

ANNUAL REPORT

*For the Year ended
30th June, 2012*

ⓔ Eastern Sugar & Industries Limited

CHAIRMAN

Shri Bimal Kumar Nopany

DIRECTORS

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

Shri R. C. Jha

Shri C. K. Garodia

Shri D. Y. Manawwar

COMPLIANCE OFFICER

Shri D. R. Gill

REGISTERED OFFICE

Hanuman Sugar Mills,

P.O. Motihari

Dist.: East Champaran

Bihar – 845 401

REGISTRAR & SHARE TRANSFER AGENT

M/s. Maheshwari Datamatics Pvt. Ltd.

6, Mangoe Lane

Kolkata – 700 001

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

Fax: (033) 2248-4787

STATUTORY AUDITORS

M/s. Vivek Jaiswal & Co.

Chartered Accountants

Commerce House

Suite # 1A, Floor 8

2A, Ganesh Chandra Avenue

Kolkata – 700 013

BANKERS

Andhra Bank

DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in presenting the Annual Report and the Audited Accounts of the Company for the financial year ended 30th June, 2012:

FINANCIAL RESULTS:	(Rs. in Lacs)	
	2011-12	2010-11
Sales & Other Income	1135.73	1302.41
Profit / (Loss) before Interest, Depreciation and Tax	843.75	1220.83
Less: Interest	124.85	166.47
Depreciation	344.00	925.57
Profit/(Loss) before tax	374.91	128.79
Add/Less: Balance brought forward from previous year	905.87	777.08
Profit available for appropriation	1280.78	905.87
APPROPRIATIONS		
Transfer to General Reserve	—	—
Balance (Loss) carried to Balance Sheet	1280.78	905.87

PERFORMANCE AND FUTURE PROGRAMMES:

During the year under review, total income stood at Rs. 1135.73 lacs, compared to Rs.1302.41 lacs in the previous year 2010-11: Total Income includes, inter alia, Profit on Sale of Fixed Assets amounting to Rs. 656.28 lacs. Sales and Block Usage Charges stood at Rs.213.92 lacs and Rs.265.53 lacs as against Rs.98.08 lacs and Rs.441.44 lacs, respectively, during the immediately preceding financial year. Net Profit stood at Rs.374.91 lacs, compared to Rs.128.79 lacs during the previous financial year 2010-11.

Directors have been actively considering entering in to new activities for increasing company's business. To begin with your Directors have actively been considering setting-up of a Distillery Project. Preliminary work of project report and land identification is under finalisation.

DIVIDEND:

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

DIRECTORS:

Mr. R. C. Jha & Mr. D. Y. Manawwar retires at the conclusion of ensuing Annual General Meeting and being eligible offer himself for re-appointment.

AUDITORS:

The Auditors of the company M/s Vivek Jaiswal & Co., Chartered Accountants, hold office until the conclusion of the ensuing Annual General Meeting and are recommended for re-appointment.

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Certificate from Auditors has been received to the effect that their appointment, if made, would be within the limit prescribed under section 224(1B) of the Companies Act, 1956.

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

FIXED DEPOSITS:

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

DE-MATERIALISATION OF SHARES:

The Company's equity shares are available for de-materialization on both the depositories, viz., NSDL & CDSL. Shareholders may be aware that SEBI has made trading in your Company's shares mandatory, in de-materialized form. As on 30th June, 2012, 8635300 equity shares representing 71.96% 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, Mumbai and National Stock Exchange of India Ltd. The Company has not paid annual listing fee to the Bombay Stock Exchange, National Stock Exchange for the year 2012-13. The shares at National Stock Exchange are still suspended for trading and efforts are being put for revocation of the suspension.

STATUTORY INFORMATION:

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

DIRECTOR' RESPONSIBILITY STATEMENT:

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

- In the preparation of the Annual Accounts for the year ended 30th June, 2012 the applicable accounting standards had been followed along with proper explanation relating to material departures;
- The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and the loss of the company for the year under review

EASTERN SUGAR & INDUSTRIES LIMITED

- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing, and detecting fraud and other irregularities; and
- The Directors have prepared the annual accounts on a going concern basis.

EMPLOYEE RELATIONS:

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

INVESTOR RELATIONS:

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

ACKNOWLEDGEMENT:

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

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

Place : Kolkata
Dated : 29th November, 2012

CORPORATE GOVERNANCE REPORT

I. COMPANY'S PHYLOSOPHY ON CORPORATE GOVERNANCE

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

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

II BOARD OF DIRECTORS

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

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

A. Composition of Directorships

The constitution of the Board as on June 30, 2012:

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

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

B. Pecuniary Relationship

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

C. Attendance records of Board Meetings

During the year under review, Six Board meetings were held on 26.08.2011, 11.11.2011, 28.11.2011, 21.01.12, 13.04.2012, 14.05.2012. The Board members are given appropriate documents and information in advance of each Board meeting.

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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	6	Yes
Mr. S. J. Goswami	6	Yes
Mr. D. Y. Manawwar	5	Yes
Mr. K. L. Darak	6	Yes
Mr. R. C. Jha	5	Yes
Mr. C. K. Garodia	1	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	5	4	2
Mr. D. Y. Manawwar	Independent & Non-executive	Nil	Nil	Nil
Mr. K. L. Darak	Independent & Non-executive	2	Nil	Nil
Mr. R. C. Jha	Independent & Non-executive	Nil	Nil	Nil
Mr. S. J. Goswami	Independent & Executive	Nil	Nil	Nil

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

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

III. BOARD PROCEDURES

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

All the Directors who are in various committees are within the permissible limit of the listing agreement and none of the Directors are disqualified for appointment as director under any of the provisions of the Companies Act, 1956.

IV. AUDIT COMMITTEE

In view of resignation by Mr. K. L. Darak, the Board reconstituted the Audit Committee on 14.05.2012 including C. K. Garodia as Committee Chairman to fill-up the vacancy. Audit Committee, therefore, comprises three members. . D.Y. Manawwar, Mr. C. K. Garodia and Mr. R.C. Jha are independent. The constitution of the Audit Committee meets the requirement of section 292A of the Companies Act, 1956 and the Listing Agreement. The power and role of the audit committee is as per the guidelines set out in the listing agreement and as prescribed under section 292A of the Companies Act, 1956.

During the year under review, the Committee met 4 (Four) times on 26.08.11, 11.11.2011, 13.04.2012, 14.05.2012 attendance of members at the meetings were as follows:

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

V. REMUNERATION COMMITTEE

The Board reconstituted the Remuneration Committee on 14.05.2012, comprising of three members, viz., Mr. B.K. Nopany, Mr. D.Y. Manawwar, Mr. C. K. Garodia, in view of vacancy caused by resignation of Mr. K. L. Darak.

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 meeting.

A. Details of the remuneration to the Executive Director provided as per accounts for the year ended 30th June, 2012 are given below:

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

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

B. Details of the remuneration to the Non-executive Directors provided as per accounts for the year ended 30th June, 2012 are given below:

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

VI. SHAREHOLDERS' GRIEVANCE COMMITTEE

The Board also reconstituted the Shareholders' Grievance Committee on 14.05.2012, comprising of three directors under the chairmanship of Mr. C. K. Garodia. The other members in the committee being, Mr. B.K. Nopany and Mr. D.Y. Manawwar.

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

During the year under review, the Committee had 15.07.2011, 30.07.2011, 16.08.2011, 15.09.2011, 30.09.2011, 15.10.2011, 31.10.2011, 15.11.2011, 30.11.2011, 10.12.2011, 31.12.2011, 30.01.2012, 15.02.2012, 29.02.2012, 15.03.2012, 31.03.2012, 16.04.2012, 15.05.2012, 30.05.2012, 15.06.2012, 30.06.2012 meeting.

Total number of letters and complaints received was 12 and all were replied to the satisfaction of shareholders during the year under review. As on 30th June 2012, there are Nil complaints were 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	Special Resolutions Passed
2010-11	Regd. Office: Hanuman Sugar Mills, P.O. Motihari Dist.: East Champaran, Bihar - 845 401	15.12.2011	1.00 P.M.	N.A.
2009-10	Regd. Office: Hanuman Sugar Mills, P.O. Motihari Dist.: East Champaran, Bihar - 845 401	31.12.2010	1.00 P.M.	N.A.
2008-09	Regd. Office: Hanuman Sugar Mills, P.O. Motihari Dist.: East Champaran, Bihar - 845 401	29.12.2009	1.00 P.M.	N.A.

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

VIII. DISCLOSURES

A. Basis of related party transaction

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.

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

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

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

The Board has prescribed a Code of Conduct ("Code") for all Board members and senior management of the Company. The Code is provided on the Website of the Company. All Board members and senior management personnel have confirmed compliance with the Code for the year 2011-12. A declaration to this effect signed by the Executive Director of the Company is provided elsewhere in the Annual Report.

D. Disclosure of Accounting Treatment

In the preparation of financial statements for the year ended on 30th June, 2012; there was no treatment different from that prescribed in an accounting standard that had been followed.

E. Board Disclosures – Risk Management

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

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

During the year, the Company has not raised any amount through Public Issue, Right Issue, Preferential Issue, etc.

IX. SUBSIDIARY MOTORING FRAMEWORK

The Company has no subsidiary.

X. MEANS OF COMMUNICATION

Immediately after the Board of Directors of the Company took note of Results for quarter ended 30th September 2011, 31st December 2011, 31st March 2012 and Audited Annual Accounts, the same were informed to the National Stock Exchange, Bombay Stock Exchange Ltd., Mumbai and Magadh Stock Exchange were also published in English newspaper (viz. Hindustan Times in Patna) and Hindi newspaper, viz., Business Standard, in Patna.

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.



EASTERN SUGAR & INDUSTRIES LIMITED

XI. GENERAL SHAREHOLDERS INFORMATION

1. Annual General Meeting:

Date	: 31st December, 2012
Day	: Monday
Time	: 1.00 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	July 1, 2012 to June 30, 2013
First Quarter Results	By 14 th November, 2012
Second Quarter Results	By 14 th February, 2013
Third Quarter Results	By 15 th May, 2013
Fourth Quarter Results	By 29 th August, 2013

3. Date of Book Closure

Thursday, 27th December, 2012 to Monday, 31st December, 2012 (both days inclusive)

4. Listing on Stock Exchanges

The Shares of the Company are listed on Bombay Stock Exchange, Mumbai and National Stock Exchange India Ltd. Listing fees of Bombay Stock Exchange for the year 2012-13 has not been paid. However, trading of shares of the Company at the National Stock Exchange 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 1.7.2011 to 30.6.2012 are as follows:

MONTH	Bombay Stock Exchange	
	High	Low
July, 2011	14.55	9.21
August, 2011	15.84	12.35
September, 2011	18.48	13.45
October, 2011	18.20	13.60
November, 2011	14.80	11.83
December, 2011	14.42	11.60

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MONTH	Bombay Stock Exchange	
	High	Low
January, 2012	13.11	8.49
February, 2012	10.95	7.28
March, 2012	10.04	6.70
April, 2012	8.68	6.58
May, 2012	8.57	6.70
June, 2012	7.68	6.27

7. Registrar & Share Transfer Agent

M/s Maheshwari Datamatics Pvt Ltd.

6, Mangoe Lane, 2nd Floor

Kolkata – 700001

Phone : 033-2248 2248

033-2243 5809

Fax : 033-2248 8787

E-mail : mdpl@cal.vsnl.net.in

8. Share Transfer System

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

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

9. Distribution of Shareholding as on 30th June, 2012

Nominal Value of Shareholding	No. of Shareholders		Number of Equity Shares	
	Total	Percentage of Total	Total Shares	Percentage of Share Capital
Upto Rs.500	20662	95.1640	2504861	20.8737
Rs. 501 to Rs. 1000	602	2.7727	518092	4.3174
Rs.1001 to Rs. 2000	205	.9442	311998	2.6000
Rs.2001 to Rs. 3000	67	.3086	164664	1.3722
Rs.3001 to Rs. 4000	42	.1934	155658	1.2971
Rs.4001 to Rs. 5000	27	.1244	124671	1.0389
Rs.5001 to Rs. 10000	46	.2119	350426	2.9202
Rs.10001 and above	61	.2810	7869730	65.5805
Total	21712	100.00	12000100	100.00

EASTERN SUGAR & INDUSTRIES LIMITED

10. Shareholding Pattern 30th June, 2012

Category Code	Category of Shareholder	Number of Shareholders	Total No. of Shares	Number of Shares held in dematerialised form	Total shareholding as percentage of total number of shares
(A)	Shareholding of Promoter and Promoter Group*				
(1)	Indian				
(a)	Individuals/Hindu Undivided Family	12	624800	209800	5.21
(b)	Central Government/ State Government(s)				-
(c)	Bodies Corporate	7	2915111	2881011	24.29
(d)	Financial Institutions / Banks				-
(e)	Trustee of various Trust	2	350000	300000	2.92
(f)	Individual holding on behalf of Partnership Firm	1	400000	400000	3.33
	Sub-Total (A) (1)	22	4989911	4040811	35.75
(2)	Foreign				
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-
(b)	Bodies Corporate	-	-	-	-
(c)	Institutions	-	-	-	-
(d)	Any other (Specify)	-	-	-	-
	Sub-Total (A) (2)	-	-	-	-
	Total Shareholding of Promoters (A)	22	4989911	4040811	35.75
(B)	Public Shareholding³				
(1)	Institutions				
(a)	Mutual Funds/UTI	1	11200	-	0.09
(b)	Financial Institutions / Banks	-	-	-	-
(c)	Central Government / State Government (s)	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-
(e)	Insurance Companies	-	-	-	-
(f)	Foreign Institutional Investors				
(g)	Foreign Venture				
(h)	Capital Investors Any other (Specify)				
	Sub-Total (B) (1)	1	11200	-	0.09

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Category Code	Category of Shareholder	Number of Shareholders	Total No. of Shares	Number of Shares held in dematerialised form	Total shareholding as percentage of total number of shares
(2)	Non Institutions				
(a)	Bodies Corporate	155	2954060	2476160	24.62
(b)	Individual Shareholders				
	(I) holding nominal share capital up to Rs.1 lakh	21124	3520585	1391185	29.34
	(II) holding nominal share capital in excess of Rs.1 lakh	22	705398	599298	5.88
(c)	Any other (Specify)				
	Foreign Company	384	516146	125046	4.3
	Non-resident Individual	4	2800	2800	0.02
	Cleaning Member				
	Sub-Total (B) (2)	21689	7698989	4594489	64.16
	Total Public Shareholding (B)= (B) (1) + (B) (2)	21690	7710189	4594489	64.25
	TOTAL (B)(A) + (B)	21712	12000100	8635300	100.00
(C)	Shares held by Custodians & against which depository receipt have been issued	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	21712	12000100	8635300	100.00

11. Dematerialization of Shares and liquidity

The dematting facility exists with both the NSDL and CDSL for the convenience of shareholders. As on 30th June, 2012, 8635300 equity shares representing 71.96% of your Company's Equity shares capital have been de-materialised.

12. Plant location

N.A.

13. Investors correspondence may be addressed to –

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

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

Place : Kolkata
 Dated : 29th November, 2012

AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of
Eastern Sugar & Industries Ltd.

We have examined the compliance of the conditions of Corporate Governance by **EASTERN SUGAR & INDUSTRIES LIMITED** for the year ended on 30th June, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.

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

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

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that based on the report given by Investors' Grievance Committee, as on June 30, 2012 there were no investor grievance matters against the Company remaining unattended/pending for more than 30 days.

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

Commerce House
Suite # 1A, Floor 8
2A, Ganesh Chandra Avenue,
Kolkata – 700 013
Date: 29th November, 2012

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

Vivek Jaiswal
Partner
M. No. 057710

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

As required under clause 49 of the Listing Agreement with Stock Exchanges, it is hereby confirmed that for the year ended 30th June 2012, 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: 29th November, 2012

(S. J. Goswami)
Wholetime Director

W.T.D. AND CFO CERTIFICATION

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

- a. We have reviewed the financial statements and cash flow statement for the year ended 30th June, 2012 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 30th June, 2012 are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to the financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d. There has not been any significant change in internal control over financial reporting during the year under reference;
- e. There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and
- f. We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Place: Kolkata

Date: 29th November, 2012

(A. K. Kabra)
Chief Financial Officer

(S. J. Goswami)
Wholetime Director

AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of
Eastern Sugar & Industries Ltd.

We have examined the compliance of the conditions of Corporate Governance by **EASTERN SUGAR & INDUSTRIES LIMITED** for the year ended on 30th June, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.

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

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

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that based on the report given by Investors' Grievance Committee, as on June 30, 2012 there were no investor grievance matters against the Company remaining unattended/pending for more than 30 days.

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

Commerce House
Suite # 1A, Floor 8
2A, Ganesh Chandra Avenue,
Kolkata – 700 013
Date: 29th November, 2012

For Vivek Jaiswal & Co.
Chartered Accountants

Vivek Jaiswal
Partner
M. No. 057710

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. The Company acquired construction rights in the previous financial year 2010-11 for resale, which still lies in stock.

SEGMENTWISE PERFORMANCE

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

INTERNAL CONTROL SYSTEMS THEIR ADEQUACY

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

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

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

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Revenue

The gross revenue during the year under review stood at Rs. 1135.73 lacs as against to Rs. 1302.41 lacs in the previous financial year 2010-11.

Profits

The Company has earned Profit before Interest, Depreciation and Tax of Rs.843.75 lacs compared to Rs.1220.83 lacs during the financial year ended 30th June, 2011. Profit before interest, depreciation and tax during the year under review includes, inter alia, profit on sale of fixed assets amounting to Rs. 656.28 lacs.

Earnings Per Shares (EPS)

The Company recorded an EPS of Rs. 2.65 per equity shares of Rs. 10/- each during 2011-12.

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.

Place: Kolkata

Date: 29th November, 2012

(B. K. Nopany)

Chairman

AUDITORS' REPORT

To the Members of Eastern Sugar & Industries Limited

We have audited the attached Balance Sheet of **EASTERN SUGAR & INDUSTRIES LIMITED** as at 30th June, 2012 and also the Profit & Loss Account for the year ended on that date annexed here to and the Cash Flow Statement for the year ended on that date, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis of our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by Central Government of India, in terms of sub section (4A) of Section 227 of the Companies Act, 1956, and on the basis of the information and explanations given to us and the books and records examined by us in the normal course of our audit and to the best of our knowledge and belief, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to above, we report that:—
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - b) In our opinion, proper books of accounts, as required by law, have been kept by the company so far as appears from our examination of those books;
 - c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account as submitted to us;
 - d) In our opinion the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, subject to the provision for Gratuity which is not done as prescribed in AS-15.
 - e) On the basis of written representations received from the individual directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 30th June, 2012 from being appointed as a director in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956.

 EASTERN SUGAR & INDUSTRIES LIMITED

3. In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet, the Profit & Loss Account and Cash Flow Statement gives the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India: -
- i) In the case of Balance sheet, of the state of affairs of the Company as at 30th June, 2012;
 - ii) In the case of Profit & Loss Account, of the Profit of the Company for the year ended on that date; and
 - iii) In the case of Cash Flow Statement, of the cash flow for the year ended on that date.

2A, Ganesh Chandra Avenue,
Kolkata-700 013
Date: 7th September, 2012

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

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

(i) FIXED ASSETS:

- a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The assets have been physically verified by the management during the year according to a phased programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- c) There was no substantial disposal of fixed assets during the year.

(ii) INVENTORIES:

- a) According to the information and explanations given to us, and in our opinion, the inventory has been physically verified by the management at reasonable intervals.
- b) According to the information and explanations given to us, the procedure of physical verification of inventories followed by the Company are reasonable and adequate in relation to the size of the Company and nature of its business.
- c) The Company is maintaining proper records of inventory and according to the information and explanations given to us, discrepancies noticed on physical verification were not material and the same have been properly dealt with in the books of account.

(iii) LOANS:

- a) As informed, the Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
- b) Such loans taken in earlier years are stated to be free of interest and repayable on demand and in our opinion, other terms and conditions on which loans have been taken are not, prima facie, prejudicial to the interest of the company.
- c) The Company, as informed, is regular in repaying the principal amounts.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls.
- (v) According to the information and explanations given to us, we are of the opinion that particulars of transactions/contracts that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- (vi) The company has not accepted any deposits from public during the year.
- (vii) In our opinion, the company has an adequate internal audit system commensurate with the size of the Company and the nature of its business.
- (viii) As informed to us, the Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for the business the Company has carried on during the year.

EASTERN SUGAR & INDUSTRIES LIMITED

(ix) STATUTORY DUES:

- a) Based on our audit procedures and on the basis of books of accounts and records produced before us and information and explanations given by the management, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident fund, Investor education and protection fund, Employees' state insurance, income tax, sales tax, wealth tax., service tax, customs duty, excise duty, cess and other material statutory dues applicable to it. No undisputed statutory dues were outstanding as at 30 th June for more than 6 months from the date they became payable.
- b) According to the information and explanations given to us, there are no disputed dues of income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess.
- (x) The Company has no accumulated loss at the end of the current accounting year. Further, the Company has not incurred any cash loss in the current accounting year as well as in the immediately preceeding accounting year.
- (xi) Based on our audit procedure and on the basis of information and explanations given by the management, the Company has defaulted in repayment of the Secured Loans from the bank and Financial institution, but the company is in negotiation with the said banks and Financial Institution and the matter is expected to be settled soon. There were no borrowings in the form of Debentures.
- (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund or a nidhi/mutual fund/society.
- (xiv) The company is not dealing in or trading in shares, securities, debentures and other investments.
- (xv) According to the information given to us, the Company has not given guarantees for loans taken by others from banks or financial institutions during the year.
- (xvi) The Company has not taken any term loan during the year and according to the information and explanations given to us, the outstanding term loans were applied for the purpose for which the same were raised.
- (xvii) 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 new funds have been raised during the year on short-term basis.
- (xviii) The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act during the year.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money by public issue.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

2A, Ganesh Chandra Avenue,
Kolkata-700 013
Date: 7th September, 2012

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

EASTERN SUGAR & INDUSTRIES LIMITED

BALANCE SHEET AS AT 30TH JUNE, 2012

PARTICULARS	NOTE No.	As at 30.06.2012 Amount Rs.(in lacs)		As at 30.06.2011 Amount Rs.(in lacs)	
I. EQUITY AND LIABILITIES					
1. Shareholder's Funds					
(a) Share Capital	1	2,200.01		2,200.01	
(b) Reserves and Surplus	2	<u>2,550.45</u>	4,750.46	<u>2,175.54</u>	4,375.55
2. Share Application			800.00		
3. Non-current liabilities					
(a) Long-term borrowings	3		8,791.53		9,666.68
4. Current Liabilities					
(a) Short Term Borrowings	4	833.15		830.47	
(b) Trade Payables		1,652.64		2,006.56	
(c) Other Current Liabilities		0.47		0.47	
			2,486.26		2,837.50
TOTAL :			<u>16,828.25</u>		<u>16,879.73</u>
II. ASSETS					
1. Non-current assets					
a) Fixed Assets	5				
(i) Tangible Asset					
Gross Block		7,023.76		6,716.80	
Less: Depreciation		908.89		1,221.17	
Net Block		<u>6,114.87</u>		<u>5,495.63</u>	
(ii) Capital Work in Progress		4,753.17		6,010.86	
(b) Non-Current Investments	6	<u>2,762.19</u>	13,630.23	<u>2,019.69</u>	13,526.18
(c) Deferred tax assets (net)					
(d) Long-term loans and advances					
(e) Other non-current assets					
2. Current assets					
(a) Current Investments					
(b) Inventories	7	989.24		432.78	
(c) Cash and Cash equivalents	8	43.03		59.69	
(d) Short-term loans and advances	9	<u>2,165.75</u>	3,198.02	<u>2,861.08</u>	3,353.55
TOTAL :			<u>16,828.25</u>		<u>16,879.73</u>
Significant accounting policies	15				
Notes are integral parts of accounts					

For and on behalf of the Board of Directors

B.K. Nopany, Chairman
Executive Director:

S.J. Goswami

Directors:

R.C. Jha, C.K. Garodia

As per our report of even date

For **Vivek Jaiswal & Co.**

Chartered Accountants

Vivek Jaiswal

Partner

M. No. 057710

2A, Ganesh Chandra Avenue,
Kolkata-700 013

Date: 7th September, 2012

EASTERN SUGAR & INDUSTRIES LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 30.06.2012

(Rs. in Lacs)

PARTICULARS	NOTE No.	30.06.2012		30.06.2011	
		Rs.	Rs.	Rs.	Rs.
I Revenue From Operations	10	213.92		98.08	
II Other Income	11	921.81		1,204.33	
III Total Revenue			1,135.73		1,302.41
IV Expenses:					
Purchase of stock-in -trade		706.01		-	
Change in inventories of Finished Goods	12	(556.46)		58.88	
Stock in Trade & By Products					
Employee Benefit Expenses	13	131.38		10.63	
Finance Cost		124.85		166.47	
Depreciation		344.00		925.57	
Other Expenses	14	11.05		12.07	
Total Expense			760.82		1,173.62
V Profit before tax (I-II)			374.91		128.79
VI Tax expense			-		-
VII Profit/(Loss) for the period (IV-V)			374.91		128.79
VIII Earnings per equity share:					
(1) Basic			2.65		0.60
(2) Diluted			2.65		0.60
IX No. of Shares Used in Computing Earning per Share					
(1) Basic			120.00		120.00
Significant Accounting Policy	15				
Notes are integral parts of accounts					

For and on behalf of the Board of Directors

B.K. Nopany, Chairman

Executive Director:

S.J. Goswami

Directors:

R.C. Jha, C.K. Garodia

As per our report of even date

For **Vivek Jaiswal & Co.**

Chartered Accountants

Vivek Jaiswal

Partner

M. No. 057710

2A, Ganesh Chandra Avenue,
Kolkata-700 013

Date: 7th September, 2012

EASTERN SUGAR & INDUSTRIES LIMITED

NOTES TO ACCOUNTS FORMING PART OF BALANCE SHEET

	As on 30.06.2012		As on 30.06.2011	
	No. of Shares	Amount (Rs.in lacs)	No. of Shares	Amount (Rs.in lacs)
NOTE 1: SHARE CAPITAL				
(a) Authorised Capital				
Equity Shares (Shares of Rs.10 each)	200.00	2,000.00	200.00	2,000.00
Preference Shares (Shares of Rs.100 each)	10.00	1,000.00	10.00	1,000.00
Unclassified shares (Shares of Rs.100 each)	20.00	2,000.00	20.00	2,000.00
		5,000.00		5,000.00
(b) Issued, Subscribed & Paid up				
Equity Shares (Shares of Rs. 10 each fully paid)	120.00	1,200.01	120.00	1,200.01
12% Cumulative Convertible Preference Shares (Shares of Rs.100 each fully Paid)	3.00	300.00	3.00	300.00
3% Cumulative Convertible Preference Shares (Shares of Rs.100 each fully Paid)	7.00	700.00	7.00	700.00
		2,200.01		2,200.01

(c) Reconciliation of Number & Amount of Equity Shares outstanding at the beginning & at the end of the Reporting Year

	As on 30.06.2012		As on 30.06.2011	
	No. of Shares	Amount (Rs.in lacs)	No. of Shares	Amount (Rs.in lacs)
Outstanding Shares at the Beginning of the Year	120.00	1,200.01	120.00	1,200.01
Add: Issued / Bought Back During The Year	-	-	-	-
Outstanding Shares at the End of the Year	120.00	1,200.01	120.00	1,200.01

EASTERN SUGAR & INDUSTRIES LIMITED

(d) Detail of Equity shares held by shareholders holding more than 5% shares of the aggregate shares in the Company

Name of the Share Holder	As on 30.06.2012		As on 30.06.2011	
	No. of Shares Held	% of Shares Holding	No. of Shares Held	% of Shares Holding
Indo Austro Corporation Pvt. Ltd.	1,103,137.00	9.19	602,289.00	5.71
Shruti Ltd.	1,737,685.00	14.48	2,386,737.00	19.89
Nopany & Sons Pvt. Ltd.	615,619.00	5.13	607,000.00	5.06
India Die Casting Co. Ltd.	664,168.00	5.53	685,800.00	5.71
Nopany Investments Pvt. Ltd.	-	-	612,099.00	5.10

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.

NOTE 2 : RESERVES & SURPLUS

	As on 30.06.12 Amount (Rs.in lacs)		As on 30.06.11 Amount (Rs.in lacs)	
Revaluation Reserve				
As per last balance sheet	619.67		619.67	
Less: Transferred to General Reserve	100.35	519.32	-	619.67
General Reserve				
As per last balance sheet	650.00		650.00	
Add: Transferred From Revaluation Reserve	100.35	750.35	-	650.00
Profit & loss A/c				
As per last balance sheet	905.87		777.08	
Add: Profit After Tax for the Current Year	374.91		128.79	
Balance brought forward		1,280.78		905.87
TOTAL		2,550.45		2,175.54

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

NOTE 3 : LONG TERM BORROWINGS

	As on 30.06.12 Amount (Rs.in lacs)		As on 30.06.11 Amount (Rs.in lacs)	
SDF Loan	1,337.00		1,337.00	
Accrued Interest on SDF Loan	624.09		624.09	
Cash Credit Borrowings from Bank	693.59		693.59	
Term Loan from Bank	1,328.06		1,203.21	
Term Loan from Bank	4,808.79		5,808.79	
TOTAL		8,791.53		9,666.68

NOTE : 4 CURRENT LIABILITIES

(a) Short Term Borrowings			
From Body Corporates		833.15	830.47
(b) Trade Payables		1,652.64	2,006.56
(c) Other Current Liabilities			
Audit Fee Payable		0.47	0.47
TOTAL		2,486.26	2,837.50

(E) EASTERN SUGAR & INDUSTRIES LIMITED
NOTES TO BALANCE SHEET AT AT 30TH JUNE, 2012

Note 5: FIXED ASSET

(Rs. in Lacs)

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.07.2011	Additions	Sales/ Adjustment	As at 30.06.2012	Up to 01.07.2011	For the year	On Asset Sold	Up to 30.06.2012	As at 30.06.2012	As at 30.06.2011
A. FIXED ASSET										
Building	5.01	-	-	5.01	0.45	0.17	-	0.62	4.39	4.56
Plant & Machinery	6,662.68	1,585.00	1,278.03	6,969.65	1,184.08	339.17	656.28	866.97	6,102.68	5,478.60
Vehicles	49.10	-	-	49.10	36.64	4.66	-	41.30	7.80	12.46
TOTAL OF 'A'	6,716.79	1,585.00	1,278.03	7,023.76	1,221.17	344.00	656.28	908.89	6,114.87	5,495.62
B. CAPITAL WORK IN PROGRESS										
Capital Work in Progress	6,010.86	-	1,257.69	4,753.17	-	-	-	-	4,753.17	6,010.86
TOTAL OF 'B'	6,010.86	-	1,257.69	4,753.17	-	-	-	-	4,753.17	6,010.86
GRAND TOTAL (A+B)	12,727.65	1,585.00	2,535.72	11,776.93	1,221.17	344.00	-	908.89	10,868.04	11,506.48
Previous Year's Total	14,403.82	1,966.65	3,642.83	12,727.64	678.77	542.40	-	1,221.17	11,506.48	13,725.05



NOTE : 6 NON CURRENT INVESTMENTS		As on 30.06.12 (Rs.in lacs)	As on 30.06.11 (Rs.in lacs)
Non Trade Investments	Nominal value		
Unquoted :			
92000 Equity Shares of Shruti Ltd.	10.00	604.66	604.66
294000 Equity Shares of Hanuman Industries (India) Pvt. Ltd. (Previous Year, 211500 Shares)	10.00	2,157.53	1,415.03
TOTAL		2,762.19	2,019.69
NOTE : 7 INVENTORIES			
Closing Stock of Goods Traded			
Construction Rights		989.24	432.78
TOTAL		989.24	432.78
NOTE : 8 CASH & CASH EQUIVALENTS			
Cash in Hand		25.42	5.47
Balance with Schedule Banks (In Current Account)		17.61	54.22
TOTAL		43.03	59.69
NOTE : 9 SHORT TERM LOANS & ADVANCES			
(Unsecured , Considered Good)			
Loan to Related Party		2,165.75	2,861.08
TOTAL		2,165.75	2,861.08

EASTERN SUGAR & INDUSTRIES LIMITED

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

	As on 30.06.2012 (Rs.in lacs)	As on 30.06.2011 (Rs.in lacs)
NOTE 10: INCOME FROM OPERATION		
Sale of Goods		
(Less Returns, Rebate, Discount etc.)		
Stores, Spares & Parts	213.92	98.08
TOTAL:	213.92	98.08
NOTE 11: OTHER INCOME		
Profit from Sale of Fixed Assets	656.28	626.89
Fixed Asset Usage charges	265.53	441.44
Profit from Transfer of Current Assets	-	136.00
TOTAL:	921.81	1,204.33
NOTE 12: INCREASE/DECREASE IN STOCK		
Closing Stock:		
Construction Rights	989.24	432.78
A	989.24	432.78
Less: Opening Stock		
Stores	-	58.88
Construction Rights	432.78	432.78
B	432.78	491.66
(A - B)	556.46	(58.88)
NOTE 13: EMPLOYEE BENEFIT EXPENSES		
Salary & Wages	15.34	10.60
Provision for Provident Fund Liability	70.00	-
Provision for Gratuity	46.00	-
Employee Welfare Expenses	0.04	0.03
TOTAL:	131.38	10.63
NOTE 14: OTHER EXPENSES		
Travelling Expenses	1.18	0.04
Legal & Filing Expenses	0.21	0.13
Audit fees	0.47	0.47
Miscellaneous Expenses	9.19	11.43
TOTAL:	11.05	12.07

15. SIGNIFICANT ACCOUNTING POLICIES

i) Basis o Preparation of Financial Statement

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

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

All Assets and Liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. Based on the nature of operations and time between the procurement of raw material and realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

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 their original cost net of accumulated depreciation.

"Capital work-in-progress"- Capital work-in-progress is stated at the amount expended up to the date of Balance Sheet for the cost of fixed assets that are not yet ready for their intended use.

iv) Depreciation

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

v) Investments

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

vi) Inventories

Inventories are valued at lower of cost and net realizable value. Cost of inventory comprises

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

vii) Revenue recognition

- a) Sale of goods is recognized at the time of transfer of substantial risk and rewards of ownership to the buyer for a consideration.
- b) All other income is accounted for on accrual basis.

viii) Expenses

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

ix) Taxes on income

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

x) Earnings per share

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

xi) Dues to micro and small scale business 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, 2012. 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.

Notes Forming Part of Financial Statements

16. In some cases T.D.S have not been deducted and deposited in time. Interest and penalty on T.D.S, Advance Tax & Income Tax dues, Dividend Tax if any, will be accounted for on cash basis.
17. 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.
18. Professional Taxes and Trade License Fees are to be accounted for on cash basis.
19. Balance Confirmation Certificates from Debtors, Creditors and Banks are awaited from the respective parties.
20. There is no amount due to Micro and Small Enterprises as on the Balance Sheet date in excess of Rupees One lac to the extent such parties have been identified from the available information/documents.
21. The Company has made an ad hoc provision for gratuity amounting to Rs.46 lakhs during the year on the basis of calculation made by the management and the same is considered adequate to cover liability on account of Gratuity. However, no actuarial valuation has been made as per AS – 15.
22. Depreciation on fixed assets has been provided on straight-line basis as specified in clause 17(iv) of Accounting Policies stated above.

23. Auditors remuneration

	30th June, 2012 (Rs.)	30th June, 2011 (Rs.)
Statutory Audit Fee	34,000	34,000
In other Capacity	13,000	13,000
	47,000	47,000.

24. 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.
25. There is no impairment of assets. The management expects to recover amount higher than the carrying value of fixed assets.
26. The Company has operated in one segment only during the year ended on 30th June, 2012 and hence, Segment Reporting as per AS-17 issued by the ICAI is not applicable

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

	30.06.2012	30.06.2011
Profit after Tax as per Profit & Loss Account	374.91	128.79
Weighted Average No. of Equity Shares	120.00	120.00
Basic & Diluted Earning per Share	2.65	0.60

28. 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.

29. 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.

30. Long Term Loans

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

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

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

For and on behalf of the Board of Directors

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

2A, Ganesh Chandra Avenue,
Kolkata-700 013
Date: 7th September, 2012

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

EASTERN SUGAR & INDUSTRIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 30TH JUNE, 2012

PARTICULARS	AMOUNT (Rs. in Lacs)	
	2011-2012	2010-2011
A. Cash Flow from Operation Activities		
Net Profit Before Tax & Extra Ordinary Item	374.91	128.79
Adjustment for :		
Profit from Sale of Stores & Spares	(656.28)	(626.89)
Interest Paid	124.85	166.47
Depreciation	344.00	925.57
Operating Profit Before Working Capital Changes	187.47	593.94
Adjustment for :		
Other Current Liabilities	-	-
Inventories	(556.46)	58.88
Advances	695.33	(1,483.39)
Trade Payable	(353.92)	(20.96)
Less: Taxes Paid	-	-
Net Cash Generated from Operations	(27.58)	(851.53)
B. Cash Flow from Investing Activity		
Purchase of Fixed Assets	(1,585.00)	(991.05)
Purchase of Investments	(742.50)	(1,488.39)
Sale of Fixed Assets	2,535.73	2,743.29
Net Cash Generated from Investing Activity	208.23	263.85
C. Cash Flow from Financing Activity		
Interest Paid	(124.85)	(166.47)
Share Application	800.00	-
Current Borrowings	2.68	182.85
Long Term Borrowings	(875.15)	601.06
Net Cash Generated from Investing Activity	(197.32)	617.44
Total Cash Generated During the year (A+B+C)	(16.66)	29.76
Add: Cash Balance at the Beginning of the year	59.69	29.93
Cash Balance at the End of the Year	43.03	59.69

For and on behalf of the Board of Directors

2A, Ganesh Chandra Avenue,
Kolkata-700 013
Date: 7th September, 2012

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

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

EASTERN SUGAR & INDUSTRIES LIMITED

Regd. Office: Hanuman Sugar Mills, P.O. Motihari, Dist :East Champaran, Bihar – 845 401
Corp. Off : Chandra Kunj, 3, Pretoria Street, 4th Floor, Kolkata – 700 071
Phones: (033) 2282-1169 (4lines), 2282-1183 (2 lines), Fax : (033) 2282-1187/1188
Email :shri@nopany.co.in

ATTENDANCE SLIP

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 shareholder in full _____

I/we hereby record my/our presence at the Annual General Meeting of the Company being held on Monday, 31st December, 2012 at 01.00 P.M. at the Registered Office of the Company at Hanuman Sugar Mills, P.O. Motihari, Dist.: East Champaran, Bihar–845 401.

Please (✓) in the box

MEMBER PROXY

Signature of Shareholder / Proxy

EASTERN SUGAR & INDUSTRIES LIMITED

Regd. Office: Hanuman Sugar Mills, P.O. Motihari, Dist :East Champaran, Bihar – 845 401
Corp. Off : Chandra Kunj, 3, Pretoria Street, 4th Floor, Kolkata – 700 071
Ph.: (033) 2282-1169 (4lines), 2282-1183 (2 lines), Fax : (033) 2282-1187/1188, Email :shri@nopany.co.in

FORM OF PROXY

I/We _____ of _____ being a member of the above-named Company, hereby appoint _____ of _____ or falling him,

of _____ 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, 31st December, 2012 at 01.00 P.M. at the Registered Office of the Company at Hanuman Sugar Mills, P.O. Motihari, Dist.: East Champaran, Bihar – 845 401 or at any adjorment thereof.

Signed this _____ day of _____ 2012.

Reference Folio No.
Number of Shares held
DP ID & Client ID

Affix
Revenue
Stamp

Notes:

The Proxy, to be effective should be deposited at the Registered Office of the Company not less than Forty-Eight Hours before the commencement of the Meeting.