

**ANNUAL REPORT 2019-20**

**DIRECTOR CUM CHAIRMAN**

Bimal Kumar Nopany

**DIRECTORS**

S. Goswami – Whole Time Director  
R . C. Jha – Independent Director  
C. K. Garodia – Independent Director  
R. Srivastava – Independent Director

**COMPANY SECRETARY**

Priyanka Mundhara

**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  
Tobacco House  
1, Old Court House Corner  
Suite No. 519, 5th Floor  
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 **TUESDAY, the 29<sup>th</sup> September, 2020 AT 3.00 P.M.** through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following businesses:

### **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, 2020 and the reports of the Board of Directors (the Board) and the Auditors thereon.

### **SPECIAL BUSINESS**

#### **2. Approval to Re-appointment of Mr. Shirish Goswami as Wholetime Director**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 203 of the Companies Act, 2013 read with Schedule V and other applicable provisions of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications and re-enactment thereof) approval of the shareholders be and is hereby accorded to re-appointment of Mr. Shirish Goswami (DIN NO: 02899135), as Wholetime Director and KMP of the Company for a period of three years w.e.f. 1<sup>st</sup> October, 2019 on the terms and conditions detailed in the Explanatory Statement annexed hereto and as contained in the agreement entered into between Mr. Shirish Goswami and the Company.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to alter or vary the terms and conditions of the appointment/agreement, to the extent recommended by the Nomination and Remuneration Committee from time to time as may be considered appropriate, subject to the overall limits specified by the Act.

**RESOLVED FURTHER THAT** the Board of Directors (which term shall include a Committee thereof) be and is hereby authorised to take all steps and to do acts, deeds and things as may be deemed necessary for giving effect to this Resolution.”

#### **3. Appointment of Mr. Chandan Sharma (DIN: 08855518) 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 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Mr. Chandan Sharma (DIN 08855518), who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1) (b) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements)

Regulations, 2015 and who is eligible for appointment, and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act signifying his intention to propose Mr. Chandan Sharma's candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold Office for 5 (five) consecutive years for a term up to 28th September, 2025;

**“RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof) and/or Company Secretary of the Company, be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

#### **4. Appointment of Ms. Ankita Srivastava (DIN: 08855511) 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 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Ms. Ankita Srivastava (DIN: 08855511), who has submitted a declaration that she meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1) (b) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and who is eligible for appointment, and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act signifying his intention to propose Ms. Ankita Srivastava's candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold Office for 5 (five) consecutive years for a term up to 28th September, 2025;

**“RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof) and/or Company Secretary of the Company, be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

#### **5. Appointment of Ms. Khushbu Sharma (DIN: 08855892) 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 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Ms. Khushbu Sharma (DIN: 08855892), who has submitted a declaration that she meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1) (b) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements)

Regulations, 2015 and who is eligible for appointment, and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act signifying his intention to propose Ms. Khushbu Sharma's candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold Office for 5 (five) consecutive years for a term up to 28th September, 2025;

**“RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof) and/or Company Secretary of the Company, be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

By order of the Board  
For Eastern Sugar & Industries Limited  
**Sd/-**  
Priyanka Mundhara  
Company Secretary

Registered Office:  
Hanuman Sugar Mills  
P.O. Motihari, Dist. East Champaran  
Bihar – 845 401  
E-mail: esil@npany.in  
CIN: L15421BR1964PLC006630  
Date: 31.08.2020

#### **NOTES:**

1. The Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020, read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. The Register of Members and the Share Transfer books of the Company will remain closed from 23.09.2020 to 29.09.2020 (both days inclusive) for the purpose of ensuing AGM of the Company.
4. At the AGM held on September 18, 2017 the Members approved appointment of M/s Saraf Manoj & Co (FRN 323473E), Kolkata as the Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the AGM to be held in the year 31.03.2022 subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at this AGM.

5. The relevant Explanatory Statement pursuant to Section 102 of Act, setting out material facts in respect of businesses under item nos. 2 to 3 of the Notice, is annexed hereto. Details pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of the Directors seeking re-appointment at this AGM are also annexed.
6. Institutional/Corporate Shareholders (i.e., other than individuals/ HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorisation etc., authorising its representative to attend the AGM through VC/ OAVM on its behalf and to vote through remote e-voting. The said Resolution /Authorisation shall be sent to the Scrutinizer by email through its registered email address to [meenachowdhary@ymail.com](mailto:meenachowdhary@ymail.com) with a copy marked to [esil@nopany.in](mailto:esil@nopany.in) and [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
7. In compliance with the MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website <http://easternsugar.in/> websites of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Ltd at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of NSDL <https://www.evoting.nsdl.com>.
8. Members holding shares in physical mode, who have not registered/updated their email addresses and mobile numbers with the Company are requested to register/update the same by writing to the Company with the details of Folio No., Name of shareholder with scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [esil@nopany.in](mailto:esil@nopany.in)
9. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [esil@nopany.in](mailto:esil@nopany.in)
10. The Members were informed through NSDL/CDSL to register/update their email addresses and mobile numbers and members are requested to use the said facility.
11. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before September 22, 2020 through email on [esil@nopany.in](mailto:esil@nopany.in) . The same will be replied by the Company suitably.
12. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the AGM, i.e., Tuesday, September 29, 2020.
13. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.
14. 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.
15. 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.

16. 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.
17. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.
18. 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.
19. Non-Resident Indian Members are requested to inform the Registrar, immediately change in their residential status on return to India for permanent settlement.

## **20. Voting through electronic means:**

- (i) In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and Regulation 44 of the SEBI Listing Regulations, the Members are provided with the facility to cast their vote electronically through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice.
- (ii) The "cut-off date" for determining the eligibility for voting either through remote electronic voting system is fixed as Tuesday, September 22, 2020. The e-voting period commences on Friday, September 25, 2020 at 9.00 a.m. IST and ends on Monday, September 28, 2020 at 5.00 p.m. IST. During this period, a person whose name is recorded in the Register of Members or in the Register of Beneficiary Owners maintained by the depositories, as on the cut-off date, i.e., Tuesday, September 22, 2020 shall be entitled to avail the facility of remote e-voting. The remote-voting module shall be disabled by NSDL for voting thereafter. Those Members, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
- (iii) **The instructions for remote e-voting are given herein below:**

### **I. Process for Members opting for remote e-voting:**

**Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2: Cast your vote electronically on NSDL e-Voting system.**

**Details on Step 1 is mentioned below:**

#### **How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.  
*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*
4. Your User ID details are given below :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID  For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID  For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company  For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**

6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
  - a) Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?**” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

**Details on Step 2 is given below:**

**How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

- 1 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [meenachowdhary@ymail.com](mailto:meenachowdhary@ymail.com) with a copy marked to [esil@nopany.in](mailto:esil@nopany.in) and [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).



2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request to (Name of NSDL Official) at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice :**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [esil@npany.in](mailto:esil@npany.in).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [esil@npany.in](mailto:esil@npany.in).
3. Alternatively member may send an e-mail request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for obtaining User ID and Password by proving the details mentioned in Point (1) or (2) as the case may be.

**II. Process for attending the Annual General Meeting Members through VC or OAVM:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email id, mobile number at [esil@nopany.in](mailto:esil@nopany.in).
6. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [esil@nopany.in](mailto:esil@nopany.in). The same will be replied by the company suitably.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

### **III. Process for e-voting on the day of the Annual General Meeting:**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
  2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
  3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
  4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.
21. 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 September 22, 2020.
22. Any person who has acquired shares and becomes a member of the Company after the dispatch of notice of the AGM and holding shares as on cut-off date, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). If the members are already registered with NSDL for e-voting, then he/she can use his/her existing User ID and Password for casting the vote through remote e-voting.
23. In case of any queries, pertaining to e-voting members may refer the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the download section of [www.evoting.nsd.com](http://www.evoting.nsd.com) or call on toll free no. 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
24. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
25. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
26. Ms. Meena Chowdhary, Practising Company Secretary (Membership No.ACS 41084 CP No. 16829) has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

27. The Chairman shall, at the AGM at the end of discussion on the resolutions on which voting is to be held, allow e-voting through NSDL platform for those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
28. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
29. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.easternsugar.in](http://www.easternsugar.in) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchange at which Company's Shares are listed.

### **EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESSES SET OUT IN THE NOTICE PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013**

#### **Item No. 2 Re.: Approval to appointment of Mr. Shirish Goswami as Whole time Director**

Mr. Shirish Goswami had been re-appointed as Whole time Director of the Company w.e.f. 1<sup>st</sup> October, 2019. The Board at its meeting held on 27<sup>th</sup> September, 2019 had approved his re-appointment for a term of three years pursuant to the recommendation of the Nomination and the Remuneration Committee (NRC).

Mr. Shirish Goswami at 54 years has rich experience of over 11 years in the finance, accounts, and other corporate functions. He has been associated with the Company since 2009 as director.

The Board and the NRC has approved the terms and conditions of Mr. Goswami's appointment and payment to him of consolidated remuneration of Rs 50,000/- per month plus, perquisite, i.e., contribution to P.F. and Gratuity as per Rules of the Company. He does not hold any shares in the Company.

None of the KMP or their relatives or Directors except Mr. Shirish Goswami is concerned or interested in the aforesaid Resolution.

The agreement entered into with Mr. Goswami will be available for inspection at the Company's registered office during normal business hours on working days up to the date of the Annual General Meeting.

The Directors Recommend passing of this the Resolution set out at Item No. 2 of this Notice as an Ordinary Resolution.

Disclosures pursuant to Part II of the Schedule V of the Companies Act, 2013 are appended to this Notice for the approval of the members.

**Details pursuant to Schedule V of the Companies Act, 2013 for Item Nos. 2:**

<b>I. GENERAL INFORMATION</b>				
Name	Mr. Shirish Goswami			
Nature of industry	Manufacturing of Sugar and molasses.			
Date or expected date of commencement of commercial production	Existing Company, Not Applicable			
In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Existing Company - Not Applicable			
Financial performance based on given indicators	Rs. in Lakhs			
		2019-20	2018-19	2017-18
	Sales	Nil	Nil	Nil
	Net Profit/(Loss)	(16.46)	(124.48)	(19.60)
Foreign investments or collaborators, if any	The Company does not have foreign investment			
<b>II. INFORMATION ABOUT MANAGERIAL PERSONNEL</b>				
Name	Mr. Shirish Goswami			
Background details	<b>Mr. Shirish Goswami</b> aged about 54 year with 11 years' experience in finance, accounts, and other corporate functions.			
Past remuneration	Consolidated remuneration of Rs. 6,00,000/- (CTC) per annum			
Recognition or awards	Not Applicable			
Job profile and his suitability	To manage the day to day affairs of the Company including power to sign documents, deeds, agreements and other papers and to do and perform related acts on behalf of the Company in the ordinary course of business and in the interest of the Company subject to superintendence and control of the Board.			
Remuneration proposed	Consolidated Remuneration of Rs. 50,000/- per month, plus			

	perquisites, i.e., Contribution to P.F. and Gratuity as per Rules of the Company.
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	The proposed remuneration is comparable with the remuneration drawn by the peers and is necessitated.
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Mr. Shirish Goswami does not have any pecuniary relationship with the Company or with the managerial personnel.
<b>III. OTHER INFORMATION</b>	
Reasons of loss or inadequate profits	Presently, the company is not engaged in any operational activities. Till 2004, the Company was into manufacturing of sugar and molasses at the unit located in Motihari. In the year 2005 in view of technical problems and non-availability of required funds for capital expenditure as well as working capital the operations at the Sugar Mill was discontinued and the lease of the factory premises has been terminated and lessor had taken possession of the said factory premises.
Steps taken or proposed to be taken for improvement	The Company is in the process of exploring new business activities in the coming years.
Expected increase in productivity and profits in measurable terms	The Company is in the process of exploring new business activities in the coming years.

<b>IV. DISCLOSURES</b>	
<p>The following disclosures are given in the Board of Director's report under the heading "Corporate Governance Report" of the Company in the Annual Report 2019-20:</p> <ul style="list-style-type: none"> <li>(i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc. of all the directors;</li> <li>(ii) Details of fixed component and performance linked incentives along with the performance criteria;</li> <li>(iii) Service contracts, notice period, severance fees;</li> <li>(iv) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.</li> </ul>	

**Item No. 3, 4 & 5 Re.: Appointment of Mr. Chandan Sharma (DIN: 08855518), Ms. Ankita Srivastava (DIN: 08855511) and Ms. Khushbu Sharma (DIN: 08855892) as an Independent Director**

The Company received notices from Members under Section 160 of the Companies Act, 2013, signifying their intention to propose the candidature of Mr. Chandan Sharma (DIN: 08855518), Ms. Ankita Srivastava (DIN: 08855511) and Ms. Khushbu Sharma (DIN: 08855892) for the office of Independent Director of the Company.

Mr. Chandan Sharma, aged 34 years is B. Tech. He has 9 year's experience in IT Filed. The other details of Mr. Sharma in terms of Regulation 36(3) of the Listing Regulation and Secretarial Standard 2 is annexed to this Notice. Mr Sharma is not related to any Director of the Company. In terms of proviso to sub-section (5) of Section 152, the Board of Directors is of the opinion that Mr. Sharma fulfils the conditions specified in the Act for his appointment as an Independent Director.

Ms. Ankita Srivastava aged 31 years is Post Graduate Diploma in Computer Application. She has 6 year's experience in Admin, Finance and Accounts. The other details of Ms. Srivastava in terms of Regulation 36(3) of the Listing Regulation and Secretarial Standard 2 is annexed to this Notice. Ms. Srivastava is not related to any Director of the Company. In terms of proviso to sub-section (5) of Section 152, the Board of Directors are of the opinion that Ms. Srivastava fulfils the conditions specified in the Act for her appointment as an Independent Director.

Mr. Khushbu Sharma aged 28 years is graduate. She has 4 year's experience in Admin and The other details of Ms. Sharma in terms of Regulation 36(3) of the Listing Regulation and Secretarial Standard 2 is annexed to this Notice. Ms. Sharma is not related to any Director of the Company. In terms of proviso to sub-section (5) of Section 152, the Board of Directors is of the opinion that Ms. Sharma fulfils the conditions specified in the Act for her appointment as an Independent Director.

After taking into consideration the recommendation of the Nomination & Remuneration Committee, the Board is of the opinion that vast knowledge and varied experience of Mr. Chandan Sharma, Ms. Ankita Srivastava and Ms. Khushbu Sharma will be of great value to the Company and has recommended the Resolution at Item No 3, 4 and 5 of this Notice relating to the appointment of Mr. Chandan Sharma, Ms. Ankita Srivastava and Ms. Khushbu Sharma as an "Independent Director", not liable to retire by rotation and to hold Office for 5 (five) consecutive years for a term up to 28<sup>th</sup> September, 2025, for the your approval. Mr. Chandan Sharma, Ms. Ankita Srivastava and Ms. Khushbu Sharma have given a declaration to the Board that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI Listing Regulations. The Company has also received from them:- (i) the consent in writing to act as Director and (ii) intimation that they are not disqualified under section 164(2) of the Companies Act, 2013. (iii) a declaration to the effect that they are not debarred from holding the office of Director pursuant to any Order issued by the Securities and Exchange Board of India (SEBI). A copy of the draft letter for the appointment of Mr. Chandan Sharma, Ms. Ankita Srivastava and Ms. Khushbu Sharma as Independent Director setting out the terms & conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day and the same has also been put up on the Company website [www.easternsugar.in](http://www.easternsugar.in). The other details of Mr. Chandan Sharma, Ms. Ankita

Srivastava and Ms. Khushbu Sharma whose appointment is proposed at Item No 3, 4 and 5 of this Notice, have been given in the attached annexure.

Except Mr. Chandan Sharma, Ms. Ankita Srivastava and Ms. Khushbu Sharma, none of the other Directors, Key Managerial Personnel or their relatives are concerned or interested in the Resolution at Item No 3, 4 and 5 of the Notice.

By Order of the Board  
For **Eastern Sugar & Industries Limited**  
Sd/-  
Priyanka Mundhara  
Company Secretary

Registered Office:  
Hanuman Sugar Mills  
P.O. Motihari, Dist. East Champaran  
Bihar – 845 401  
E-mail: esil@nopany.in  
CIN: L15421BR1964PLC006630  
Date: 31.08.2020

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

Particulars	Mr. Shirish Goswami	Mr. Chandan Sharma	Ms. Ankita Srivastava	Ms. Khushbu Sharma
<b>Date of Birth</b>	09/06/1966	14/10/1986	07/09/1989	19/08/1992
<b>Date of Appointment</b>	29/09/2009	NA	NA	NA
<b>Qualifications</b>	Graduate	B.Teh	BSc, Post Graduate Diploma in Computer Application	Graduate
<b>Expertise in specific functional areas</b>	Finance, accounts, and other corporate functions	Information Technology, Software	Admin, fiancé and accounts	Admin and other corporate functions
<b>Directorships held in other companies (excluding foreign companies)</b>	1. Bilaspur Spinning Mills & Industries Ltd 2. Shree Milk & Food Industries Limited 3. Nopany Investments Pvt Ltd 4. Shruti Capital & Finance Ltd 5. Kolhapur Forge Private Limited	Nil	Nil	Nil
<b>Memberships Chairmanships of committees of other companies (includes only Audit Committee and Shareholders/Investors Grievance Committee)</b>	Nil	Nil	Nil	Nil
<b>Number of shares held in the Company</b>	Nil	Nil	Nil	Nil

**DIRECTORS' REPORT**

To  
The MEMBERS,

The Directors have pleasure in presenting the Annual Report and the Audited Accounts of the Company for the financial year ended 31st March, 2020:

<b>FINANCIAL RESULTS:</b>	<b>(Rs. in lacs)</b>	
	<b><u>2019-20</u></b>	<b><u>2018-19</u></b>
Sales & Other Income	-----	-----
Profit/(Loss) before Interest, Depreciation and Tax	(16.46)	(124.48)
Less: Depreciation	-----	----
Profit/(Loss) before tax	(16.46)	(124.48)
Less, Provision for tax	-----	----
Profit/(Loss) after tax	(16.46)	(124.48)
Add: Balance brought forward from previous year	751.85	876.33
Profit available for appropriation	-----	-----
Balance carried to Balance Sheet	735.39	751.85
	-----	-----

**OVERVIEW:**

No Income, during the year under review, Loss after Tax was registered at Rs. 16.46 lacs as against 124.48 lacs in the previous financial year.

Presently, the company is not engaged in any operational activities. Till 2004, the Company was into manufacturing of sugar and molasses at the unit located in Motihari. In the year 2005 in view of technical problems and non-availability of required funds for capital expenditure as well as working capital the operations at the Sugar Mill was discontinued and the lease of the factory premises has been terminated and lessor had taken possession of the said factory premises.. The Company is in the process of exploring new business activities in the coming years..

**MATERIAL CHANGES AND COMMITMENTS**

No material changes and commitments have occurred after the close of the financial year 2019-20 till the date of this Report, which affect the financial position of the Company.

**DIVIDEND:**

Your Directors do not recommend any dividend for the year in view of net loss.

**FIXED DEPOSITS:**

During the year under review, the Company has not accepted any deposits from the public and that as at the end of the year there were no outstanding deposits under Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

**RESERVE FUND**

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

**INTERNAL FINANCIAL CONTROL**

The Company has in place adequate internal financial controls with respect to financial statements. The policies and procedures adopted by the Company ensure prevention and detection of frauds and errors, accuracy and

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completeness of the records and timely preparation of reliable financial statements. No reportable material weakness in the design or operation was observed during the year.

#### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

During the financial year under review there was following changes in among the Directors and KMP of the Company;

- Mr. Shirish Goswami (DIN : 02899135) was reappointed as Wholetime Director for the period of 3 years w.e.f October, 01, 2019.
- Mr. Ajay Kumar Kabra (PAN: AFYPK6383B ), Chief Financial Officer resigned w.e.f March 23, 2020.

#### **DECLARATION BY INDEPENDENT DIRECTORS**

The Company has received declaration from all the Independent Directors of the Company, confirming that they meet the criteria of independence, as prescribed under the Companies Act, 2013 and the Listing Regulations.

#### **PERFORMANCE EVALUATION**

The Company has framed the criteria for performance evaluation of Independent Directors, the Board, the Board Committees and other individual Directors. Criteria for performance evaluation of the Chairman & Managing Director, Executive Director and Non-Independent Director have also been framed. The criteria for performance evaluation of Directors among others includes factors such as preparation, participation, engagement, personality and conduct, value addition, strategic planning and vision, team spirit and consensus building, leadership quality, understanding and focus on key business issues, independent thinking and judgment, quality of analysis, experience and business wisdom, management qualities, awareness, motivation, integrity, ethics and receptivity. The criteria for evaluating the Board's functioning/effectiveness inter alia includes its structure, strategic review, business performance review, internal controls, process and procedures. On the basis of the criteria framed, a process was followed by the Board for evaluating the performance of individual Directors, its own performance and its Committees. The Nomination and Remuneration Committee also evaluated the performance of every individual Director. The Independent Directors in their separate Meeting also carried out the performance evaluation of the Chairman & Managing Director, Executive Director and other non-independent Director as well as the Board of the Company. The Directors expressed overall satisfaction on the performance and functioning of the Board, its Committees and the Directors.

#### **FAMILIARISATION PROGRAMMES**

The details of programmes to familiarise the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model/procedures/processes of the Company, etc. through various programmes are put on the website of the Company and can be accessed at the link: [www.hansugar.com](http://www.hansugar.com)

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

During the Financial Year 2019-20, the Company held 8 (Eight) Meetings of the Board of Directors. The details of the Meetings and attendance of each of the Directors there at are provided in the Report on Corporate Governance forming part of the Annual Report. The maximum gap between any two consecutive Board Meetings did not exceed 120 days.

#### **AUDIT COMMITTEE**

The Audit Committee comprised Mr. C. K. Garodia as Chairman and Mr. R. C. Jha and Ms. Ratna Srivastava as its members. The terms of reference of the committee have been provided in the Corporate Governance Report

#### **STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The Stakeholders Relationship Committee of the Company comprises of three Directors under the chairmanship of Ms. Ratna Srivastava. The other members in the committee being, Mr. B.K. Nopany and Mr. C. K. Garodia. The terms of reference of the committee have been provided in the Corporate Governance Report.

#### **NOMINATION & REMUNERATION COMMITTEE**

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

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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 terms of reference of the committee have been provided in the Corporate Governance 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.

#### **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.

#### **MANAGEMENT DISCUSSION AND ANALYSIS**

Management Discussion and Analysis is a part of the Annual Report.

#### **SUBSIDIARIES, JOINT VENTURE COMPANIES**

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

#### **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. 2 & 7 to the Financial Statement

#### **CONTRACT AND ARRANGEMENT WITH RELATED PARTIES:**

All contracts or arrangements with related parties entered into or modified during the financial year were in the ordinary course of business. All such contracts or arrangements have been approved by the Audit Committee. No material contracts or arrangements with related parties were entered into during the year under review. Accordingly, no transactions are being reported in Form No. AOC-2 in terms of Section 134 of the Act read with Rule 8 of the Companies

#### **VIGIL MECHANISM**

The Company promotes ethical behavior in all its business activities and has put in place a mechanism of reporting illegal or unethical behavior. In compliance with the provisions of Section 177(9) of the Companies Act, 2013 and the Listing Regulations, 2015, the Company has in place a Whistle Blower Policy for its Directors and Employees to report concerns about unethical behavior, actual or suspected fraud or violation of applicable laws and regulations and the Company's Codes of Conduct. The concerns may be reported to the Audit Committee through the Nodal Officer and, in exceptional cases, may also be reported to the Chairman of the Audit Committee. The confidentiality of those reporting violations is maintained and they are not subjected to any discriminatory practice. During the year under review, no employee was denied access to the Audit Committee.

The Whistle Blower Policy may be accessed on the Company's website at the link: [www.easternsugar.in](http://www.easternsugar.in)

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

The Company adheres to good governance practices. Corporate Governance at the Company extends to all stakeholders and is embodied in every business decision. The Company places prime importance on reliable financial information, integrity, transparency, empowerment and compliance with the law in letter and spirit. Management Discussion and Analysis Report, the Corporate Governance Report and the Certificate from the Auditors of the Company confirming compliance of the conditions of Corporate Governance are annexed hereto and form a part of the Directors' Report.

There is a conscious effort to ensure that the values enshrined in the Codes of Conduct for the Directors and Senior Management Personnel and the Employees respectively, are followed in true spirit across all levels of the Company.

**EXTRACT OF ANNUAL RETURN:**

An extract of Annual return as on the financial year ended on March 31, 2020 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.

**AUDITORS AND AUDITORS' REPORT**

At the AGM held on September 18, 2017 the Members approved appointment of **M/s Saraf Manoj & Co** (FRN 323473E), Kolkata as the Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the AGM to be held in the year 31.03.2022 subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at this AGM.

Observation of the Auditors M/s Saraf Manoj & Co., Chartered Accountants are self explanatory and do not call for any further comments.

**FRAUD REPORTING**

During the year under review, the Auditors have not reported any matter under Section 143 (12) of the Companies Act, 2013, therefore no detail is required to be disclosed under Section 134 (3) (ca) of the Act.

**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.- 2019-20 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, 2020 is annexed as Annexure and forms part of the Report.

Observations of the Secretarial Auditor are self explanatory and do not call for any further comments.

Pursuant to Regulation 24(A) of SEBI Listing Regulations, the Company has obtained annual secretarial compliance report from Ms. Meena Chowdhary (Membership No. ACS 41084 and CP No. 16829), Company Secretary in Practice, Kolkata and the same was submitted to the stock exchanges within the prescribed time limits.

**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.

**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.

**EMPLOYEES INFORMATION AND RELATED DISCLOSURES**

As required under Section 197(12) of the Companies Act, 2013 read with the Rules 5(1), 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, disclosures of remuneration and other details/particulars of the Directors and employees of the Company are provided in the Corporate Governance Report.

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**DIRECTOR'S RESPONSIBILITY STATEMENT**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(5) of the Companies Act, 2013:

- a) that in the preparation of the annual financial statements for the year ended 31st March, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) that such accounting policies have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March 2020 and of the profit/(loss) of the Company for the year ended on that date;
- c) that proper and sufficient care has been taken 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;
- d) that the annual financial statements have been prepared on a going concern basis;
- e) that proper internal financial controls to be followed by the Company have been laid down and that the financial controls are adequate and are operating effectively; and
- f) that proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

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.

**COMPLIANCE WITH SECRETARIAL STANDARDS**

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

**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, 2020, 26315600 equity shares representing 90.28% of your Company's Equity Share Capital have been de-materialised.

**LISTING AT STOCK EXCHANGE:**

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

However, trading of shares of the Company at the BSE Ltd., Mumbai and National Stock Exchange of India Ltd. is suspended and efforts are being made for resumption of the same for which the revocation fee together with listing fee upto financial year 2019-20 has already been paid and revocation is awaited.

**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.

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**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.

For and Behalf of Board of Directors

Shirish Goswami  
Whole Time Director

Chandan Kumar Garodia  
Director

Date: 17.08.2020

**ANNEXURE TO THE DIRECTORS' REPORT**
**Form No. MGT-9**
**EXTRACT OF ANNUAL RETURN**

as on the financial year ended on **31.03.2020**

[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) 2282 1169
vi)	Address of the Corporate Office and Contact detail	:	CHANDRA KUNJ, 4TH FLOOR, 3, PRETORIA STREET, KOLKATA- 700071 TELEPHONE: (033) 2282 1169
vii)	Whether listed company Yes / No	:	YES
viii)	Name, Address and Contact details of	:	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

**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	NIC Code of the Product/service	% to total turnover of the company
1	Nil	Nil	Nil

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

SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	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/FI									-
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>-</b>
<b>(2) FOREIGN</b>									
a. NRIs - Individuals	-	-	-	-	-	-	-	-	-
b. Other - Individuals	-	-	-	-	-	-	-	-	-
c. Bodies Corporate	-	-	-	-	-	-	-	-	-
d. Banks/FI	-	-	-	-	-	-	-	-	-
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>-</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>-</b>

<b>B. PUBLIC SHAREHOLDING</b>									
<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.	2715163	11582000	14297163	49.05%	13488713	192000	13680713	46.93%	-
i. Indian	-	-	-	-	-	-	-	-	-
ii. Overseas	-	-	-	-	-	-	-	-	-
b. Individuals	-	-	-	-	-	-	-	-	-
i. Individual Shareholders holding nominal share capital upto Rs. 2 lakh	4531108	2172500	6703608	23.00%	4655043	2067500	6722543	23.06%	-
ii. Individual Shareholders holding nominal share capital in excess of Rs. 2	5004913	829100	5834013	20.01%	6441661	74100	6515761	22.35%	-
c. NBFCs registered with RBI	13400	-	13400	-	4400	-	4400	-	-
d. Others (specify)...									-
Clearing Member	75440	-	75440	0.26%	207	-	207	0.00%	-
Non Resident Individual	247637	374800	622437	2.14%	247637	374800	622437	2.14%	-
<b>Sub-total (B)(2):-</b>	<b>12587661</b>	<b>14958400</b>	<b>27546061</b>	<b>94.50%</b>	<b>24837661</b>	<b>2708400</b>	<b>27546061</b>	<b>94.50%</b>	-
<b>Total Public Shareholding</b>									
<b>B= B(1)+ B(2)</b>	<b>12587661</b>	<b>14969400</b>	<b>27557061</b>	<b>94.54%</b>	<b>24837661</b>	<b>2719400</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>14065600</b>	<b>15084500</b>	<b>29150100</b>	<b>100.00%</b>	<b>26315600</b>	<b>2834500</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			% Change in shareholding during the year		
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares			
1	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
	At the beginning of the year	1593039	5.46%	1593039	5.46%
	Increase in Promoters' Shareholding during the year (Purchase)	-	-	-	-
	At the end of the year	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	Ajay Kumar Kabra	10000	0.03%	610000	2.09%
8	Shubham Holdings Pvt. Ltd.	600000	2.06%	-	-
9	NNP Trading and Investment Pvt Ltd	577636	1.98%	577636	1.98%
10	Sambasivam Venkata Ramani	364271	1.25%	361671	1.24%
11	Poonam Sundeep Karna	247263	0.85%	247263	0.85%

**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	No. of Shares	% of total shares of the
1	Bimal Kumar Nopany (Director)	402865	1.38%	402865	1.38%
2	Ajay Kumar Kabra (CFO)*	10000	0.03%	610000	2.09%

\* Since resigned as CFO w.e.f. 23rd March, 2020.



**V INDEBTEDNESS**

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

(Rs. In Lakh)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i. Principal Amount	7447.30	7.68	-	7454.98
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>7447.30</b>	<b>7.68</b>	<b>-</b>	<b>7454.98</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	-	-	-	-
* Reduction	-	-	-	-
<b>Net Change</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Indebtedness at the end of the financial year</b>				
i. Principal Amount	7447.30	7.68	-	7454.98
ii. Interest Due but not paid	-	-	-	-
iii. Interest Accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>7447.30</b>	<b>7.68</b>	<b>-</b>	<b>7454.98</b>

**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
	Name	SHIRISH GOSWAMI	
	Designation	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>	<b>600000</b>	<b>600000</b>
	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		
	* 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		

There was no remuneration paid to the other Directors i.e Independent Directors and other Non- Executive Directors of the Company.

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

Sl. No	Particulars of Remuneration	Key Managerial Personnel		
		Name		Total
		Mr. Ajay Kabra	Ms. Priyanka Mundhara	
	Designation	Chief Financial Officer	Company Secretary	
1	Gross Salary	360000	180000	540000
	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			
	<b>Total (A)</b>	360000	180000	540000

**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					

Date: 17/08/2020

**Shirish Goswami**  
 Wholetime Director  
 Din- 02899135

**Chandan Kumar Garodia**  
 Director  
 Din- 05325649

**ANNEXURE TO THE DIRECTORS' REPORT**

**CORPORATE GOVERNANCE REPORT**

**INTRODUCTION**

Your Company has complied with the provisions of Corporate Governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations, 2015”).

A Report on the implementation of Corporate Governance by the Company as per the Listing Regulations, 2015 is given below.

**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, 2020:

**Non-executive Chairman**

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

<b>Promoter Director</b>	<b>Executive Director</b>	<b>Non-Executive Director and Independent Directors</b>
Mr. B.K. Nopany	Mr. Shirish Goswami	Mr. C. K. Garodia Mr. R. C. Jha Mrs. Ratna Srivastava

**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, Eight (8) Board meetings were held on 29.05.2019, 30.07.2019, 14.08.2019, 27.09.2019, 13.11.2019, 17.01.2020, 13.02.2020, & 23.03.2020. 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	8	Yes
Mr. Shirish Goswami	8	Yes
Mr. R. C. Jha	6	No
Mr. C. K. Garodia	8	Yes
Mrs. Ratna Srivastava	8	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	2	2	Nil
Mr. R. C. Jha	Independent & Non-executive	Nil	Nil	Nil
Mr. Shirish Goswami	Executive	1	Nil	Nil
Mr. C. K. Garodia	Independent & Non-executive	1	Nil	Nil
Mrs. Ratna Srivastava	Independent & Non-executive	Nil	Nil	Nil

1 This excludes Directorship held in Indian Private Limited Companies, Foreign Companies, Companies under Section 8 of the Companies Act, 2013.

2 Committee refers to Audit Committee and Stakeholders Relationship Committee.

**Notes**

- None of the other Directors is related to any other Director on the Board.
- None of the Directors has any business relationship with the Company.
- The Company has a woman Director on its Board of Directors.
- None of the Directors received any loans and advances from the Company during the year.

- e) None of the Directors holds Directorships in more than the permissible number of companies under the Companies Act, 2013 or Directorships/Membership/Chairmanship of Board Committees as permissible under Regulations 25 and 26 of the Listing Regulations, 2015.
- f) Additional information pursuant to the Listing Regulations, 2015 in respect of Director seeking appointment/re-appointment is given in the AGM Notice.

### **E. Responsibilities**

The Board's prime concentration is on strategy, policy and control, delegation of power and specifying approvals that remain in the Board's domain besides review of corporate performance and reporting to shareholders. The Board and Management's roles are clearly demarcated.

The Management is required to:

- a) Provide necessary inputs to assist the Board in its decision making process in respect of the Company's strategies, policies, performance targets and code of conduct;
- b) Manage day-to-day affairs of the Company to achieve targets and goals set by the Board in the best possible manner;
- c) Implement all policies and the code of conduct as approved by the Board;
- d) provide timely, accurate, substantive and material information, including on all financial matters and any exceptions, to the Board and/or its Committees;
- e) Ensure strict compliance with all applicable laws and regulations; and
- f) Implement sound and effective internal control systems.

The management and the conduct of the affairs of the Company lie with the Managing Director who heads the management team.

### **F. Role of Independent Directors**

The Independent Directors play an important role in deliberations and decision-making at the Board Meetings and bring to the Company wide experiences in their respective fields. They also contribute in significant measure to Board Committees. Their independent role vis-à-vis the Company means that they have a special contribution to make in situations where they add a broader perspective by ensuring that the interests of all stakeholders are kept in acceptable balance and in providing an objective view in instances where a (potential) conflict of interests may arise between stakeholders.

### **G. Meetings of Independent Directors**

The Company's Independent Directors meet at least once in every financial year without the presence of Executive Directors or Management Personnel. During the year under review, one Meeting of Independent Directors was held on 20th November 2020, wherein the Independent Directors carried out the performance evaluation of the Chairman & Managing Director, Executive Director and other non-independent Director as well as the Board of the Company. The Meeting also assessed the quality, quantity and timeliness of the flow of information by the Management of the Company to the Board of Directors.

### **H. Familiarisation Programmes for Board Members**

The Board Members are provided with necessary documents, reports and internal policies to enable them to familiarise with the Company's procedures and practices. Periodic presentations are made at the Board and Board Committees, on business and performance updates of the Company. Relevant statutory changes encompassing important laws are regularly made available to the Directors. Efforts are also made to familiarise the Directors about the Company, their roles, rights, responsibility in the Company, nature of the industry in which the Company operates, business model/procedures/processes of the Company, etc. through various programmes including plant visits. The details of the

familiarization programmes for Independent Directors are put on the website of the Company and can be accessed at the link: [www.easternsugar.in](http://www.easternsugar.in)

#### **I. Recording Minutes of Proceedings at Board and/or Committee Meetings**

The Company Secretary records the minutes of the proceedings of each Board and Committee Meeting. Draft Minutes are circulated to all the members of the Board for their comments. The Minutes of proceedings of a Meeting are entered in the Minutes Book within 30 days from the conclusion of the Meeting.

#### **J. Compliance**

The Company Secretary while preparing the agenda, notes on agenda and minutes of the Meetings, ensures adherence to the applicable provisions of law including the Companies Act 2013, Secretarial Standards and the Listing Regulations, 2015 & Industries L

#### **K. BOARD PROCEDURES**

The members of the Board have been provided with the requisite information as per the listing regulation 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.

### **III. BOARD COMMITTEES**

To enable better and focused attention on the affairs of the Company, the Board delegates specific matters to its Committees. These Committees also prepare the groundwork for decision-making and report at the subsequent Board Meetings. No matter, however, is left to the final decision of any Committee, which under the law or the Articles may not be delegated by the Board or may require the Board's explicit approval. Minutes of the Committee Meetings are circulated to all Directors and discussed at the Board Meetings.

#### **A. Audit Committee**

The Audit Committee comprised Mr. C. K. Garodia as Chairman and Mr. R. C. Jha and Ms. Ratna Srivastava 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 28.05.2019, 13.08.2019, 12.11.2019 & 12.02.2019. Attendances of members at the meetings were as follows:

<b>Name of Member</b>	<b>Status</b>	<b>No. of meetings attended</b>
Mr. C. K. Garodia	Chairman	4
Mr. R. C. Jha	Member	4
Ms. Ratna Vaswani	Member	4

#### **B. Nomination & Remuneration Committee**

The Nomination & Remuneration Committee comprises of three members, viz., Mr. C. K. Garodia as Chairman and Mr. R. C. Jha, Ms. Ratna Srivastava 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 met on 27/09/2019 and the entire member were present there.

**i.) Details of the remuneration to the Executive Director provided as per accounts for the year ended 31<sup>st</sup> March, 2020 are given below:**

<b>Executive Director</b>	<b>Salary* (Rs.)</b>	<b>Commission (Rs.)</b>	<b>Service</b>
Mr. Shirish Goswami	600000/- (CTC)	Nil	Re-appointed w.e.f. 1 <sup>st</sup> October, 2019 for three years

**ii.) Details of the remuneration to the Non-executive Directors provided as per accounts for the year ended 31<sup>st</sup> March, 2020 are given below:**

<b>Non-executive Director</b>	<b>Sitting Fee (Rs.)</b>	<b>Commission (Rs.)</b>	<b>Total (Rs.)</b>
Mr. B. K. Nopany	Nil	Nil	Nil
Mr. R. C. Jha	Nil	Nil	Nil
Mr. C. K. Garodia	Nil	Nil	Nil
Ms. Ratna Vaswani	Nil	Nil	Nil

**C. Stakeholders' Relationship Committee**

The Share Transfer & Shareholders' Grievance Committee comprises of three Directors under the chairmanship of Ms. Ratna Srivastava. 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 2020, 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.

During the year under review, the Committee met on 27/09/2019 and the entire member were present there



#### D. Criteria for Appointment of Directors

In evaluating the suitability of a person and recommending to the Board his appointment as a Director of the Company, the Nomination and Remuneration Committee may take into account and ascertain factors such as:

- i. Personal and professional ethics, integrity and values
- ii. Educational and professional background
- iii. Willingness to devote sufficient time and energy in carrying out the duties and responsibilities effectively

#### E. Criteria for Performance Evaluation of Directors

The criteria for performance evaluation of Directors among others includes factors such as preparation, participation, engagement, personality and conduct, value addition, strategic planning and vision, team spirit and consensus building, leadership quality, understanding and focus on key business issues, independent thinking and judgment, quality of analysis, experience and business wisdom, management qualities, awareness, motivation, integrity, ethics and receptivity.

#### IV. GENERAL BODY MEETINGS

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

Year	Location	Date	Time
2018-19	Regd. Office.: Hanuman Sugar Mills, P. O. Motihari, Dist.: East Champaran, Bihar – 845 401	18.09.2019	12.00 P.M.
2017-18	Regd. Office.: Hanuman Sugar Mills, P. O. Motihari, Dist.: East Champaran, Bihar – 845 401	04.09.2018	12.00 P.M.
2016-17	Regd. Office.: Hanuman Sugar Mills, P. O. Motihari, Dist.: East Champaran, Bihar – 845 401	18.09.2017	12.00 P.M.

#### b) Postal Ballot:

During the year, pursuant to Section 110 of the Act, read with the Companies (Management and Administration) Rules, 2014, your Company passed the following resolutions through postal ballot. The voting pattern of votes casted in favor/against the resolutions passed vide Postal Ballot Notice dated January 17, 2020 is as under:

Particulars of the Resolution	Type of the Resolution	Number of vote polled	Vote cast in favour		Vote cast against	
			Number of Votes	%	Number of Votes	%
Ratification of Special Resolution passed by the Shareholders on 03.10.2013 for issue of equity shares on preferential basis to the Preference Shareholders against their redemption amount.	Special	11508029	11132177	96.73	375852	3.27

Ratification of Special Resolution passed by the Shareholders on 03.10.2013 for fresh issue of equity shares on preferential basis	Special	11507929	11132177	96.73	375752	3.27
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## V. DISCLOSURES

### a. Basis of related party transaction

Related parties transactions with them as required under Indian Accounting Standard 24 (IND AS-24) are furnished under Note No. 18(xi) of the Notes to Accounts attached with the financial statement for the year ended 31<sup>st</sup> March, 2020. There are no pecuniary relationships or transactions with the non-executive independent Directors.

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

### 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 mandatory requirement relating to constitution of Remuneration Committee, Shareholder Rights and establishing the Whistleblower Policy.

### c. During the year under review, there were no complaints received, pursuant to the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### d. 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 2018-19. A declaration to this effect signed by the Executive Director of the Company is provided elsewhere in the Annual Report.

### e. Disclosure of Accounting Treatment

In the preparation of financial statements for the year ended on 31<sup>st</sup> March, 2020; there was no treatment different from that prescribed in an accounting standard that had been followed.

**f. 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.

**g. 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.

**VI. SUBSIDIARY MOTORING FRAMEWORK**

The Company has no subsidiary.

**VII. MEANS OF COMMUNICATION**

Immediately after the Board of Directors of the Company took note of Results for quarter and half year ended 30<sup>th</sup> June, 2019, 30<sup>th</sup> September 2019, 31<sup>st</sup> December 2019, 31<sup>st</sup> March 2020 and Audited Annual Accounts, the same were informed to the National Stock Exchange and BSE Ltd. 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.

**VIII. MANAGEMENT DISCUSSION AND ANALYSIS**

Management Discussion and Analysis is a part of the Annual Report.

**IX. WHOLETIME DIRECTOR CERTIFICATION**

As required under Regulation 17(8) of the Listing Regulations, 2015, the Whole time Director of the Company have certified to the Board regarding review of financial statement for the year under review, compliance with the accounting standards and applicable laws and regulations, maintenance of internal control for financial reporting and accounting policies.

**X. COMPLIANCE CERTIFICATE OF THE AUDITORS**

The Statutory Auditors' Certificate that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, 2015 is annexed hereto.

**XI. GENERAL SHAREHOLDERS INFORMATION**

**1. Annual General Meeting**

**Date** : 29<sup>th</sup> September, 2020

**Day** : Tuesday

**Time** : 3.00 P. M.

**Venue** : Through Video Conferencing or other Audio Visual means

**2. Financial year : April 1, 2019 to March 31, 2020**

**3. Date of Book closure**

Wednesday, 23<sup>rd</sup> September, 2020 to Tuesday, 29<sup>th</sup> September, 2020 (both days inclusive)

#### 4. Listing on Stock Exchanges

The Shares of the Company are listed on BSE Ltd, Mumbai and National Stock Exchange India Ltd. However, trading of shares of the Company at the National Stock Exchange Ltd. and BSE Ltd 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

In the absence of trading during the period from 01.04.2019 to 31.03.2020 at BSE Limited and NSE Ltd., monthly high and low quotations (In Rs. Per share) of equity shares is not given.

#### 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: [mdpl@yahoo.com](mailto:mdpl@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.

#### 9. Distribution of Shareholding as on 31<sup>st</sup> March, 2020

Nominal Value of Shareholding	No. of Shareholders		Number of Equity Shares	
	Total	% age of total	Total	% of Share Capital
Upto Rs.500	20095	91.8125	2474957	8.4904
Rs. 501 to Rs. 1000	752	3.4358	656102	2.2508
Rs.1001 to Rs. 2000	358	1.6357	580712	1.9921
Rs.2001 to Rs. 3000	134	0.6122	346303	1.1880
Rs.3001 to Rs. 4000	80	0.3655	292145	1.0022
Rs.4001 to Rs. 5000	102	0.4660	494172	1.6953
Rs.5001 to Rs. 10000	162	0.7402	1264282	4.3371
Rs.10001 and above	204	0.9321	23041427	79.0441
<b>Total</b>	<b>21887</b>	<b>100.0000</b>	<b>29150100</b>	<b>100.0000</b>

**10. Shareholding Pattern 31<sup>st</sup> March, 2020**

Category	No. of Shares held	% of Total Shares
Promoter & Promoter Group	1593039	5.46
Mutual Funds/UTI	11000	0.04
Bodies Corporate and others	14303357	49.07
Indian Public	13238304	45.41
NBFC Registered with RBI	4400	0.02
<b>TOTAL</b>	<b>29150100</b>	<b>100.00</b>

**11. Dematerialization of Shares and liquidity**

The demitting facility exists with both the NSDL and CDSL for the convenience of shareholders. As on 31st March, 2020, 26315600 equity shares representing 90.28% of your Company's Equity shares capital have been de-materialised.

**12. Plant location**

P.O. Hanuman Sugar Mills  
Motihari - 845401  
Distt. East Champaran, Bihar

**13. Investors correspondence may be addressed to –**

Eastern Sugar & Industries Ltd  
'Chandra Kunj'  
3, Pretoria Street  
Kolkata – 700071

**For and Behalf of Board of Directors**

**Shirish Goswami**  
**Whole Time Director**

**Chandan Kumar Garodia**  
**Director**

**Date : 17.08.2020**

**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, 2020, 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 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 March 31, 2020 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 Saraf Manoj & Co.**  
**Chartered Accountants**  
**F.R. No. 323473E**

**Manoj Kumar Agarwal**  
**Partner**  
**M. No. 062489**

**519, Tobacco House**  
**1, Old Court House Corner**  
**5<sup>th</sup> Floor**  
**Kolkata 700 001**  
**Date : 28<sup>th</sup> July, 2020**

**DECLARATION BY W.T.D. UNDER REGULATION 27(2), LISTING REGULATIONS 2015 (LODR),**

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, 2020, 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: 17.08.2020

**(Shirish Goswami)**  
**Whole time Director**

**Whole Time Director Certification**

I, Shirish Goswami, Whole time Director of the Company responsible for the finance functions certify that:

a. I have reviewed the financial statements and cash flow statement for the year ended 31st March, 2020 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 my knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2020 are fraudulent, illegal of the Company's code of conduct.

c. I 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

I am 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: 17.08.2020

**(Shirish Goswami)**  
**Whole time Director**

## **ANNEXURE TO THE DIRECTORS' REPORT**

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Presently, the company is not engaged in any operational activities. Till 2004, the Company was into manufacturing of sugar and molasses at the unit located in Motihari. In the year 2005 in view of technical problems and non-availability of required funds for capital expenditure as well as working capital the operations at the Sugar Mill was discontinued and the lease of the factory premises has been terminated and lessor had taken possession of the said factory premises.. The Company is in the process of exploring new business activities in the coming years..

#### **SEGMENTWISE PERFORMANCE**

Since, the company is not engaged in any operational activities. 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, compared to no income in the previous year.

##### **Profits**

Loss before Interest, Depreciation and Tax stood at Rs. 16.46 lacs in the financial year 2019-20, as against Rs. 124.48 lacs in the previous year 2018-19.

##### **Earnings Per Shares (EPS)**

The Company recorded an EPS of Rs. (0.06) per equity shares of Rs. 10/- each during 2019-20.

##### **Dividend**

Your Directors do not recommend any dividend for the year in view of net loss.

#### **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.

**For and Behalf of Board of Directors**

Kolkata  
Date: 17/08/2020

Shirish Goswami  
Wholetime Director

Chandan Kumar Garodia  
Director

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**For The Financial Year Ended 31<sup>st</sup>March, 2020**

[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 **M/s 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 31<sup>st</sup>March, 2020 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:

1. 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 31<sup>st</sup> March, 2020 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 except-

*Company has 92.77% promoters shares in demat form but as per SEBI circular SEBI/Cir/ISD/05/2011, the Company should have 100% promoter holding in demat form.*

*Company has informed that remaining promoter’s shareholding are not yet demat due to that shares are in pledge mode. Company is in process with promoters and respective DPs to demat the remaining promoter’s shareholding as soon as possible.*

- (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 and subsequent amendments; **(Not Applicable to the Company during the Audit Period)**

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and subsequent amendments; **(Not Applicable to the Company during the Audit Period)**
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(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;
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not Applicable to the Company during the Audit Period).**

(vi) **Insolvency and Bankruptcy Code 2016**

One of the Financial Creditors named Stressed Assets Stabilization Fund has filed petition to NCLT under Insolvency and Bankruptcy Code 2016, against the company. The Company has filed affidavit-in-reply before hon'ble NCLT Kolkata bench, Further, the Company is in the process of negotiation for one time settlement.

(vii) 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 SEBI (LODR) Regulations, 2015 and the listing agreement entered into by the Company with BSE 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 Regulation etc as mentioned herein above except to the extent as mentioned here:

**1. The revocation of suspension from trading of the shares is awaited from BSE and NSE.**

- 2. Mr. Bimal Kumar Nopany, Mr. Ram Chandra Jha and Mr. Chandan Kumar Garodia whose age is more than 75 years old, is still counting as Director of the Company without being Special Resolution passed for their continuation as Director of the Company. Company has informed that directors are not willing to continue as director due to poor health and the Company is in process to appoint new directors in their place. As per my view company should appoint new non executive directors soon and comply with the provision of regulation 17 of LODR 2015.**

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 not duly constitutes as Mr. Bimal Kumar Nopany, Mr. Ram Chandra Jha and Mr. Chandan Kumar Garodia whose age is more than 75 years old, is still counting as Director of the Company without being Special Resolution passed for their continuation as Director of the Company. Company has informed that they are in process to appoint new directors in their place.
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: 17/08/2020

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, 2020.

- 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, 2020, therefore the Factories Act, 1948, The Payment of Wages Act, 1936, The Payment of Bonus Act, 1965, Labour Law 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**  
Po. Hanuman Sugar Mills, Motihari  
P.S.-Motihari, East Champaran,  
BIHAR -845401

My secretarial Audit Report of even date for the financial year 2019-2020 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: 17/08/2020

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

*Independent Auditor's Report*

To the Members of **EASTERN SUGAR & INDUSTRIES LIMITED**

**Report on the Audit of the Standalone Financial Statements**

Qualified Opinion

We have audited the standalone financial statements of EASTERN SUGAR & INDUSTRIES LIMITED ("the Company"), which comprise the balance sheet as at 31st March 2020, and the statement of Profit and Loss, and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as 31st March 2020 and profit/loss, and its cash flows for the year ended on that date.

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.

We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Material Uncertainty Related to Going Concern

Due to operational difficulties, company has suspended its operation of Cane Crushing since FY 2004-05 & incurred a net loss of 16.46 lacs during the year ended 31.03.2020 and also Rs 124.48 lacs in preceding previous year. Therefore as per our view the financial statements for the FY 19-20 should be prepare on Non-Going Concern Basis.

### Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in *the Basis for Qualified Opinion* section we have determined the matters described below to be the key audit matters to be communicated in our report: -

No Revenue from operations during the year & in preceding previous years, on enquiry it was found that factory was taken on lease from M/s Shree Hanuman Sugar & Industries Limited w.e.f 1<sup>st</sup> of June, 1995. The lease was terminated on 30<sup>th</sup> of June 2006. The last crushing season was FY 2003-2004. All the fixed Assets of the company will be acquired by the said company (erstwhile Lessor) at their gross values 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. We have taken the management Representation in this regard.

### Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors 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 in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and 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 aforesaid financial statements 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 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - 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'.
  - g) With respect to the matter to be included in the Auditor's Report under section 197(16), In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For Saraf Manoj & Co.  
Chartered Accountants  
FRN: 323473E**

**Place:-Kolkata  
Date: 28/07/2020  
UDIN: «20062489AAAAAY1193»**

**Manoj Kumar Agarwal  
(PARTNER)  
Membership No. 062489**

**The Annexure referred to in paragraph 1 of Our Report on “Other Legal and Regulatory Requirements”.**

We report that:

- i.
  - a. The company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
  - b. As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
  - c. The title deeds of immovable properties are held in the name of the company.
- ii. As explained to us, inventories have been physically verified during the year by the management at reasonable intervals. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
- iii. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses iii (a), (b) and (c) of the order are not applicable to the Company.
- iv. In respect of loans, investments, guarantees, and security, provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
- v. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- vi. As per information & explanation given by the management, maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 has been maintained.
- vii.
  - a. According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Goods and Service tax, Custom Duty, Excise Duty, value added tax, cess and any other statutory dues to the extent applicable, have generally been deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31<sup>st</sup> March 2020 for a period of more than Six Months from the date they became payable.
  - b. According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, goods and service tax, duty on custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the Statute	Nature of the Dues	Amount (Rs. In lakhs)	Period for which the amount relates
Income Tax Act,1961	Income Tax ,Interest etc	584.05	AY 2011-12
Income Tax Act,1961	Income Tax, Interest etc	197.08	AY 2012-13

- viii. In our opinion and according to the information and explanations given by the management, we are of the opinion that, the Company has defaulted in repayment of dues to a financial institution, bank, Government or debenture holders, as applicable to the company.
- ix. Based on our audit procedures and according to the information given by the management, the company has not raised any money by way of initial public offer or further public offer (including debt instruments) or taken any term loan during the year.
- x. According to the information and explanations given to us, we report that no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanations given to us, we report that managerial remuneration, if any Paid, has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- xii. The company is not a Nidhi Company. Therefore, clause (xii) of the order is not applicable to the company.
- xiii. According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.
- xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xv. Provisions of section 192 of Companies Act, 2013 have been complied with in case of non-cash transactions entered by the company with directors or persons connected with him
- xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Saraf Manoj & Co.**  
**Chartered Accountants**  
**FRN: 323473E**

**Place:-Kolkata**  
**Date: 28/07/2020**  
**UDIN: 20062489AAAAAY1193**

**Manoj Kumar Agarwal**  
**(PARTNER )**  
**Membership No. 062489**

***Report on Internal Financial Controls Over Financial Reporting***

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 March 31, 2020 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 issued by the Institute of Chartered Accountants of India. 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, 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 judgement, 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 authorisations 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 controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, 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 issued by the Institute of Chartered Accountants of India.

**For Saraf Manoj & Co.  
Chartered Accountants  
FRN: 323473E**

**Place:-Kolkata  
Date: 28/07/2020  
UDIN:  
20062489AAAAAY1193**

**Manoj Kumar Agarwal  
(PARTNER )  
Membership No. 062489**

## EASTERN SUGAR & INDUSTRIES LIMITED

### BALANCE SHEET AS AT 31.03.2020

PARTICULARS	Note No.	Amount Rs.(In Lacs)	
		As at 31.03.2020	As at 31.03.2019
<b>(1) ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	1	5,197.90	5,197.90
(b) Capital work-in-progress		4,578.17	4,578.17
(c) Financial Assets			
(i) Investments	2	1,993.34	1,993.34
		<b>11,769.41</b>	<b>11,769.41</b>
<b>(2) Current assets</b>			
(a) Inventories	3	1,876.40	1,876.40
(b) Financial Assets			
(i) Trade receivables	4	386.85	386.85
(ii) Cash and cash equivalents	5	0.19	0.77
(iii) Bank balances other than (ii) above	6	14.02	14.02
(iv) Loans	7	440.26	440.26
		<b>2,717.72</b>	<b>2,718.30</b>
<b>Total Assets</b>		<b>14,487.13</b>	<b>14,487.71</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	8	3,390.01	3,390.01
(b) Other Equity	9	2,015.06	2,031.52
		<b>5,405.07</b>	<b>5,421.53</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	10	7,447.30	7,447.30
		<b>7,447.30</b>	<b>7,447.30</b>
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Short term Borrowings	11	7.68	7.68
(i) Long term Borrowings			
(ii) Trade payables	12	1,273.23	1,256.79
(b) Other current liabilities	13	346.08	346.64
(c) Provisions	14	7.77	7.77
		<b>1,634.76</b>	<b>1,618.88</b>
<b>Total Equity and Liabilities</b>		<b>14,487.13</b>	<b>14,487.71</b>

The accompanying notes are an Integral parts of financial statements

As per our report of even date

**For Saraf Manoj & Co.**

Chartered Accountants

F.R. No. 323473E

**Manoj Kumar Agarwal**  
(Partner)

Membership No. 062489

Place : Kolkata

Date: 28/07/2020

For & on behalf of Board of Directors

S.J. Goswami,  
Whole time Director  
Din- 02899135

Chandan Kumar Garodia  
Director  
Din- 05325649

Priyanka Mundhara,  
Company Secretary

## EASTERN SUGAR & INDUSTRIES LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2020

	PARTICULARS	Note No.	Amount in Rs. (In Lacs)	
			31.03.2020	31.03.2019
I	Revenue From Operations		-	-
II	Other Income		-	-
III	Total Income (I+II)		-	-
IV	<b>EXPENSES</b>			
	Cost of materials consumed		-	-
	Purchases of Stock-in-Trade		-	-
	Changes in inventories of finished goods,		-	-
	Employee benefits expense	15	5.87	59.68
	Other expenses	16	10.59	64.80
	Total expenses (IV)			
V	Profit/(loss) before exceptional items and tax (I- IV)		<b>16.46</b>	<b>(124.48)</b>
VI	Exceptional Items			
VII	Profit/(loss) before tax (V-VI)		(16.46)	(124.48)
	Tax expense:			
VIII	(1) Current tax		-	-
	(2) Deferred tax		-	-
IX	Profit (Loss) for the period from continuing operations (VII-VIII)		(16.46)	(124.48)
X	Profit/(loss) from discontinued operations			
XI	Tax expense of discontinued operations		-	-
XII	Profit/(loss) from Discontinued operations (after tax) (X-XI)		-	-
XIII	Profit/(loss) for the period (IX+XII)		(16.46)	(124.48)
XIV	Other Comprehensive Income			
XV	Total Comprehensive Income for the period		(16.46)	(124.48)
XVI	Earnings per equity share (for continuing operation):			
	(1) Basic		<b>(0.06)</b>	<b>(0.43)</b>
	(2) Diluted		<b>(0.06)</b>	<b>(0.43)</b>
XVII	Earnings per equity share (for discontinued operation):			
	(1) Basic		-	-
	(2) Diluted		-	-
XVIII	Earnings per equity share(for discontinued & continuing operations)			
	(1) Basic		<b>(0.06)</b>	<b>(0.43)</b>
	(2) Diluted		<b>(0.06)</b>	<b>(0.43)</b>

The accompanying notes are an Integral parts of financial statements

As per our report of even date

**For Saraf Manoj & Co.**

Chartered Accountants

F.R. No. 323473E

**Manoj Kumar Agarwal**  
(Partner)

Membership No. 062489

Place : Kolkata

Date: 28/07/2020

For & on behalf of Board of Directors

S.J. Goswami,  
Whole time Director  
Din- 02899135

Chandan Kumar Garodia  
Director  
Din- 05325649

Priyanka Mundhara,  
Company Secretary

**NOTE: 1**

Amount (In Rs. Lacs)

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2019	Addition	Sales/ Adjustment	As at 31.03.2020	Up to 31.03.2019	For The Year	on asset sold	Up to 31.03.2020	As at 31.03.2019	As at 31.03.2020
<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>-</b>	<b>-</b>	<b>7,025.47</b>	<b>1,827.57</b>	<b>-</b>	<b>-</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>-</b>	<b>-</b>	<b>4,578.17</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,578.17</b>	<b>4,578.17</b>
<b>GRAND TOTAL (A+B)</b>	<b>11,603.64</b>	<b>-</b>	<b>-</b>	<b>11,603.64</b>	<b>1,827.57</b>	<b>-</b>	<b>-</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>-</b>	<b>-</b>	<b>11,603.64</b>	<b>1,827.57</b>	<b>-</b>	<b>-</b>	<b>1,827.57</b>	<b>9,776.07</b>	<b>9,776.07</b>



<b>EASTERN SUGAR &amp; INDUSTRIES LIMITED</b>			
<b>NOTES TO ACCOUNTS FORMING PART OF BALANCE SHEET</b>			
(Rs. in Lacs)			
	As on 31.03.2020	As on 31.03.2019	
<b>NOTE : 2 INVESTMENTS</b>			
<b>Non Trade Investments</b>			
<u>Unquoted :</u>			
300000 Equity Shares (of Nopany & Sons Private Ltd.)	300.00		300.00
7500 Equity Shares (of Indian Die Casting Co. Ltd.)	9.00		9.00
395050 Equity 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>NOTE : 3 INVENTORIES</b>			
Construction Rights	1,876.40		1,876.40
	<b>1,876.40</b>		<b>1,876.40</b>
<b>NOTE : 4 TRADE RECEIVABLES</b>			
Other Trade Receivables	386.85		386.85
<b>TOTAL</b>	<b>386.85</b>		<b>386.85</b>
<b>NOTE : 5 CASH &amp; CASH EQUIVALENTS</b>			
Cash in Hand	0.19		0.77
<b>TOTAL</b>	<b>0.19</b>		<b>0.77</b>
<b>NOTE : 6 BANK BALANCES</b>			
Balance With Schedule Banks (In Current Account)	14.02		14.02
<b>TOTAL</b>	<b>14.02</b>		<b>14.02</b>
<b>NOTE : 7 SHORT TERM LOANS &amp; ADVANCES</b>			
Short Term Loans And Advances	440.26		440.26
<b>TOTAL</b>	<b>440.26</b>		<b>440.26</b>
<b>NOTE 08 : SHARE CAPITAL</b>			
<b>(a) Authorised Capital</b>			
(3,00,00,000 Equity shares of Rs.10 each)	3,000.00		3,000.00
(10,00,000 Preference Shares of Rs.100 each)	1,000.00		1,000.00
(10,00,000 Unclassified Shares of Rs.100 each)	1,000.00		1,000.00
	<b>5,000.00</b>		<b>5,000.00</b>
<b>(b) Issued, Subscribed &amp; Paid up</b>			
(2,91,50,100 Equity shares of Rs.10 each)	2,915.01		2,915.01
(2,05,000 12% Cumulative Convertible Preference shares of Rs 100 each)	205.00		205.00
(2,70,000 3% Cumulative Convertible Preference shares of Rs 100 each)	270.00		270.00
	<b>3,390.01</b>		<b>3,390.01</b>

<b>EASTERN SUGAR &amp; INDUSTRIES LIMITED</b>			
<b>NOTES TO ACCOUNTS FORMING PART OF BALANCE SHEET</b>			
			(Rs. in Lacs)
<b><u>NOTE 09 : OTHER EQUITY</u></b>			
<b>Revaluation Reserve</b>			
As per last balance sheet		519.32	519.32
<b>General Reserve</b>			
As per last balance sheet		760.35	760.35
<b>Profit &amp; loss A/c</b>			
As per last balance sheet	751.85		876.33
Add: Profit After Tax for the Current Year	(16.46)	735.39	(124.48)
Balance brought forward			751.85
<b>TOTAL</b>		<b>2,015.06</b>	<b>2,031.52</b>
<b><u>NOTE : 10 LONG TERM BORROWINGS</u></b>			
SDF Loan	1,337.00		1,337.00
Interest Accrued From SDF Loan	759.34		759.34
Cash Credit Borrowings from Bank	587.09		587.09
Term Loan from Bank	4,763.87	<b>7,447.30</b>	4,763.87
			<b>7,447.30</b>
<b><u>NOTE : 11 SHORT TERM BORROWINGS</u></b>			
From Body Corporates	7.68		7.68
		<b>7.68</b>	<b>7.68</b>
<b><u>NOTE : 12 TRADE PAYABLES</u></b>			
Trade Payables	1,273.23		1,256.79
		<b>1,273.23</b>	<b>1,256.79</b>
<b><u>NOTE : 13 OTHER CURENT LIABILITIES</u></b>			
Current Liabilities	346.08		346.64
		<b>346.08</b>	<b>346.64</b>
<b><u>NOTE : 14 PROVISIONS</u></b>			
Short term Provisions	7.77		7.77
		<b>7.77</b>	<b>7.77</b>

<b>EASTERN SUGAR &amp; INDUSTRIES LIMITED</b>		
<b>NOTES TO ACCOUNTS FORMING PART OF PROFIT AND LOSS</b>		
(Rs. in Lacs)		
	As on 31.03.2020	As on 31.03.2019
<b>NOTE : 15 EMPLOYEE BENEFIT EXPENSES</b>		
Salary & Wages	5.72	58.70
Employee Welfare Expenses	0.15	0.98
<b>TOTAL</b>	<b>5.87</b>	<b>59.68</b>
<b>NOTE : 16 OTHER EXPENSES</b>		
Audit Fees	0.41	0.41
Certification charges	0.00	0.18
Custody Charges	0.83	1.30
Filing Fees	0.06	0.09
General Expenses	0.99	2.08
Legal expenses	1.12	0.01
Office Maintenance	0.41	0.12
Printing & Stationary	0.22	0.21
Professional Charges	2.21	2.75
Annual Listing Fees	2.36	15.55
Processing Fees	0.92	0.00
Consultancy Charges	0.00	0.40
N.S.D.L Charges	0.00	0.25
C.D.S.L Charges	0.00	0.28
Pension Scheme	0.00	4.29
P.F.Contribution	0.00	1.89
P.F Inspection Charges	0.00	0.10
P.F.Link Insurance Charges	0.00	0.26
BSE Revocation Charges	0.00	34.56
Travelling & Conveyance Exp	1.06	0.07
<b>TOTAL</b>	<b>10.59</b>	<b>64.80</b>

## EASTERN SUGAR & INDUSTRIES LIMITED

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

	PARTICULARS	AMOUNT (Rs. In Lacs)			
		31.03.2020		31.03.2019	
<b>A.</b>	<b><u>Cash Flow from Operating Activity</u></b>				
	Net Profit Before Tax & Extra Ordinary Item	(16.46)		(124.48)	
	<b>Adjustment for :</b>				
	Depreciation				
	Operating Profit Before Working Capital Changes	(16.46)		(124.48)	
	<b>Adjustment for :</b>				
	Loan & Advances			70.34	
	Trade Receivable		-		
	Trade Payable	16.44		81.86	
	Other Current Liabilities	(0.56)	(0.58)	(29.64)	(1.92)
	Less: Taxes Paid		-		-
	<b>Net Cash Generated from Operation</b>		(0.58)		(1.92)
<b>B.</b>	<b><u>Cash Flow from Investing Activity</u></b>				
	Purchase of Fixed Asset	-		-	
	Purchase of Investments	-		-	
	<b>Net Cash Generated from Investing Activity</b>		-		-
<b>C.</b>	<b><u>Cash Flow from Financing Activity</u></b>				
	Long Term Borrowings	-		-	
	<b>Net Cash Generated from Financing Activity</b>		-		-
	<b>Total Cash generated During the year (A+B+C)</b>		(0.58)		(1.92)
	Add: Cash Balance at the Beginning of the Year		14.79		16.71
	<b>Cash Balance at the End of the Year</b>		14.21		14.79

The accompanying notes are an Integral parts of financial statements

As per our report of even date

**For Saraf Manoj & Co.**

Chartered Accountants

F.R. No. 323473E

**Manoj Kumar Agarwal**

**(Partner)**

Membership No. 062489

**Place : Kolkata**

**Date: 28.07.2020**

For & on behalf of Board of Directors

S.J. Goswami

Whole time Director

Din- 02899135

Chandan Kumar Garodia

Director

Din- 05325649

Priyanka Mundhara,

Company Secretary

## **17. 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**

The company has not provided depreciation on its Fixed Assets for the Period covered under Audit .The Company has also not provided depreciation on transition to schedule –II of The Companies Act, 2013.

### **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 31<sup>st</sup> March, 2020. 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.

## 18. 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 Indian Accounting Standard (IND AS-12), Deferred Tax Assets (net) at the yearend 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 IND AS-12.

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, 2020 and hence, Segment Reporting as per IND AS-108 issued by the ICAI is not applicable.

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

	(Rs. in lacs)	
	<b>31.03.2020</b>	<b>31.03.2019</b>
Profit/Loss after Tax as per Profit & Loss Account	(16.46)	(124.48)
Weighted Average No. of Equity Shares	292.00	292.00
Basic & Diluted Earnings per Share	(0.06)	(0.43)

### 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 favor of Bank of India (save and except book debts).

### xi) **Related Party Disclosure**

#### a) **Names of Related Parties:**

Shree Hanuman Sugar & Industries Limited

**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) Contingent Liabilities (To the Extent not provided for)**
**a) Claim against the company not acknowledged as debt:-**

Particulars	Amount (Lacs)
Income Tax Matter	781.13

The above amount of contingencies does not include applicable interest, if any. Cash outflow for the above are determinable only on receipt of judgments pending at various forums/ authorities.

Xiii) The factory was taken on lease from M/s Shree Hanuman Sugar & Industries Limited w.e.f 1<sup>st</sup> June ,1995. The lease was terminated on 30<sup>th</sup> June ,2006. The last cane crushing season was 2003-04.

xiv) One of the Financial Creditors named Stressed Assets Stabilization Fund has filed petition to NCLT under Insolvency and Bankruptcy Code 2016, against the company. The Company has filed affidavit-in-reply before hon'ble NCLT Kolkata bench, Further, the Company is in the process of negotiation for one time settlement.

xv) Default of IFCI and Bank of India, recovery proceedings are pending at DRT Patna. Bank of India has agreed to OTS proposal and negotiations for settlement with IFCI is in progress.

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

**As per our report of even date**

For and on behalf of the Board of Directors

**For Saraf Manoj & Co.  
Chartered Accountants  
F.R. No. 323473E**
**Shirish Goswami  
Wholetime Director  
Din- 02899135**
**Manoj Kumar Agarwal  
(Partner)  
Membership No. 062489**
**Chandan Kumar Garodia  
Director  
Din- 05325649**
**Place: Kolkata  
Date: 28.07.2020**
**Priyanka Mundhara,  
Company Secretary**