sent in the permitted mode.
17. Members may also note that this Notice and the Annual Report for the year 2016-17 will also be available on the Company's website [www.easternsugar.in](http://www.easternsugar.in) for their download.
18. **Voting through Electronic means:**
  - I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the ensuing Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting



system from a place other than venue of the AGM (“remote e-voting”) will be provided by National Securities Depository Limited (NSDL).

II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

IV. **The remote e-voting period commences at 9:30 a.m. on Friday, 15<sup>th</sup> September, 2017 and ends at 5:00 p.m. on Sunday, 17<sup>th</sup> September, 2017.** During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 11<sup>th</sup> September, 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

**V. The process and manner for remote e-voting are as under:**

A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :

(i) Open email and open PDF file viz; “remote e-voting.pdf” with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.

NOTE: Shareholders already registered with NSDL for e-voting will not receive the PDF file “remote e-voting.pdf”.

(ii) Launch internet browser by typing the following URL:  
<https://www.evoting.nsdl.com/>

(iii) Click on Shareholder - Login

(iv) Put your user ID and password. Click Login.

(v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.

(vii) Select “EVEN” of Shree Hanuman Sugar & Industries Limited

(viii) Now you are ready for remote e-voting as Cast Vote page opens.

(ix) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.



- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [scrutinizer@gmail.com](mailto:scrutinizer@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]

(i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM :

EVEN (Remote e-voting Event Number)      USER ID      PASSWORD/PIN

(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.

VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

NOTE: Shareholders who forgot the User Details/Password can use "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DPID+ClientID).

In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No+Folio No).

VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 11<sup>th</sup> September, 2017.

X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 11<sup>th</sup> September, 2017, may obtain the login ID and password by sending a request at



evoting@nsdl.co.in or Issuer/RTA.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.

19. The scrutinizer shall, after the conclusion of the AGM, first count the votes cast at the meeting and thereafter unlock the votes cast through remote e-voting in the presence of at least 2(Two) witnesses not in the employment of the Company. The Scrutinizer shall, within a period not more than three days from the conclusion of the AGM, prepare a consolidated Scrutinizers' Report of the votes cast in favour or against, if any, and submit to the Chairman or any person authorized by him in writing, who shall countersign the same and declare the results of voting.
20. The results so declared along with the Scrutinizer's Report shall be placed on the Website of the Company and CDSL subject to the receipt of the requisite number of votes, the resolution set out in the Notice shall be deemed to be passed on the date of the Annual General Meeting. The results shall also be forwarded to the Stock Exchanges at Company's Shares are listed.

#### STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("the Act")

##### Re.: Item No. 4 - Appointment of Ms. Ratna Vaswani as an Independent Director

Ms. Ratna Vaswani, aged about 41 years, is a Bachelor of Arts, Kolkata and takes keen interest in various social issues facing the society. She has since her early years also been interested in contributing to corporate growth and sustainability.

Considering the legal requirement of Section 149 of the Companies Act, 2013 read with Rule 4 of The Companies (Appointment and Qualifications of Directors) Rules, 2014 and Regulation 27 of the Listing Regulation stipulating appointment of a woman director on the Board it is proposed to appoint Ms. Ratna Vaswani as an Independent Director.

The Directors are of the opinion that appointment of Ms. Ratna Vaswani as an Independent Director would be in the interest of the Company and recommend passing of the Resolution. None of the Directors / Key Managerial Personnel of the Company, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the resolutions at Items No. 4 for the approval by the shareholders of the Company.

**Details of Directors seeking appointment/re-appointment at the Annual General Meeting**

Particulars	Mr. B. K. Nopany	Ms. Ratna Vaswani
Date of Birth	26/04/1943	22/02/1976
Date of Appointment	30/06/1995	22/06/2017
Qualifications	B.Com	B.A.
Expertise in specific functional areas	Shri B. K. Nopany has more than 50 years experience in Business, spreading over Sugar, Real Estate Development, Investment etc. He is Chairman of the board of a Leading Academic Institution in Kolkata and is on the Board of Governors of another leading institution (public school) of Ranchi.	Social Activist & interested in Contributing to corporate Growth & Sustainability
Directorships held in other companies, LLP (excluding foreign companies)	1. Hanuman Industries Food Ind. Ltd 2. Shruti Ltd. 3. Indo Austro Corporation Pvt. Ltd. 4. Shruti Spinniner Ltd. 5. Nopany Investment Pvt. Ltd. 6. Nopany & Sons Pvt. Ltd 7. Super Scars & System Pvt. Ltd 8. Shree Milk & Food Industries Ltd 9. Eastern Sugar & Industries Ltd 10. Champaran Agri Park Pvt. Ltd 11. Bilaspur Spinning Mills & Industries Ltd. 12. ACME Papers Ltd. 13. NIPLASHA Construction and Renovation LLP	1. Nopany Marketing Co.pvt Ltd 2. Ganpati Cement Pvt Ltd. 3. Shree Hanuman Services Pvt. Ltd.
Memberships Chairmanships of committees of other companies (includes only Audit Committee and Shareholders/Investors Grievance Committee)	1. Shree Hanuman Sugar & Industries Limited	NIL
Number of shares held in the Company	402865	NIL

Registered Office:  
Hanuman Sugar Mills  
P.O. Motihari, Dist. East Champaran  
Bihar 845 401  
E-mail: esil@nopany.in  
CIN: L15421BR1964PLC006630  
Date: 30th May 2017

By Order of the Board  
For **EASTERN SUGAR & INDUSTRIES LIMITED**  
**Bimal Kumar Nopany**  
Chairman





## 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 31st March 2017

FINANCIAL RESULTS	(Rs. in lacs) <u>2016-17</u>	(Rs. in lacs) <u>2015-16</u>
Sales & Other Income	----	----
Profit/(Loss) before Interest, Depreciation and Tax	(13.82)	(14.77)
Less: Depreciation	----	----
Profit / (Loss) before tax	(13.82)	(14.77)
Less, Provision for tax	----	----
Profit after tax	(13.82)	(14.77)
Add: Balance brought forward from previous year	909.75	924.52
Profit available for appropriation	895.93	909.75
<b>Balance carried to Balance Sheet</b>	<b>895.93</b>	<b>909.75</b>

### PERFORMANCE:

No Income, during the year under review, Profit/(Loss) after Tax amounting to Rs. (13.82) lacs as against (14.77) lacs in the previous financial year.

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.

### RESERVE FUND

The company has not transferred any amount in General Reserve Account.

### FIXED DEPOSITS:

During the year under review, the Company has not accepted public deposits under section 58-A of the Companies Act, 2013



#### **DIRECTOR'S RESPONSIBILITY STATEMENT**

Your Directors confirm that:

- i. In the preparation of the Annual Accounts for the year ended 31st March, 2017, the applicable accounting standards had been followed, along with proper explanation relating to material departures;
- ii. The Directors have 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 the loss of the company for the year under review;
- iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing, and detecting fraud and other irregularities; and
- iv. The Directors have prepared the annual accounts on a going concern basis.

#### **DIRECTORS AND KMP**

- Mr. B. K. Nopany (DIN: 00694221) retire by rotation at the conclusion of ensuing Annual General Meeting and being eligible offer themselves for re-appointment.
- Mr. Davis Younge Manawwar (DIN: 02924559) due to some personal reason resigned from the post of Directorship of the Company w.e.f 22.06.2017
- Ms. Ratna Vaswani (DIN: 02657363) has been appointed as an Independent Director w.e.f 22.06.2017
- Ms. Priyanka Mundhara (PAN: BSTPM2263D) has been appointed as Company Secretary and Compliance Officer of the Company w.e.f 22.06.2017

#### **AUDITORS:**

In term of section 139 of the Companies Act, 2013, the term of M/s. Vivek Jaiswal & Co., Chartered Accountants, the current Statutory Auditor of the Company, will end at the conclusion of this AGM of the Company

The Board recommended that M/s Saraf Manoj & Co., Chartered Accountant (Firm Registration 323473E) to be appointed as the Statutory Auditor of the company, for a term of 5 years commencing from the conclusion of this Annual General Meeting (AGM) to the conclusion of fifth consecutive Annual General Meeting (subject to ratification of the appointment by the members at every AGM held after this AGM) and that the Board of Directors be and are hereby authorised to fix such remuneration as may be determined by the audit committee of the Board in consultation with the auditors.

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.

#### **SECRETARIAL AUDITORS & REPORT**

Your Company appointed CS Meena Chowdhary, Practising Company Secretary, (Membership No. -



ACS 41084 and Certificate of Practice No. 16829) as the Secretarial Auditor of your Company for F.Y.- 2016-17 to conduct the Secretarial Audit pursuant to Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Secretarial Audit Report for the financial year ended **March 31, 2017** is annexed as Annexure and forms part of the Report.

**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 31st March, 2017, 14060300 equity shares representing 48.23% of your Company's Equity Share Capital have been de-materialised

**LISTING AT STOCK EXCHANGE:**

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

**CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS:**

Pursuant to Regulation 27(2) of the SEBI Listing Regulations 2015 (LODR), with the Stock Exchanges, report on Corporate Governance along with the Auditors' statement on its compliance and Management discussion and Analysis have been included in this Annual Report as a separate annexure.

The company shall obtain a Certificate/Report from either the auditors or practicing company secretaries regarding compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and annex the Certificate/Report on Corporate Governance with the Board's Report. This Certificate/Report shall also be sent to the Stock Exchanges, where the shares of the Company are listed, along with the annual report filed by the company. (Applicable to equity listed companies)

Declaration by Managing Director that the Board Members and Senior Management Persons have complied with the Code of Conduct.

**NUMBER OF MEETINGS OF BOARD OF DIRECTORS:**

The following number of meetings of the Board of Directors held during the financial year 2016-17 28.05.16, 27.07.2016; 12.08.16; 14.11.16 & 10.02.17

**STATEMENT ON DECLARATION BY THE INDEPENDENT DIRECTORS:**

All independent Director(s) have given declarations that they meet the criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013.

**SUBSIDIARIES, JOINT VENTURE**

There are no companies which have become or ceased to be its Subsidiaries, Joint Ventures during the year.



**EXTRACT OF ANNUAL RETURN:**

An extract of Annual return as on the financial year ended on March 31, 2017 in Form MGT-9 as required under Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, is set out as an Annexure to the Directors' Report and form part of this Annual Report.

**CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY**

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

**VIGIL MECHANISM**

Pursuant to the provisions of section 177(9) of the Companies Act, 2013, the company had established a vigil mechanism for directors and employees to report concerns of unethical behavior, actual or suspected fraud or violation of the company's code of conduct.

**REMUNERATION POLICY**

The Board has, on the recommendation of the nomination & remuneration Committee framed a policy for selection and appointment of Directors, senior management and their remuneration.

**BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its audit, nomination & remuneration Committees.

**INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY**

The Company has an internal Control system commensurate with the size and scale of its operations.

**COMMITTEES**

The company has 3(Three) Board committees constituted as per the requirement of the Act during the financial year viz., Audit Committee, Nomination and Remuneration Committee and Shareholder Grievance Committee.

**BUSINESS RISK MANAGEMENT**

The main identified risks at the company are commercial risks, financial risks, operational risks and legal & regulatory risks. Your company has established a comprehensive risk management system to ensure that risk to the company's continued existence as a going concern and to its development are identified and addressed on timely basis. Risk management strategy as approved by the board of directors is implemented by the company management.

**CONTRACT AND ARRANGEMENT WITH RELATED PARTIES:**

During the year, the Company had not entered into any contract/arrangement/transaction with related parties which could be considered material in accordance with the policy of the Company



materiality of related party transactions. Hence, the provisions of Section 188 of the Companies Act, 2013 are not attracted. Thus, disclosure in Form AOC-2 is not required. Further, there are no materially significant Related Party Transactions during the year under review made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons.

#### **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the point no. 10 of Note 15 to the Financial Statement.

#### **PARTICULARS OF EMPLOYEES**

As required under provisions of the Companies Act, 2013 and Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, there are no employees falling under above category, thus no information is required to be given in the report.

#### **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN**

Your Company is committed to provide and promote a safe, healthy and congenial atmosphere irrespective of gender, caste, creed or social class of the employees. During the year under review, there was no case file pursuant to the Sexual Harassment of Women at workplace (Prevention, Prohibition And Redressal) Act, 2013.

#### **ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGOING**

As the manufacturing operation of the Company has been discontinued long ago, and since the company doesn't have any manufacturing facilities and is not engaged in the manufacturing activity, the prescribed information regarding compliance of rules relating to conservation of Energy and Technology absorption pursuant to Section 134 (3) (m) of the Companies Act, 2013, read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 is not provided.

The Company does not have any Foreign Exchange Earnings and outgo in the year under review.

#### **DISCLOUSER ON SPECIFIED BANK NOTES**

During the year, the Company had specified Ban Notes (SBNs) or other denomination notes as defined in the MCA notification G.S.R. 308(E) dates March, 31, 2017. The details of SBNs held and transacted during the period from November 8, 2016 to December 30, 2016 the denomination-wise SBNs and other notes as per the notification are as follows:

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	18348.00	NA	18348.00
(+) Permitted receipts	60200.00	NA	60200.00
(-) Permitted payments	11872.00	NA	11872.00
(-) Amount deposited in Banks	NIL	NA	NIL
Closing cash in hand as on 30.12.2016	66676.00	NA	66676.00



For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016."

**EMPLOYEE RELATIONS:**

During the year under review, the relations between the Management and the workmen were cordial, except witness of recent agitation. The management of the Company in confident to solve the problem soon.

**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 De-materialization arrangement exists with both the depositories, viz., National Depository Limited and Central Depository Services (India) Limited.

**ACKNOWLEDGEMENT:**

Yours 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.

KOLKATA  
Date: 30th May 2017

By Order of the Board  
For **EASTERN SUGAR & INDUSTRIES LIMITED**  
**B. K. Nopany**  
Chairman



## ANNEXURE TO THE DIRECTOR'S REPORT CORPORATE GOVERNANCE REPORT

### I. COMPANY'S PHILOSOPHY 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. A director 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 Directorships

The constitution of the Board as on March 31, 2017

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

Promoter Director	Executive Director	Non-Executive Director and Independent Director
Mr. B.K. Nopany	Mr. S.J. Goswami	Mr. C. K. Garodia Mr. R. C. Jha Ms. Ratna Vaswani Mr. D Y Manawwar (Resigned 22.06.2017)

**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, Five (5) Board meetings were held on 28.05.16; 27.07.16; 12.08.16; 14.11.16 & 10.02.17. The Board members are given appropriate documents and information in advance of each 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	5	Yes
Mr. S. J. Goswami	5	Yes
Mr. D. Y. Manawwar	5	No
Mr. R. C. Jha	5	No
Mr. C. K. Garodia	5	Yes
Ms. Ratna Vaswani	5	No

**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	7	2	Nil
Mr. D. Y. Manawwar	Independent & Non-executive	Nil	Nil	Nil
Mr. R. C. Jha	Independent & Non-executive	Nil	Nil	Nil
Mr. S. J. Goswami	Executive	1	Nil	Nil
Mr. C. K. Garodia	Independent & Non-executive	1	Nil	Nil
Ms. Ratna Vaswani	Independent & Non-executive	Nil	Nil	Nil

\*\* Memberships of Board Committees include Audit and Shareholders/Investors Grievance Committees only.





### 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 the provisions of the Companies Act, 2013.

### IV. AUDIT COMMITTEE

The Audit Committee comprised Mr. C. K. Garodia as Chairman and Mr. R. C. Jha and Ms. Ratna Vaswani as its members. The Audit Committee at its meetings exercised the role and duties, which had been defined by the Board of Directors pursuant to provisions of the Companies Act read with Regulation 27(2) of the SEBI Listing Regulations 2015 (LODR).

Terms of Reference of Audit Committee are broadly as follows:

- The Audit Committee is responsible for:
- Overseeing the Company's financial reporting process and disclosure of its financial information;
- Recommending the appointment of the Statutory Auditors and fixation of their remuneration;
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
- Reviewing and discussing with the Statutory Auditors and the Internal Auditor about internal control systems;
- Reviewing the adequacy and independence of the Internal Audit Function and observations of the Internal Auditor;
- Reviewing major accounting policies and practices and adoption of applicable Accounting Standards;
- Reviewing major accounting entries involving exercise of judgment by the Management;
- Disclosure of Contingent Liabilities;
- Reviewing, if necessary, the findings of any internal investigations by the Internal Auditors and reporting the matter to the Board;
- Reviewing the risk management mechanisms of the Company;
- Reviewing compliance with Listing Agreement and various other legal requirements concerning financial statements and related party disclosure;
- Reviewing the Quarterly and Half-yearly financial results and the Annual



financial statements before they are submitted to the Board with particular reference to:

- Matters required to be included in the Directors Responsibility Statement to be included in the Board of Directors report in terms of Section 134 of the Companies Act, 2013;
- Changes, if any, in accounting policies and practices and reasons for the same;
- Major accounting entries involving estimates based on the exercise of judgment of management;
- Significant adjustments made in the financial statements arising out of audit findings;
- Disclosure of any related party transactions;
- Qualifications in the draft audit report;
- Reviewing the operations, new initiatives, and performance of the business divisions;
- Looking into the reasons for substantial defaults in payments to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, if any;
- Carrying out such other functions as may be specifically referred to the Committee by the Company's Board of Directors

During the year under review, the Committee met 4 times on 27.05.2016, 12.08.2016, 12.11.2016 and 09.02.2017. Attendances 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. Mannawar (Resigned on 22.06.2017)	Member	4
Ms. Ratna Vaswani (Appointed on 22.06.2017)	Member	0

#### V. NOMINATION & REMUNERATION COMMITTEE

The Nomination & Remuneration Committee comprises of three members, viz., Mr. C. K. Garodia as Chairman and Mr. B. K. Nopany, Mr. R.C. Jha as member.

The Nomination & Remuneration Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria lay down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.

The Committee had 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 meetings.

**A. Details of the remuneration to the Executive Director provided as per accounts for the year ended 31st March 2017 are given below:**

Executive Director	Salary*(Rs.)	Commission(Rs.)
Mr. S. J. Goswami	600000/-	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 31st March 2017 are given below:**

Non-executive Director	Sitting Fee(Rs.)	Commission(Rs.)	Total(Rs.)
Mr. B. K. Nopany	Nil	Nil	Nil
Mr. D. Y. Manawwar	Nil	Nil	Nil
Mr. R. C. Jha	Nil	Nil	Nil
Mr. C. K. Garodia	Nil	Nil	Nil
Mrs. Ratna Vaswani	Nil	Nil	Nil

**VI. SHAREHOLDERS' GRIEVANCE COMMITTEE**

The Share Transfer & Shareholders' Grievance Committee comprises of three directors under the chairmanship of Ms. Ratna Vaswani The other members in the committee being, Mr. B.K. Nopany and Mr. C. K. Garodia

The committee has been constituted to specifically look into redressal of shareholders' grievances such as transfer, dividend, and 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.

Total number of letters and complaints received and replied to the satisfaction of shareholders during the year under review was Nil As on 31st March 2017, 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 Company Secretary 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
2015-16	Regd. Office.: Hanuman Sugar Mills, P. O. Motihari, Dist.: East Champaran, Bihar – 845 401	20.09.2016	12.00 P.M.
2014-15	Regd. Office.: Hanuman Sugar Mills, P. O. Motihari, Dist.: East Champaran, Bihar – 845 401	22.03.2016	1.00 P.M.
2013-14	Regd. Office.: Hanuman Sugar Mills, P. O. Motihari, Dist.: East Champaran, Bihar – 845 401	21.08.2015	1.00 P.M.

**VIII. DISCLOSURES****A. Basis of related party transaction**

Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc., that may have potential conflict with the interest of company at large — Nil

**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.

The Company has complied with all mandatory requirements of the Regulation 27(2) of the SEBI Listing Regulations 2015 (LODR). Further, the Company has also complied with the non-mandatory requirement.

**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 2016-17. 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 31st March 2017 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, No Public Issues, Right Issues, Preferential Issues in the Company.

**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 June 2016, 30th September , 2016, 31st December 2016, 31st March 2017 and Audited Annual Accounts, the same were informed to the National Stock Exchange and Bombay Stock Exchange Ltd., Mumbai

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 : 18th September 2017  
Day : Monday  
Time : 12.00 P. M.  
Venue : Regd. Office.:  
P.O. Hanuman Sugar, Mills  
Motihari, Dist.: East Champaran,  
Bihar – 845 401

**2. Financial Calendar** [Tentative and subject to change]

Financial Year	April 1, 2017 to March 31, 2018
First Quarter Results	By 14th August, 2017
Second Quarter Results	By 14th November, 2017
Third Quarter Results	By 14th February, 2018
Fourth Quarter Result	By 30th May, 2018

**3. Date of Book closure**

Tuesday, 12<sup>th</sup> September, 2017 to Monday, 18<sup>th</sup> September, 2017 (both days inclusive)

**4. Listing on Stock Exchanges**

The Shares of the Company are listed on Bombay Stock Exchange and National Stock Exchange India Ltd. However, trading of shares of the Company is suspended and efforts are being made for resumption of the same.

**5. Stock Codes**

Mumbai 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) of equity shares traded at Bombay Stock Exchange Limited during the period from 1.7.2016 to 31.03.2017 are as follows:

Month	Bombay Stock Exchange	
	High	Low
July, 2016	1.10	0.89
August, 2016	1.19	1.06
September, 2016	1.21	1.08
October, 2016	1.21	1.08
November, 2016	1.21	1.08
December, 2016	1.21	1.08
January, 2017	1.21	1.08
February, 2017	1.21	1.08
March, 2017	1.21	1.08



### 7. Registrar & Share Transfer Agent

M/s Maheshwari Datamatics Pvt. Ltd  
 23 R.N. Mukherjee Road, 5th Floor  
 Kolkata – 700001  
 Phone: 033-2248 2248 / 2243 5809  
 Fax : 033-2248 8787  
 E-mail: mdpldc@yahoo.com

### 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 31st March 2017

Nominal Value of Shareholding	No. of Shareholders		Number of Equity Shares	
	Total	% age of total	Total	% of Share Capital
Upto Rs.500	20161	91.71	2478231	8.50
Rs. 501 to Rs. 1000	762	3.47	664960	2.28
Rs.1001 to Rs. 2000	363	1.65	590257	2.02
Rs.2001 to Rs. 3000	137	0.62	355401	1.22
Rs.3001 to Rs. 4000	77	0.35	280822	0.96
Rs.4001 to Rs. 5000	98	0.45	474412	1.63
Rs.5001 to Rs. 10000	164	0.75	1274853	4.37
Rs.10001 and above	222	1.01	23031164	79.01
Total	22000	100.00	29150100	100.00

**10. Shareholding Pattern 31st March 2017**

Category	No. of Shares held	% of Total Shares
Promoter & Promoter Group	1593039	5.46
Mutual Funds/UTI	11000	0.04
Bodies Corporate	14355443	49.25
Indian Public	12450498	42.72
N R I s	649090	2.23
Clearing Members	86630	0.30
NBFC Registered with RBI	4400	0.02
<b>TOTAL</b>	<b>29150100</b>	<b>100.00</b>

**11. Dematerialization of Shares and liquidity**

The dematting facility exists with both the NSDL and CDSL for the convenience of shareholders. As on 31st March, 2017, 14060300 equity shares representing 48.23% 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 – 700071

KOLKATA

Date: 30th May 2017

By Order of the Board

For **EASTERN SUGAR & INDUSTRIES LIMITED**

**B. K. Nopany**

Chairman





## 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 31<sup>st</sup> March, 2017, as stipulated in Regulation 27(2) of the SEBI Listing Regulations 2015 (LODR), 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 Regulation 27(2) of the abovementioned Listing Regulation 2015 (LODR)

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 March 31, 2017 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

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

Commerce House  
Suite # 1A, Floor 8  
2A, Ganesh Chandra Avenue  
Kolkata – 700 013  
Date : 30th May 2017



**UNDER REGULATION 27 OF THE SEBI LISTING REGULATION 2015 (LODR)  
DECLARATION BY W.T.D.**

As required under Regulation 27(2) of the SEBI Listing Regulations 2015 (LODR) with Stock Exchanges, it is hereby confirmed that for the year ended 31st March, 2017, 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: 30th May 2017**

**(S. J. Goswami)**

**Whole time 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 31st March, 2017 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 Company during the year ended 31st March, 2017 are fraudulent, illegal 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: 30th May 2017**

**(Ajay Kumar Kabra)**

**Chief Financial Officer**

**(S. J. Goswami)**

**Wholetime Director**



## ANNEXURE TO THE DIRECTOR'S REPORT 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 authorized 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

No income, during the year under review, and in the previous year

#### Profits

Profit/(Loss) before Interest, Depreciation and Tax stood at Rs. (13.82) lacs as against Rs.(14.77) lacs in the previous year 2015-16.

#### Earnings Per Shares (EPS)

The Company recorded an EPS of Rs. (0.05) per equity shares of Rs. 10/- each during 2016-17.

#### 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.

**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.

KOLKATA  
Date: 30th May 2017

**B. K. Nopany**  
Chairman



## ANNEXURE TO THE DIRECTOR'S REPORT

## Form No. MGT-9

## EXTRACT OF ANNUAL RETURN

as on the financial year ended on **31.03.2017**

[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:

i)	CIN	:	L15421BR1964PLC006630
ii)	Registration Date	:	11.12.1964
iii)	Name of the Company	:	EASTERN SUGAR & INDUSTRIES LIMITED
iv)	Category / Sub-Category of the Company	:	PUBLIC LIMITED COMPANY
v)	Address of the Registered office and contact details	:	HANUMAN SUGAR MILLS, P. O. MOTIHARI, DIST. EAST CHAMPARAN, BIHAR-845401, (033)2448-4222; FAX:2448-4225
vi)	Whether listed company Yes / No	:	YES
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	M/S MAHESHWARI DATAMATICS PVT. LTD. 23, R.N. MUKHERJEE ROAD 5TH FLOOR, KOLKATA-700001 Phone: 033-2248 2248 / 2243 5809

## 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:-

S. No.	Name and Description of main products / services	N C Code of the Product/service	% to total turnover of the company
1	Manufacture of Moasses, Sugar	10723	100.00%

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/Associate	% of shares	Applicable Section
1	NIL				

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total equity)

## i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				Number 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	
<b>A. PROMOTERS</b>									
<b>(1) INDIAN</b>									
a. Individual/HUF	1427865	115000	1542865	5.29%	1427865	115000	1542865	5.29%	
b. Central Govt.	-	-	-	-	-	-	-	-	
c. State Govt. (s)	-	-	-	-	-	-	-	-	
d. Bodies Corp.	50074	100	50174	0.17%	50074	100	50174	0.17%	
e. Banks/Fl	-	-	-	-	-	-	-	-	
f. Any other	-	-	-	-	-	-	-	-	
(i) Trust	-	-	-	-	-	-	-	-	
(ii) Individual Holding on behalf of Partnership Firm	-	-	-	-	-	-	-	-	
<b>Sub-total (A)(1):-</b>	<b>1477939</b>	<b>115100</b>	<b>1593039</b>	<b>5.46%</b>	<b>1477939</b>	<b>115100</b>	<b>1593039</b>	<b>5.46%</b>	
<b>(2) FOREIGN</b>									
a. NRIs - Individuals	-	-	-	-	-	-	-	-	
b. Other - Individuals	-	-	-	-	-	-	-	-	
c. Bodies Corporate	-	-	-	-	-	-	-	-	
d. Banks/Fl	-	-	-	-	-	-	-	-	
e. Any other	-	-	-	-	-	-	-	-	
<b>Sub-total (A)(2):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total Shareholding of Promoter</b>									
<b>A=A(1) + A(2)</b>	<b>1477939</b>	<b>115100</b>	<b>1593039</b>	<b>5.46%</b>	<b>1477939</b>	<b>115100</b>	<b>1593039</b>	<b>5.46%</b>	



B. PUBLIC SHAREHOLDING									
<b>(1) INSTITUTIONS</b>									
a. Mutual Funds/UTI	-	11000	11000	0.04%	-	11000	11000	0.04%	-
b. Banks/FI	-	-	-	-	-	-	-	-	-
c. Central Govt.	-	-	-	-	-	-	-	-	-
d. State Govt(s)	-	-	-	-	-	-	-	-	-
e. Venture Capital Funds	-	-	-	-	-	-	-	-	-
f. Insurance Companies	-	-	-	-	-	-	-	-	-
g. FIs	-	-	-	-	-	-	-	-	-
h. Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i. Others (Specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	<b>11,000</b>	<b>11000</b>	<b>0.04%</b>	-	<b>11,000</b>	<b>11000</b>	<b>0.04%</b>	-
<b>(2) NON-INSTITUTIONS</b>									
a. Bodies Corp.	3107542	11582000	14689542	50.39%	2773443	11582000	14355443	49.25%	-1.15%
i. Indian	-	-	-	-	-	-	-	-	-
ii. Overseas	-	-	-	-	-	-	-	-	-
b. Individuals	-	-	-	-	-	-	-	-	-
i. Individual Shareholders holding nominal share capital upto Rs. 2 lakh	4433977	2179400	6613377	22.69%	4405486	2177800	6583286	22.58%	-0.10%
ii. Individual Shareholders holding nominal share capital in excess of Rs. 2	4747652	829100	5576752	19.13%	5038112	829100	5867212	20.13%	1.00%
c. NBFCs registered with RBI	4400	-	4400	-	4400	-	4400	-	-
d. Others (specify)...	-	-	-	-	-	-	-	-	-
Clearing Member	5000	-	5000	0.02%	86630	-	86630	0.30%	0.28%
Non Resident Individual	282190	374800	656990	2.25%	274290	374800	649090	2.23%	-0.03%
<b>Sub-total (B)(2):-</b>	<b>12580761</b>	<b>14965300</b>	<b>27546061</b>	<b>94.50%</b>	<b>12582361</b>	<b>14963700</b>	<b>27546061</b>	<b>94.50%</b>	-
<b>Total Public Shareholding</b>									
<b>B-B(1)+ B(2)</b>	<b>12580761</b>	<b>14976300</b>	<b>27557061</b>	<b>94.54%</b>	<b>12582361</b>	<b>14974700</b>	<b>27557061</b>	<b>94.54%</b>	-
<b>C. SHARES HELD BY CUSTODIAN FOR GDRS &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	<b>14058700</b>	<b>15091400</b>	<b>29150100</b>	<b>100.00%</b>	<b>14060300</b>	<b>15089800</b>	<b>29150100</b>	<b>100.00%</b>	-

ii) Shareholding of Promoters

Sl. No.	Shareholders' Name	Shareholding at the beginning of year				Shareholding at the end of the year			
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Bimal Kumar Nopany	402865	1.38%	115000	0.39%	402865	1.38%	115000	0.39%
2	Shruti Vora	310000	1.06%	-	-	310000	1.06%	-	-
3	Shalini Nopany	260000	0.89%	-	-	260000	0.89%	-	-
4	Urvi Nopany	260000	0.89%	-	-	260000	0.89%	-	-
5	Nandini Nopany	310000	1.06%	-	-	310000	1.06%	-	-
6	Shruti Limited	47734	0.16%	-	-	47734	0.16%	-	-
7	Nopani & Sons Pvt. Ltd.	601	0.00%	-	-	601	0.00%	-	-
8	Nopany Investments Private Limited	1839	0.01%	-	-	1839	0.01%	-	-
	<b>Total</b>	<b>1593039</b>	<b>5.46%</b>	<b>115000</b>	<b>0.39%</b>	<b>1593039</b>	<b>5.46%</b>	<b>115000</b>	<b>0.39%</b>

iii) Change in Promoters' Shareholding (Please specify, if there is no change)

Sl. No.	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	1593039	5.46%	1593039	5.46%
	Increase in Promoters' Shareholding during the year (Purchase)			
	1593039	5.46%	1593039	5.46%



## iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Daulatram Rawatmull Private Limited	3450000	11.84	3450000	11.84
2	Nopany Marketing Co Pvt Ltd	3425000	11.75%	3425000	11.75%
3	Indian Die-Casting Co Limited	2555568	8.77%	2555568	8.77%
4	Kolhapur Forge Pvt Ltd	1500000	5.15%	1500000	5.15%
5	Jaldhara Holdings Pvt. Ltd.	1200000	4.12%	1200000	4.12%
6	Madhu Tiwari	700000	2.40%	700000	2.40%
7	Shubham Holdings Pvt. Ltd.	600000	2.06%	600000	2.06%
8	NNP Trading and Investment Pvt Ltd	577636	1.98%	577636	1.98%
9	Sambasivam Venkata Ramani	364271	1.25%	361671	1.24%
10	Poonam Sundeep Karna	247263	0.85%	247263	0.85%
	<b>Total</b>				

## v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of Directors and KMP	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Bimal Kumar Nopany (Director)	402865	1.38%	402865	1.38%
2	Ajay Kumar Kabra (CFO)	10000	0.03%	10000	0.03%

## V INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total indebtedness
(Rs. in Lakh)				
<b>Indebtedness at the beginning of the financial year</b>				
i. Principal Amount	7553.80	-	-	7553.80
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	7553.80	-	-	7553.80
<b>Change in Indebtedness during the financial year</b>				
* Addition	-	-	-	-
~ Reduction	106.50	-	-	106.50
<b>Net Change</b>	106.50	-	-	106.50
<b>Indebtedness at the end of the financial year</b>				
i. Principal Amount	7447.30	-	-	7447.30
ii. Interest Due but not paid	-	-	-	-
iii. Interest Accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	7447.30	-	-	7447.30

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager.

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
		SHRISHGIRI JAYSUKHGIRI GOSWAMI	
		Whole-time director	
1	Gross Salary		
	a. Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	600000	600000
	b. Value of perquisites u/s 17(2) Income Tax Act, 1961		
	c. Profit in lieu of salary under section 17(3) Income Tax Act, 1961		
2	Stock Option		
3	Sweat Equity		
4	Commission - as % of profit - others, specify		
5	Others, please specify		
	<b>Total (A)</b>	600000	600000
	Ceiling as per the Act		



B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors	Total Amount	
1	Independent Directors		NIL	
	* Fee for attending Board/Committee meetings	There was no remuneration paid to the other Directors i.e Independent Directors and other Non- Executive Directors of the Company.		
	* Commission			
	* Others, Travelling Exp.			
	TOTAL (1)			
2	Other Non-Executive Directors			
	* Fee for attending Board/Committee meetings			
	* Commission			
	* Others, please specify			
	TOTAL (2)			
	TOTAL (B) = (1+2)			
	Total Managerial Remuneration			
	Overall ceiling as per the Act			

C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD:

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Name	Designation	Total
1	Gross Salary	Mr. Ajay Kabra	Chief Financial Officer	360000
	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			
2	Stock Option			
3	Sweat Equity			
4	Commission			
	- as % of profit			
	- others, specify			
5	Others, please specify			
	Total (A)			360000

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the 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					
Prosecution					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Prosecution				NA	
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

(Bimal Kumar Nopany)  
Chairman

(Ajay Kumar Kabra)  
Chief Financial Officer





**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**For The Financial Year Ended 31ST MARCH 2017**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
**EASTERN SUGAR & INDUSTRIES LIMITED**  
P.O. Hanuman Sugar Mills, Motihari  
East Champaran, Bihar -845401

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Eastern Sugar & Industries Limited ("the Company") for the financial year ended on 31st March, 2017 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;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (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 during the Audit Period)**;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company;
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not Applicable to the Company during the Audit**



- Period);
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 w.e.f. October 28, 2014 **(Not Applicable to the Company during the Audit Period);**
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not Applicable to the Company during the Audit Period);**
  - 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 clients;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable to the Company during the Audit Period);**
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not Applicable to the Company during the Audit Period).**
- (vi) The Company has identified the following other laws as applicable to the Company:-
- a) Sugar Cess Act, 1982 \*
  - b) Levy Sugar Price Equalisation Fund Act, 1976 \*
  - c) Essential Commodities Act, 1955 \*
  - d) Sugar Development Fund Act, 1982
  - e) The Income Tax Act, 1961
  - f) The Finance Act, 1994

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

- (i) the Secretarial Standards issued by the Institute of Company Secretaries of India.
- (ii) The Listing Regulation entered into by the Company with Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

During the Audit period under review and as per representations and clarifications provided by the management, I confirm that the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements etc as mentioned hereinabove.

I further report that compliance of applicable financial laws including Direct and Indirect Tax laws by the Company has not been reviewed in this Audit since the same has been subject to review by the Statutory Auditors and other designated professionals.

**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 decisions at the Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that based on review of Compliance mechanism established by the company and on the basis of the records of Company there are adequate 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, there were no specific events/ actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. as referred to above.

Place: Kolkata  
Date: 30th May 2017

Meena Chowdhary  
Practising Company Secretary  
C.P No. 16829, ACS No. 41084

Note:

- 1) \* Sugar Cess Act, 1982, Levy Sugar Price Equalisation Fund Act, 1976, Essential Commodities Act, 1955, though applicable for the Sugar Industry but since Company is not carrying the related activity during the Audit period, the Acts are not applicable for the period ended on 31<sup>st</sup> March, 2017.
- 2) The Company is not carrying any activity related to manufacturing of sugar or any other during the period ended on 31<sup>st</sup> March, 2017, therefore the Factories Act, 1948, The Payment of Wages Act, 1936, The Payment of Bonus Act, 1965 etc. is not applicable for the Company for the period.

This Report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.



**'Annexure A'**

To,  
The Members,  
**EASTERN SUGAR & INDUSTRIES LIMITED**  
P.O. Hanuman Sugar Mills, Motihari  
East Champaran, Bihar -845401

Our report of even date is to be read along with this letter.

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process 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 process and practice, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
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 other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
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: Kolkata  
Date: 30th May 2017

Meena Chowdhary  
Practising Company Secretary  
C.P No. 16829, ACS No. 41084



## INDEPENDENT AUDITORS' REPORT

To  
The Members of  
EASTERN SUGAR & INDUSTRIES LIMITED

### Report on Financial Statements

1. We have audited the accompanying financial statements of **EASTERN SUGAR & INDUSTRIES LIMITED** which comprises of the Balance Sheet as at 31<sup>st</sup> March, 2017, the Statement of Profit & Loss and the Cash Flow Statement for the year ended and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibilities also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of assets of the Company and for preventing and detecting frauds and other irregularities; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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

3. 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.

4. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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.

5. 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.

6. 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.

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

#### 8. Basis for Qualified opinion

➤ TDS Compliances:

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. \*

➤ Generally Accepted Accounting Principles :

Non compliance of generally accepted accounting principles in accounting of Gratuity, Leave liabilities towards employees, bonus, Professional Taxes, Trade License Fees, Interest and penalty on delayed deposit of TDS & income from interest on securities and other deposits as they are accounted for on cash basis. \*

➤ Provision of Depreciation on its Fixed Assets:

The Company has not provided depreciation on its Fixed Assets for the period covered under this audit. The Company has also not provided depreciation on transition to Schedule II of The Companies Act, 2013.

*\*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

##### Subject to our observation given above:

9. In our opinion and to the best of our information and according to the explanations given to us, **except for the effects of the matters described in the Basis for Qualified Opinion paragraph** above, 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 **31st March, 2017**;
- 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

10. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of sub-section (11) of section 143 of the Act and based on our comments in the auditor's report of the Company, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

11. As required by Section 143(3) of the Act, we report that:

- a) **Except for what have been stated in paragraph 8 viz. basis for qualified opinion**, 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 specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2017 from being appointed as a director in terms of Section 164(2) of the Companies Act, 2013.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B; and
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - a. The Company has disclosed the impact, if any, of pending litigations as at 31st March, 2017, on its financial position in its financial statements.
    - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - d. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management.

Place: Kolkata  
Date: 30th May 2017

For VIVEK JAISWAL & CO.  
Chartered Accountants  
Firm Registration No.323094E  
(Vivek Jaiswal)  
Partner  
Membership No. 057710

**Annexure-A to the Independent Auditors' Report**

(Referred to in paragraph 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 not taken any loans, secured or unsecured, from companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
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 under Companies Act, 2013 and are of the opinion that prima facie the prescribed account and records have been maintained.
9. The Company is not regular in depositing undisputed statutory dues, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess.
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 31st March, 2017 for a period of more than six months from the date they became payable.
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. The Company has not raised any money during the year through any public issue and Preferential basis.
  20. 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.

**Annexure B to the Independent Auditors' Report on the Financial Statement of the Company**

*(Referred to in paragraph 11 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)*

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Eastern Sugar & Industries Limited** ("the Company") as of 31<sup>st</sup> March, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the



design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial control system over financial reporting were operating effectively as at 31<sup>st</sup> March 2017, based on the internal financial control system over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India.

Place: Kolkata  
Date: 30th May 2017

For VIVEK JAISWAL & CO.  
Chartered Accountants  
Firm Registration No.323094E  
(Vivek Jaiswal)  
Partner  
Membership No. 057710



## BALANCE SHEET AS ON 31ST MARCH 2017

P A R T I C U L A R S	Note No.	As at 31.03.2017 Amount Rs.(In Lacs)		As at 31.03.2016 Amount Rs.(In Lacs)	
<b>I. EQUITY AND LIABILITIES</b>					
1. Shareholder's funds					
(a) Share Capital	1	3,390.01		3,390.01	
(b) Reserves and Surplus	2	2,175.60	5,565.61	2,189.42	5,579.43
2 <b>Non- current liabilities</b>					
(a) Long-term borrowings	3		7,447.30		7,553.80
3 <b>Current Liabilities</b>					
(a) Short Term Borrowings	4	7.68		7.68	
(b) Trade Payables		1,159.88		1,114.01	
(c ) Other Current Liabilities		376.66		376.28	
(d) Short-term Provisions		7.77	1,552.00	7.77	1,505.74
<b>TOTAL</b>			<b>14,564.90</b>		<b>14,638.97</b>
<b>II ASSETS</b>					
1. <b>Non-current assets</b>					
(a) Fixed Assets					
(i) Tangible Asset					
Gross Block	5	7,025.47		7,025.47	
Less: Depreciation		1,827.57		1,827.57	
Net Block		5,197.90		5,197.90	
(ii) Capital Work in Progress		4,578.17		4,578.17	
(b) Non-Current Investments	6	1,993.34	<b>11,769.41</b>	1,993.34	<b>11,769.41</b>
2. <b>Current assets</b>					
(a) Inventories	7	1,876.40		1,876.40	
(B) Trade Receivables		386.60		386.60	
(c) Cash and Cash equivalents	8	27.86		25.91	
(d) Short-term loans and advances	9	504.63	<b>2,795.49</b>	580.65	<b>2,869.56</b>
<b>TOTAL</b>			<b>14,564.90</b>		<b>14,638.97</b>
Significant accounting policies		14			

The accompanying notes are an Integral parts of financial statements  
For and on behalf of the Board of Directors

As per our report of even date

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

Vivek Jaiswal

(Partner)

Membership No. 057710

Place : Kolkata

Date : 30.05.2017

**B.K. Nopany, Chairman**

**S.J. Goswami, Whole Time Director**

**A. K. Kabra, Chief Financial Officer**



## STATEMENT OF PROFIT AND LOSS FOR PERIOD ENDED 31ST MARCH 2017

PARTICULARS	Note No.	31.03.2017 Rs.(In Lacs)		31.03.2016 Rs.(In Lacs)	
I Other Income	10	-	-	-	-
II Total Revenue		-	-	-	-
III Expenses:					
Change in inventories of Finished Goods,	11	-	-	-	-
Employee Benefit Expenses	12	10.21		9.80	
Depreciation		-		-	
Other Expenses	13	3.61		4.97	
Total Expense			13.82		14.77
IV Profit before tax (I-II)			(13.82)		(14.77)
V Tax expense: Current tax					
VI Profit/(Loss) for the period (IV-V)			(13.82)		(14.77)
VII Earnings per equity share:					
(1) Basic			(0.05)		(0.05)
(2) Diluted			(0.05)		(0.05)
VIII No. of Shares Used in Computing Earning Per Share					
(1) Basic			292		292
(2) Diluted			292		292
Significant accounting policies	14				

The accompanying notes are an Integral parts of financial statements  
For and on behalf of the Board of Directors

As per our report of even date

For Vivek Jaiswal & Co.  
Chartered Accountants

Vivek Jaiswal  
(Partner)

Membership No. 057710

B.K. Nopany, Chairman  
S.J. Goswami, Whole Time Director  
A. K. Kabra, Chief Financial Officer

Place : Kolkata  
Date : 30.05.2017



## NOTES TO ACCOUNTS FORMING PART OF BALANCE SHEET

NOTE 1 : SHARE CAPITAL	As on 31.03.2017		As on 31.03.2016	
	No. of shares	Amount (in Rs. Lacs)	No. of shares	Amount (in Rs. Lacs)
<b>(a) Authorised Capital</b>				
Equity Shares (Shares of Rs.10 each)	3,00,00,000	3,000.00	3,00,00,000	3,000.00
Preference Shares (Shares of Rs.100 each)	10,00,000	1,000.00	10,00,000	1,000.00
Unclassified shares (Shares of Rs.100 each)	10,00,000	1,000.00	10,00,000	1,000.00
	<b>3,20,00,000</b>	<b>5,000.00</b>	<b>3,20,00,000</b>	<b>5,000.00</b>
<b>(b) Issued, Subscribed &amp; Paid up</b>				
Equity Shares (Shares of Rs. 10 each fully paid)	2,91,50,100	2,915.01	2,91,50,100	2,915.01
12% Cumulative Convertible Preference Shares (Shares of Rs.100 each fully Paid)	2,05,000	205.00	2,05,000	205.00
3% Cumulative Convertible Preference Shares (Shares of Rs.100 each fully Paid)	2,70,000	270.00	2,70,000	270.00
	<b>2,96,25,100</b>	<b>3,390.01</b>	<b>2,96,25,100</b>	<b>3,390.01</b>
<b>(c) Reconciliation of Number &amp; Amount of Equity Shares outstanding at the beginning &amp; at the end of the Reporting Year</b>				
	As on 31.03.2017		As on 31.03.2016	
	No. of shares	Amount (in Rs. Lacs)	No. of shares	Amount (in Rs. Lacs)
Outstanding Shares at the Beginning of the Year	2,91,50,100	2,915.01	2,91,50,100	2,915.01
Outstanding Shares at the End of the Year	2,91,50,100	2,915.01	2,91,50,100	2,915.01
<b>(d) Detail of Equity shares held by shareholders holding more than 5% shares of the aggregate shares in the Company</b>				
	As on 31.03.2017		As on 31.03.2016	
Name of the Share Holder	No. of shares Held	% of Shares Holding	No. of shares Held	% of Shares Holding
Daulatram Rawatmull Pvt. Ltd.	34,50,000	11.84	34,50,000	11.84
Nopany Marketing Co. Pvt. Ltd.	34,25,000	11.74	34,25,000	11.74
India Die Casting Co. Ltd.	25,55,568	8.77	25,55,568	8.77
Kolhapur Forge Pvt Ltd	15,00,000	5.15	15,00,000	5.15
The company has one class of equity shares having a par value of Re. 10 per share, and Two class of Cumulative Convertible Preference Shares, 12% and 3%, of Rs. 100 each. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of Company after distribution of all preferential amount, in proportion to share holding .				



## NOTES TO ACCOUNTS FORMING PART OF BALANCE SHEET

NOTE 2 : RESERVE & SURPLUS	As at 31.03.2017 Amount Rs.(In Lacs)		As at 31.03.2016 Amount Rs.(In Lacs)	
	<b>Revaluation Reserve</b> As per last balance sheet	519.32	519.32	519.32
	-	-		
<b>General Reserve</b> As per last balance sheet	760.35	760.35	760.35	760.35
	-		-	
<b>Profit &amp; loss A/c</b> As per last balance sheet	909.75	895.93	924.52	909.75
Add: Profit After Tax for the Current Year	(13.82)		(14.77)	
<b>Balance brought forward</b>				
<b>TOTAL</b>		<b>2,175.60</b>		<b>2,189.42</b>

(i) General reserve is primarily created to comply with the requirements of Section 123 of the Companies Act, 2013. 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 at 31.03.2017 Amount Rs.(In Lacs)		As at 31.03.2016 Amount Rs.(In Lacs)	
	SDF Loan	1,337.00	7,447.30	1,337.00
Accrued Interest on SDF Loan	759.34	759.34		
Cash Credit Borrowings from Bank	587.09	693.59		
Term Loan from Bank	4,763.87	4,763.87		
<b>TOTAL</b>				
<b>NOTE : 4 CURRENT LIABILITIES</b>				
(a) Short Term Borrowings				
From Body Corporates	4.00	7.68	4.00	7.68
From Others	3.68		3.68	
(b) Trade Payables		1,159.88		1,114.01
(c) Other Current Liabilities		376.66	-	376.28
(d) Short Term Provisions		7.77		7.77
<b>TOTAL</b>		<b>1,551.99</b>		<b>1,505.74</b>



## NOTE 5 : FIXED ASSETS

(Rs. in Lacs)

DEPRECIATION	AS AT 01.04.2016	ADDITION	SALES ADJUSTMENTS	AS AT 31.03.2017	Up To 31.03.2016	For The Year	on Asset Sold	Up To 31.03.2017	As At 31.03.2016	As At 31.03.2017
<b>A. FIXED ASSET</b>										
Building	5.01	-		5.01	1.09	-	-	1.09	3.92	3.92
Plant & Machinery	6,969.65	-		6,969.65	1,777.38	-	-	1,777.38	5,192.27	5,192.27
Vehicle	50.81	-	-	50.81	49.10	-	-	49.10	1.71	1.71
<b>TOTAL OF 'A'</b>	<b>7,025.47</b>	-	-	<b>7,025.47</b>	<b>1,827.57</b>	-	-	<b>1,827.57</b>	<b>5,197.90</b>	<b>5,197.90</b>
<b>B. CAPITAL WORK IN PROGRESS</b>										
Capital work in Progress	4,578.17	-		4,578.17	-	-	-	-	4,578.17	4,578.17
<b>TOTAL OF 'B'</b>	<b>4,578.17</b>	-	-	<b>4,578.17</b>	-	-	-	-	<b>4,578.17</b>	<b>4,578.17</b>
<b>GRAND TOTAL (A+B)</b>	<b>11,603.64</b>	-	-	<b>11,603.64</b>	<b>1,827.57</b>	-	-	<b>1,827.57</b>	<b>9,776.07</b>	<b>9,776.07</b>
<b>PREVIOUS YEAR</b>	<b>11,603.64</b>		-	<b>11,603.64</b>	<b>1,827.57</b>	-	-	<b>1,827.57</b>	<b>9,776.07</b>	



## NOTES TO ACCOUNTS FORMING PART OF BALANCE SHEET

<b>NOTE : 6 NON CURRENT INVESTMENTS</b>	<b>As on 31.03.2017 (Rs.In Lacs)</b>	<b>As on 31.03.2016 (Rs.In Lacs)</b>
<b>Non Trade Investments</b>		
<b>Unquoted :</b>		
300000 Equity Shares of Nopany & Sons Pvt. Ltd.	300.00	300.00
7500 shares of Indian Die Casting Co. Ltd.	9.00	9.00
395050 shares of Shruti Spinners Ltd.	79.01	79.01
214000 Equity Shares of Hanuman Industries India Pvt. Ltd.	1,570.33	1,570.33
14000 Convertible bond of NNP Trading & Investments Pvt. Ltd.	35.00	35.00
<b>TOTAL</b>	<b>1,993.34</b>	<b>1,993.34</b>

	<b>As on 31.03.2017 (Rs.In Lacs)</b>	<b>As on 31.03.2016 (Rs.In Lacs)</b>
<b>NOTE : 7 INVENTORIES</b>		
<b>Closing Stock of Goods Traded</b>		
Construction Rights	1,876.40	1,876.40
<b>TOTAL</b>	<b>1,876.40</b>	<b>1,876.40</b>
<b>NOTE : 8 CASH &amp; CASH EQUIVALENTS</b>		
<b>Cash in Hand</b>	13.88	11.89
Balance with Schedule Banks (In Current Account)	13.99	14.02
<b>TOTAL</b>	<b>27.86</b>	<b>25.91</b>
<b>NOTE : 9 SHORT TERM LOANS &amp; ADVANCES</b> (Unsecured , Considered Good)		
<b>(a) Advances</b>		
To Others	497.93	573.95
<b>(b) Other Advances</b>	6.70	6.70
<b>TOTAL</b>	<b>504.63</b>	<b>580.65</b>





## NOTES TO ACCOUNTS FORMING PART OF PROFIT &amp; LOSS STATEMENT

	As on 31.03.2017 (Rs.In Lacs)	As on 31.03.2016 (Rs.In Lacs)
<b>NOTE : 10 OTHER INCOME</b>		
Fixed Asset Usage charges	-	-
<b>TOTAL</b>	-	-
<b>NOTE : 11 INCREASE/DECREASE IN STOCK</b>		
Closing Stock:		
Construction Rights	1,876.40	1,876.40
	1,876.40	1,876.40
Less: Opening Stock		
Construction Rights	1,876.40	1,876.40
	1,876.40	1,876.40
<b>TOTAL</b>	-	-
<b>NOTE : 12 EMPLOYEE BENEFIT EXPENSES</b>		
Salary & Wages	6.44	8.51
Employee Welfare Expenses	3.77	1.29
<b>TOTAL</b>	<b>10.21</b>	<b>9.80</b>
<b>NOTE : 13 OTHER EXPENSES</b>		
Printing & Stationary Charges	0.71	0.56
Certification Charges	0.04	-
Office & Maintenance	0.15	0.10
Advertisement Expenses	0.07	0.01
Professional Charges	1.41	1.04
Conveyance Expenses	-	-
Filing Fees	0.18	1.15
Custody Charges	0.54	-
E-Voting Charges	-	0.25
Audit fees	0.38	0.38
Lock in Charges	-	0.25
General Expenses	0.15	1.23
<b>TOTAL</b>	<b>3.61</b>	<b>4.97</b>



## CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2017

PARTICULARS	Amount (in Rs. Lacs)	
	31.03.2017	30.06.2016
<b>A. Cash Flow from Operating Activity</b>		
Net Profit Before Tax & Extra Ordinary Item	(13.82)	(14.77)
Adjustment for :		
Depreciation	-	-
Operating Profit Before Working Capital Changes	(13.82)	(14.77)
Adjustment for :		
Decrease in Advances	76.02	10.44
Trade Payable	45.87	-
Other Current Liabilities	0.38	-
Less: Taxes Paid	-	-
Net Cash Generated from Operation	108.45	(4.33)
<b>B. Cash Flow from Investing Activity</b>		
Purchase of Fixed Asset	-	(1.71)
Purchase of Investments	-	-
Net Cash Generated from Investing Activity	-	(1.71)
<b>C. Cash Flow from Financing Activity</b>		
Long Term Borrowings	(106.50)	-
Net Cash Generated from Financing Activity	(106.50)	-
Total Cash generated During the year (A+B+C)	1.95	(6.04)
Add: Cash Balance at the Beginning of the Year	25.91	31.95
Cash Balance at the End of the Year	27.86	25.91

The accompanying notes are an Integral parts of financial statements  
For and on behalf of the Board of Directors

Place : Kolkata  
Date : 30.05.2017

**B.K. Nopany, Chairman**  
**S.J. Goswami, Whole Time Director**  
**A. K. Kabra, Chief Financial Officer**

As per our report of even date

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

**Vivek Jaiswal**  
**(Partner)**  
**Membership No. 057710**



## 14. SIGNIFICANT ACCOUNTING POLICIES

### i) Basis of Preparation of Financial Statement

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to section 133 of companies Act, 2013 read with rule 7 of Companies (Accounts) Rules, 2014 till the standards of accounting or any addendum thereto are prescribed by the central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 2013 shall continue to apply. Consequently these financial statements have been prepared to comply in all material aspects with accounting standards notified under section 133 [Companies (Accounting) Rules, 2014 as amended] and other relevant provisions of the Companies Act, 2013.

### 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 II to the Companies Act, 2013 (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.
- 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 incomes 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 31st March, 2017. 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. 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.

### **15. Notes Forming Part of Financial Statements**

- i) 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.
- ii) 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.
- iii) Professional Taxes and Trade License Fees are to be accounted for on cash basis.
- iv) Balance Confirmation Certificates from Debtors, Creditors and Banks are awaited from the respective parties.
- v) 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.



- vi) There is no impairment of assets. The management expects to recover amount higher than the carrying value of fixed assets.
- vii) The Company has operated in one segment only during the year ended on 31<sup>st</sup> March, 2017 and hence, Segment Reporting as per AS-17 issued by the ICAI is not appl cable.
- viii) Basis for Calculation of Basic and Diluted Earnings per share in terms of Accounting Standard -20 is as under: -

	(Rs. in lacs)	
	31.03.2017	31.03.2016
Profit/Loss after Tax as per Profit & Loss Account	(13.82)	14.77
Weighted Average No. of Equity Shares	292.00	292.00
Basic & Diluted Earnings per Share	(0.05)	(0.05)

- ix) **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.
- x) **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 is 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).
- xi) **Related Party Disclosure**
- a) **Names of Related Parties:**  
Associate Companies: Shree Hanuman Sugar & Industries Limited  
Key Managerial Personnel: Directors of the Company
- b) **Transaction entered into with related parties:**  
During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with



the policy of the Company materiality of related party transactions. Hence, the provisions of Section 188 of the Companies Act, 2013 are not attracted. Thus, disclosure in Form AOC-2 is not required. Further, there are no materially significant Related Party Transactions during the year under review made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons.

xii) 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 In-principle.

xiii) **Disclouser On Specified Bank Notes**

During the year, the Company had specified Ban Notes (SBNs) or other denomination notes as defined in the MCA notification G.S.R. 308(E) dates March, 31, 2017. The details of SBNs held and transacted during the period from November 8, 2016 to December 30, 2016 the denomination-wise SBNs and other notes as per the notification are as follows:

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	18348.00	NA	18348.00
(+) Permitted receipts	60200.00	NA	60200.00
(-) Permitted payments	11872.00	NA	11872.00
(-) Amount deposited in Banks	NIL	NA	NIL
Closing cash in hand as on 30.12.2016	66676.00	NA	66676.00

xiv) The Current Year's figures are for a period of 12 months and previous years figure are for a period of 9 months so not comparable to that extent.

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

As per our report of even date

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

Vivek Jaiswal  
(Partner)

Membership No. 057710

Place : Kolkata  
Date : 30.05.2017

**B.K. Nopany, Chairman**  
**S.J. Goswami, Whole Time Director**  
**A. K. Kabra, Chief Financial Officer**







## Eastern Sugar & Industries Limited

Registered Office: Hanuman Sugar Mills P.O. Motihari, Dist. East Champaran, Bihar 845401

E-mail: esil@nopany.in / info@easternsugar.in , website: www.easternsugar.in

CIN: L15422BR1964PLC006630

### ATTENDANCE SLIP

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

Members or their proxies are requested to present this form for admission, duly signed in accordance with their specimen signatures registered with the Company.

DP ID		Client ID	
Regd. Folio No.		No. of Shares	

Name(s) and address of the Member/ Proxy in full

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I/we hereby record my/our presence at the Annual General Meeting of the Company being held on Monday 18th September 2017 at 12.00 P.M. at the Registered Office of the Company at P.O. Hanuman Sugar Mills, Motihari, East Champaran, Bihar-845401.

Please ( √ ) in the box

MEMBER

PROXY

\_\_\_\_\_  
Signature of Member / Proxy





## Eastern Sugar & Industries Limited

Registered Office: Hanuman Sugar Mills P.O. Motihari, Dist. East Champaran, Bihar 845401

E-mail: esil@nopany.in / info@easternsugar.in , website: www.easternsugar.in

CIN: L15422BR1964PLC00663

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

### PROXY FORM

Name of the member(s): \_\_\_\_\_

Registered address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_

Folio No/ Client Id: \_\_\_\_\_

DP ID: \_\_\_\_\_

I/We, being the member (s) of ..... shares of the above named company, hereby appoint

**1. Name: & Address:**

E-mail Id:

Signature:....., or failing him

**2. Name: & Address:**

E-mail Id:

Signature:....., or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual general meeting of the company, to be held on Monday 18th September 2017 at 12.00 P.M. at P.O. Hanuman Sugar Mills, Motihari, East Champaran, Bihar-845401 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	For	Against
1 To consider and adopt the Audited Financial Statements of the company for the F.Y. ended 31.03.2017		
2 To Re-appointment of Mr. B. K. Nopany as Director, who retires by rotation		
3. To appoint of M/s. Saraf Manoj & Co. Chartered Accountants as auditors of the Company for the period of 5 years		
4. To Appoint of Ms. Ratna Vaswani as an Independent Director for the period of 5 years		

Signed this..... day of..... 20.....

Signature of shareholder

Signature of Proxy holder(s)

[Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.]

