

ANNUAL REPORT

2016-2017



**THE BELSUND SUGAR
&
INDUSTRIES LIMITED**

THE BELSUND SUGAR & INDUSTRIES LIMITED

(CIN : L15421WB1932PLC007463)

ANNUAL REPORT 2016-2017

Directors	: Shri O. P. Dhanuka - Chairman Shri P. J. Bhide Shri S. Prasad Smt. Sulekha Dutta
Auditors	: K. N. Gutgutia & Co. Chartered Accountants Kolkata
Banker	: Bank of India
Registered Office	: 14, Netaji Subhas Road 2nd Floor Kolkata - 700 001
Registrars	: S. K. Infosolutions Pvt. Ltd. 34/1A, Sudhir Chatterjee Street Kolkata - 700 006 Phone : 2219 4815 E-mail : skcdilip@gmail.com
Shares Listed at	: The Calcutta Stock Exchange Ltd. 7, Lyons Range, Kolkata - 700 001

DIRECTORS' REPORT

To
THE SHAREHOLDERS

Your Directors have pleasure in presenting their Report and audited Accounts of the Company for the financial year ended 31st March, 2017.

FINANCIAL & OPERATIONAL RESULTS

(Rs. in Lacs)

FINANCIAL RESULTS

	<u>Financial Year 31st March, 2017</u>	<u>Financial Year 31st March, 2016</u>
(a) Total Revenue	36.84	133.69
(b) Operating Profit Before Finance Cost & Depreciation	32.16	125.70
(c) Finance Cost	85.71	72.68
(d) Cash Accruals	(53.55)	53.02
(e) Depreciation & Amortization	–	–
(f) Profit (Loss) before extraordinary items	(53.55)	53.02
(g) Extraordinary Item of Exp.	–	–
(h) Profit (Loss) Before Tax	(53.55)	53.02
(i) Provision for Tax		
– Current Tax	–	5.66
– Deferred Tax	(7.58)	12.13
– Income Tax of earlier year	–	0.12
(j) Profit (Loss) After Tax	(45.97)	35.10
(k) Balance Brought Forward from last year	209.80	174.84
(l) Profit (Loss) Carried Forward to Balance Sheet	163.83	209.94

DIVIDEND :

In view of loss the company is unable to pay Dividend.

OPERATIONAL RESULTS :

The company carried out cane plantation activities during the year on leased land in Bihar. The company also earned interest on Loan given.

Audit Committee

The Audit Committee comprises Mr. P. J. Bhide, as its Chairman with Mr. S. Prasad and Mrs. S. Dutta as its member. All recommendations of the Audit Committee were accepted by the Board.

Information pursuant to Section 134 of the Companies Act, 2013

a. Extract of the annual return as provided under Section 92(3) of Companies Act, 2013 is enclosed – **Annexure I**

- b. Seven meetings of the Board of Directors of the Company were held during the year on 11.05.2016, 30.05.2016, 13.08.2016, 26.09.2016, 10.11.2016, 02.02.2017 and 14.02.2017.
- c. All the Independent Directors of the company have furnished declarations that they satisfy the requirement of Section 149(6) of the Companies Act, 2013.
- d. Relevant extracts of the Company's policy on directors appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided in section 178(3) of Companies Act, 2013 is enclosed – **Annexure - II**. We affirm that the remuneration paid to the Directors is as per terms laid out in the Nomination and Remuneration Policy of the company.
- e. There is no qualification, reservation or adverse remark or disclaimer made by the auditor in his report and by Company Secretary in practice in the secretarial audit report and hence no explanations or comments by the Board are required.
- f. The details of Loans, Guarantees and Investment covered under the provisions of section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements and also enclosed as **Annexure - III**.
- g. There has been no materially significant related party transactions made by the company with the promoters, the directors, the key managerial personnel which may be in conflict with the interest of the company at large. The company has formulated a policy on related Party Transactions and also on dealing with Related Party Transactions. The policy is disclosed on the website of the company (www.belsundsugar.com). All related party transactions as placed before the Audit Committee has also received approval from the Board. Your Directors draw attention of the members the Note No. 21 to the financial statement which set out Related Party Disclosures.
- h. The company has not carried out any measures for conservation of energy and technology absorption. During the year there was no foreign exchange earning and outgo.
- i. The company has laid down policy on risk assessment and minimization procedures and the same is periodically reviewed by the Board. The Policy facilitates in identification of risk at appropriate time and ensure necessary steps to be taken to mitigate the risk. Brief details of risks and concerns are given in this Board Report.
- j. The Annual Report on CSR activities is not annexed herewith due to non- applicability of relevant provisions to the company due to insufficient profits.
- k. In compliance with the Companies Act, 2013 and clause 49 of the Listing Agreement, the Board adopted mechanism for evaluating its performance as well as that of its Committee and Individual directors, including the Chairman of the Board.

The evaluation of Independent was carried out by the entire Board and that of the chairman and Non-Independent directors were carried out by the Independent directors.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its committee with the company.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY :

Your Company has adequate systems and internal control procedures to safeguard the assets of the company and to ensure maintenance of proper accounting records. There is also an Internal Audit System in place which reviews the key business and controls and also test checks on routine transactions and reports deviations.

FIXED DEPOSITS :

The company has neither accepted nor renewed any deposit from public within the meaning of section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposit) Rules, 2014 during the year under review.

AUDITORS :

(a) Statutory Auditors

The observation of Statutory Auditors in their report, read with the relevant notes to accounts are self explanatory and therefore, do not require any further explanation.

M/s. K. N. Gutgutia & Co., Chartered Accountants (ICAI Registration No. 304153E), Kolkata,, hold office as Auditors of the Company till the conclusion of ensuing Annual General Meeting.

The Board, on the recommendation of the Audit Committee, proposed that M/s. Salarpuria & Partners, Chartered Accountants (Firm registration number 302113E), be appointed as the Statutory Auditors of the Company for a period of five consecutive years from the conclusion of the ensuing Annual General Meeting of the Company, subject to the approval of the shareholders of the Company.

(b) Secretarial Auditor and Secretarial Audit Report

In pursuance of section 204 of the Companies Act, 2013 M/s H.M. Choraria & co., Company Secretaries were appointed as secretarial Auditors to carry out Secretarial Audit for the financial year 2016-17. Their report is annexed to this report as **Annexure-IV**.

DIRECTORS :

Mr. P.J.Bhide, Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment.

All Independent Directors have given declaration that they meet the criteria of Independence as laid down under section 149 (6) of the Companies Act, 2013 and Regulation 16 of the Listing Regulations.

The information about the directors appointment is mentioned in the Notice of Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT :

Your Directors state that :-

- (i) in preparation of the annual accounts for the year ended 31st March, 2017 , the applicable accounting standards have been followed alongwith proper explanation relating to material departures, if any;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company and of the loss of the company as 31st March, 2017;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors have prepared the annual accounts on 'going concern' basis;
- (v) the Directors have laid down internal financial controls to be followed by the company and such internal financial controls are adequate and are operating effectively; and
- (vi) directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

PERSONNEL :

The particulars of employee as required under Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) and Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given as separate annexure attached hereto and forms part of this report as **Annexure- V**

CORPORATE GOVERNANCE :

The Corporate Governance is not applicable to the company because of small size.

KEY MANAGERIAL PERSONNELS :

Mr. O. P. Dhanuka, Chairman is Key Managerial Person. There is no major activities in the company and no permanent employee.

Significant & material orders passed by the regulators

During the year under review, no significant and material orders were passed by the Regulators or courts or Tribunals impacting the going concern status add the Company's operations.

Material changes and commitments affecting the financial position of the company after 31st March, 2017

None

LISTING OF EQUITY SHARES :

The Shares of the Company is listed on the Stock Exchange of Calcutta. The Company has been regularly paying the Listing Fees to the Stock Exchange.

ANNEXURES FORMING PART OF THIS REPORT OF THE DIRECTORS :

The Annexure referred to in this report and other information which are required to be disclosed are annexed herewith and forms a part of this report of the Directors :-

Annexure	Particulars
I	Extract of the Annual Return as per form MGT-9
II	Policy on selection of Directors appointment and remuneration
III	Details of Loan, Guarantees and Investment
IV	Secretarial Audit Report
V	Particulars of Employees

APPRECIATION :

Your Directors express their appreciation for the support and contribution by all concerned.

For and on behalf of the Board,

Kolkata,
Dated : 29th May, 2017

O. P. Dhanuka
Chairman

Annexure I to the Directors Report**FORM NO. MGT 9****EXTRACT OF ANNUAL RETURN****As on financial year ended on 31.03.2017**

Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS :

1.	CIN	L15421WB1932PLC007463
2.	Registration Date	19th September, 1932
3.	Name of the Company	The Belsund Sugar & Industries Ltd.
4.	Category/Sub-category of the Company	Public Company/Limited by shares
5.	Address of the Registered office & contact details	14, Netaji Subhas Road, 2nd Floor, Kolkata-700001 Phone : 2231 3414/15/16 E-mail : sprasad@rigasugar.in
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	S.K. Info Solutions Pvt. Ltd. 34/1A, Sudhir Chatterjee Street, Kolkata-700 006 Phone : 033 2219 4815 E-mail : skcdilip@gmail.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	Cane Plantation & Investment in Group Co.	–	–

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	Name and address of company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Application section
–	–	–	–	–	–

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

(A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31 March 2016]				No. of Shares held at the end of the year [As on 31 March 2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
a) Individual/ HUF	2,300	1,76,653	1,78,953	22.95	2,300	1,76,653	1,78,953	22.95	N.A.
b) Central Govt	Nil	Nil	Nil	N.A.	Nil	Nil	Nil	N.A.	N.A.
c) State Govt(s)	Nil	Nil	Nil	N.A.	Nil	Nil	Nil	N.A.	N.A.
d) Bodies Corp.	1,92,500	57,217	2,49,717	32.03	1,92,500	57,217	2,49,717	32.03	N.A.
e) Banks / FI	Nil	Nil	Nil	N.A.	Nil	Nil	Nil	N.A.	N.A.
f) Any other	Nil	Nil	Nil	N.A.	Nil	Nil	Nil	N.A.	N.A.
Total shareholding of Promoter (A)	1,94,800	2,33,870	4,28,670	54.98	1,94,800	2,33,870	4,28,670	54.98	N.A.
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	Nil	Nil	Nil	N.A.	Nil	Nil	Nil	N.A.	N.A.
b) Banks / FI	1,43,660	415	1,44,075	18.49	1,43,660	415	1,44,075	18.49	N.A.
c) Central Govt	Nil	Nil	Nil	N.A.	Nil	Nil	Nil	N.A.	N.A.
d) State Govt(s)	Nil	Nil	Nil	N.A.	Nil	Nil	Nil	N.A.	N.A.
e) Venture Capital Funds	Nil	Nil	Nil	N.A.	Nil	Nil	Nil	N.A.	N.A.
f) Insurance Companies	Nil	Nil	Nil	N.A.	Nil	Nil	Nil	N.A.	N.A.
g) FIs	Nil	Nil	Nil	N.A.	Nil	Nil	Nil	N.A.	N.A.
h) Foreign Venture Capital Funds	Nil	Nil	Nil	N.A.	Nil	Nil	Nil	N.A.	N.A.
i) Others (specify)	Nil	Nil	Nil	N.A.	Nil	Nil	Nil	N.A.	N.A.
Sub-total (B)(1)	1,43,660	415	1,44,075	18.49	1,43,660	415	1,44,075	18.49	N.A.

Category-wise Share Holding (Contd.)

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31 March 2016]				No. of Shares held at the end of the year [As on 31 March 2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	740	1,14,851	1,15,591	14.83	740	1,14,851	1,15,591	14.83	N.A.
ii) Overseas	Nil	Nil	Nil	N.A.	Nil	Nil	Nil	N.A.	N.A.
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	4,196	86,928	91,124	11.68	5,180	86,044	91,224	11.68	N.A.
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	Nil	Nil	Nil	N.A.	Nil	Nil	Nil	N.A.	N.A.
c) Others (specify)									
Non Resident Indians	Nil	40	40	0.01	Nil	40	40	0.01	N.A.
Overseas Corporate Bodies	Nil	100	100	0.01	Nil	100	100	0.01	N.A.
Foreign Nationals	Nil	Nil	Nil	N.A.	Nil	Nil	Nil	N.A.	N.A.
Clearing Members	Nil	Nil	Nil	N.A.	Nil	Nil	Nil	N.A.	N.A.
Trusts	Nil	Nil	Nil	N.A.	Nil	Nil	Nil	N.A.	N.A.
Foreign Bodies-DR	Nil	Nil	Nil	N.A.	Nil	Nil	Nil	N.A.	N.A.
Sub-total (B)(2)	4,936	2,01,919	2,06,855	26.53	4,936	2,01,919	2,06,855	26.53	N.A.
Total Public Shareholding (B)=(B)(1)+(B)(2)	1,48,596	2,02,334	3,50,930	45.02	1,48,596	2,02,334	3,50,930	45.02	N.A.
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	N.A.	Nil	Nil	Nil	N.A.	N.A.
Grand Total (A+B+C)	3,43,396	4,36,204	7,79,600	100.00	3,43,396	4,36,204	7,79,600	100.00	N.A.

B) Shareholding of Promoter -

S.N.	Shareholder's Name	Shareholding at the beginning of the 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	Meera Dhanuka	9,851	1.26	Nil	9,851	1.26	Nil	Nil
2	O.P.Dhanuka	29,722	3.82	Nil	29,722	3.82	Nil	Nil
3	Garima Tibrawalla	26,650	3.41	Nil	26,650	3.41	Nil	Nil
4.	Tripti Saraff	32,030	4.11	Nil	32,030	4.11	Nil	Nil
5	P.L.Dhanuka	18,520	2.38	Nil	18,520	2.38	Nil	Nil
6	Shruti Jatia	62,180	7.97	Nil	62,180	7.97	Nil	Nil
7	Garima Investment & Trading Co. Ltd.	669	0.09	Nil	669	0.09	Nil	Nil
8	Paramount Stock & Share Broking Services Ltd.	2,348	0.30	Nil	2,348	0.30	Nil	Nil
9	Garima Leasing Co. Ltd.	95,000	12.18	Nil	95,000	12.18	Nil	Nil
10	O. P. Vanyjya Ltd.	1,51,700	19.46	Nil	1,51,700	19.46	Nil	Nil
	Total	4,28,670	54.98	Nil	4,28,670	54.98	Nil	Nil

C) Change in Promoters' Shareholding (please specify, if there is no change)

Particulars	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	4,28,670	54.98	4,28,670	54.98
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	Nil	N.A.	Nil	N.A.
At the end of the year	4,28,670	54.98	4,28,670	54.98

D) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) :

Sl. No.	Name - Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Share	% of total shares of the company	No. of Share	% of total shares of the company
1	Life Insurance Corporation of India At the beginning of the year As at 31.03.2017	1,43,660	18.43	1,43,660	18.43
2	Kejriwal Investment Co. Pvt. Ltd. At the beginning of the year As at 31.03.2017	1,12,327	14.4	1,12,327	14.4
3	Behram Jamshedji Aibara At the beginning of the year As at 31.03.2017	1,800	0.23	1,800	0.23
4	Uma Shankar Bajoria At the beginning of the year As at 31.03.2017	1,400	0.17	1,400	0.17
5	Sajan Kumar Pasari At the beginning of the year As at 31.03.2017	1,300	0.16	1,300	0.16
6	Mahendra Girdharilal Wadhawani At the beginning of the year As at 31.03.2017	1,270	0.16	1,270	0.16
7	Jitendra Harjivandas At the beginning of the year As at 31.03.2017	1,170	0.15	1,170	0.15
8	Jal Rusi Olia At the beginning of the year As at 31.03.2017	1,000	0.12	1,000	0.12
9	Pratap Joshi At the beginning of the year As at 31.03.2017	1,000	0.12	1,000	0.12
10	Hari Prasad Agarwal At the beginning of the year As at 31.03.2017	1,000	0.12	1,000	0.12

E) Shareholding of Directors and Key Managerial Personnel :

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	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
1	Mr. O. P. Dhanuka, Director & KMP				
	At the beginning of the year	29,722	3.82		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.) :	-	-	-	-
	At the end of the year	-	-	29,722	3.82
2	Mr. S. Prasad, Director				
	At the beginning of the year	100	0.01		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.) :	-	-	-	-
	At the end of the year	-	-	100	0.01

V) INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	–	5,90,70,312	–	5,90,70,312
ii) Interest due but not paid	–		–	
iii) Interest accrued but not due	–	14,72,996	–	14,72,996
Total (i+ii+iii)	–	6,05,43,308	–	6,05,43,308
Change in Indebtedness during the financial year	–		–	
* Addition	–	7,13,56,847	–	7,13,56,847
* Reduction	–	8,30,62,176	–	8,30,62,176
Net Change	–	(1,17,05,329)	–	(1,17,05,329)
Indebtedness at the end of the financial year	–		–	
i) Principal Amount	–	4,75,00,000	–	4,75,00,000
ii) Interest due but not paid	–		–	
iii) Interest accrued but not due	–	13,37,979	–	13,37,979
Total (i+ii+iii)	–	4,88,37,979	–	4,88,37,979

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL -**A.** Remuneration to Managing Director, Whole-time Directors and/or Manager :

SN.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
1	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	–	–
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	–	–
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	–	–
2	Stock Option	–	–
3	Sweat Equity	–	–
4	Commission – - as % of profit - others, specify...	–	
5	Others, please specify	–	–
	Total (A)	–	–
	Ceiling as per the Act	–	–

B. REMUNERATION TO OTHER DIRECTORS -

SN.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. O.P.Dhanuka	Mr. P.J.Bhide	Mr. S.Prasad	Mrs. Sulekha Dutta	
1	Independent Directors					
	Fee for attending board committee meetings	–	1,500/-	–	3,500/-	5,000/-
	Commission					
	Others, please specify					
	Total (1)	–	1,500/-	–	3,500/-	5,000/-
2	Other Non-Executive Directors					
	Fee for attending board committee meetings	3,500/-		3,500/-	–	7,000/-
	Commission					
	Others, please specify					
	Total (2)	3,500/-	–	3,500/-	–	7,000/-
	Total (B)=(1+2)	3,500/-	1,500/-	3,500/-	3,500/-	12,000/-
	Total Managerial Remuneration	3,500/-	1,500/-	3,500/-	3,500/-	12,000/-
	Overall Ceiling as per the Act	In terms of the provisions of the Companies Act, 2013, the remuneration paid is well within the limit.				

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD

SN.	Particulars of Remuneration	Key Managerial Personnel	Total Amount
		Mr. O.P.Dhanuka, Director	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	–	–
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	–	–
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	–	–
2	Stock Option	–	–
3	Sweat Equity	–	–
4	Commission - as % of profit - others, specify...	–	–
5	Others, please specify (Sitting Fee)	3,500/-	3,500/-
	Total	3,500/-	3,500/-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES :

No penalties / punishment / compounding of offences were levied under the Companies Act, 2013.

Annexure II to the Directors Report**POLICY ON DIRECTORS, KMP AND SENIOR MANAGEMENT PERSONNEL APPOINTMENT AND REMUNERATION**

The objectives of this Policy include the following :

- to lay down criteria for identifying persons who are qualified to become Directors;
- to formulate criteria for determining qualification, positive attributes and independence of a Director;
- to determine the composition and level of remuneration, including reward linked with the performance, which is reasonable and sufficient to attract, retain and motivate Directors and KMP, to work towards the long term growth and success of the Company ;
- to frame guidelines on the diversity of the Board;

DEFINITIONS

Unless the context requires otherwise, the following terms shall have the following meanings :

“Director” means a Director of the Company.

“Key Managerial Personnel” or “KMP” means -

- (i) the Chief Executive Officer or the Managing Director or the Manager;
- (ii) the Whole-time director;
- (iii) the Chief Financial Officer;
- (iv) the Company Secretary; and
- (v) such other officer as may be prescribed under the applicable law.

Criteria for identifying persons who are qualified to be appointed as a Director of the Company :

Section 164 of the Companies Act, 2013 (“Act”) provides for the disqualifications for appointment of any person to become Director of any company. Any person who in the opinion of the Board of Directors (“Board”) is not disqualified to become a Director, and in the opinion of the Board, possesses the ability, integrity and relevant expertise and experience, can be appointed as Director of the Company.

Independent Directors :

For appointing any person as an Independent Director he/she should possess qualifications as mentioned in (A) the Act and the Rules made thereunder (including but not limited to Section 149 of the Act and Rule 5 of The Companies (Appointment and Qualification of Directors) Rules, 2014); and (B) the Listing Agreement.

Evaluation of Directors :

In terms of Section 149 of the Act read with Schedule IV of the said Act the Independent Directors shall at its separate meeting review the performance of non- independent Directors based on the parameters that are considered relevant by the Independent Directors.

The Board as a whole shall evaluate the performance of Independent Directors. During such evaluation the Director being evaluated shall be excluded from the meeting.

Evaluation of KMP and Senior Management Personnel :

Criteria for evaluating performance of KMP (other than Directors) and Senior Management Personnel shall be as per the internal guidelines of the Company on performance management and development.

Criteria for evaluating performance of Other Employees :

The human resources department of the Company shall evaluate the performance of Other Employees. In this regard, the human resources department shall decide upon the criteria for evaluating performance of Other Employees.

REMUNERATION OF DIRECTORS AND KMP :

The remuneration/ compensation etc. to Managing Director / Whole-time Director and remuneration of KMP will be determined by the Committee and recommended to the Board for approval. Remuneration/commission to Directors (including Independent Directors) as per the statutory provisions of the Act and the rules made thereunder for the time being in force within limits approved by shareholders, shall be decided by the Board.

Increments to the existing remuneration/ compensation structure payable to Managing Director / Wholetime Directors and KMP may be recommended by the Committee to the Board which should be within the slabs if any, approved by the shareholders in the case of Directors.

Sitting Fees :

Non-Executive Directors including Independent Directors may receive remuneration by way of fees for attending meetings of Board or its committee within limits prescribed by the Central govt.

Remuneration to Senior Management Personnel :

The Committee has delegated its powers under this Policy with respect to Senior Management Personnel (other than their appointment) and other employees to the Whole time Director of the Company and the Whole-time Director shall be entitled to take decisions with respect to remuneration of Senior Management Personnel and other employees their extension after attainment of applicable retirement age/employee welfare measure including provision of loans (with or without interest as per statutory provisions) through wage settlements or company rules/regulations or otherwise.

Remuneration to Other Employees :

The human resources department of the Company with Managing Director 's approval, will determine from time to time the remuneration payable to Other Employees. The powers of the Committee in this regard have been delegated to the human resources department of the Company.

BOARD DIVERSITY :

With a view to achieving a sustainable and balanced development, the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. The Company while appointing may consider the following criteria; i.e. appoint those persons who possess relevant experience, integrity, understanding, knowledge or other skill sets that may be considered by the Board as relevant in its absolute discretion, for the business of the Company etc. The Board shall have the optimum combination of Directors of different genders, from different areas, fields, backgrounds and skill sets as maybe deemed absolutely necessary. The Board shall have members who have accounting or related financial management expertise and are financially literate.

Annexure III to the Directors Report

Particulars of Loans, Guarantees or Investment under section 186 of the Companies Act, 2013

Name of Entity	Nature of Relationship	Amount (Rs. in Lacs)	Particular of Loan, Guarantee and Investment
Bankers of Riga Sugar Co. Ltd where the company hold 21.02% shares in the capacity as promoters.	Associate	13,527.00	Guarantees given to Banks on behalf of Riga Sugar Co. Ltd. toward their borrowings.
Riga Sugar Company Limited	Associate	1,606.00	Loan given
Continental Fiscal Management Ltd.	None	284.93	Loan given including interest

Annexure IV to the Directors Report

Form- MR-3

Secretarial Audit Report

(For the financial year ended 31st March, 2017)

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

To,
The Members,
The Belsund Sugar & Industries Limited
14, Netaji Subhas Road
Kolkata - 700 001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **The Belsund Sugar & Industries Ltd.** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

We have examined the books, papers, minute books, forms and returns filed and other records maintained by The Belsund Sugar & Industries Limited ("**The Company**") for the financial year ended on 31st March, 2017 according to the provisions of :

- I. The Companies Act, 2013 (**the Act**) and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('**SCRA**') and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('**SEBI Act**') to the extent applicable to the Company :-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ; Not applicable
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not applicable
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; Not applicable
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not applicable
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not applicable
- VI. Laws specifically applicable to the industry to which the company specifically belongs, as identified by the management - None.

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

- a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- b) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements etc. mentioned above, save and except the following observations :

- (a) In view of poor financial condition and no volumous business activities of the company *neither the company is in position to recruit nor any credible person is willing to join the Company as whole timer CEO, Company Secretary and CFO (KMP) under section 203, Internal Auditors under section 139 of the Companies Act, 2013.*
- (b) In view of poor financial condition of the company and no volumous business activities, the Company has not filed and published the quarterly results of the Company pursuant to the requirement of the Listing Agreement and SEBI (LODR) Regulation 2015, during the year under review.
- (c) The Company has made payments to the Cane Growers/suppliers of its erstwhile subsidiary Company, considering the amount disbursed as Loan to that Company, the amount of loans is with the overall limit sanctioned by the shareholders pursuant to section 186 of the companies Act, 2013 and we were told by the management that the transactions are in the ordinary course of the business pursuant to the provisions of section 185 of the Act, However the company is yet to file form MGT 14 pursuant to the provisions of section 179(3) of the Act.
- (d) We were informed by the management that for Resolution passed at the Board Meeting held on 02nd February, 2017 to extend corporate Guarantee in favour of an another Company for temporary foreign currency loan taken by that Company from Bank against earmarking of existing Rupee loan does not requires filing of E form pursuant to the provisions of section 179(3) of the Act, as there was no fresh exposure or the increase of the overall amount of guarantee.

Reliance has been put on compliance system prevailing in the company and legal compliance certificates received from Director as regards compliance of Laws specifically applicable to the industry to which the company specifically belongs.

We further report that :-

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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.

As per the minutes maintained by the company for the Board/Committee and Shareholders, we noticed that all decisions were approved by the respective Board/Committee and shareholders without any dissent note.

We further report that 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.

For H.M. Choraria
Company Secretaries

(H.M.Choraria)
Proprietor
FCS 2398
CP No. 1499

Place: Kolkata
Date : 29th May, 2017

Annexure V to the Directors Report

A) Details pertaining to remuneration as required under section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014

- (i) The percentage increase in remuneration of each Director during the Financial Year 2016-17, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial Year 2016-17 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under :-

Sl. No.	Name of Directors (KMP) and Designation	Remuneration of Director /KMP for the Financial Year 2016-17 (Rs. in Lac)	% increase in Remuneration in the Financial Year 2016-17	Ratio of remuneration of each of Director to median remuneration of employees	Comparison of the remuneration of the KMP against the performance of the Company.
1.	Mr. Om Prakash Dhanuka, Chairman, KMP	3,500	NA	NA	NA
2.	Mr. P. J. Bhide, Director	1,500	NA	NA	
3.	Mr. S. Prasad, Director	3,500	NA	NA	
4.	Mrs. Sulekha Dutta	3,500	NA	NA	

Note : The above remuneration is Sitting fee paid to Directors.

- (ii) There was no paid employee during the year, thus requirement of median remuneration, performance comparison is not warranted.
- (iii) Variations in the Market capitalization of the Company: There is no trading on Calcutta Stock Exchange for last more than 15 years.
- (iv) EPS of the Company as at 31.03.2016 and 31.03.2017 was 4.48 and (5.90). However Price earning ratio is not applicable due to non-trading of share.
- v) Percentage increase over/decrease in the Market quotations of the shares of the Company as compared to the rate at which the Company had come out with last public offer in the year:- No trading for last 15 years.
- (vi) The Non-executive Directors were paid sitting fee of Rs. 500/- for attending the each Board Meeting. No sitting fee was paid for attending committee meetings.
- (vii) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year - NA; and
- (viii) It is hereby affirmed that the remuneration paid is as per the remuneration policy of the Company.

B) Statement of Particulars of Employees as required under section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014

Name	Designation, Nature of duties	Remuneration (Rs.)	Qualification and experience (years)	Age (Years)	Date of commencement of employment	Last employer, designation
N.A.	N.A.	NIL	N.A.	N.A.	N.A.	N.A.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
THE BELSUND SUGAR & INDUSTRIES LIMITED

Report on the Financial Statements :

We have audited the accompanying financial statements of **THE BELSUND SUGAR & INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements :

The Company's 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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.

Auditor's Responsibility :

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion :

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its Loss and its cash flows for the year ended on that date.

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 Act, we give in the **Annexure - A** a statement on the matters specified in paragraphs 3 and 4 of the Order as may be 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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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 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 no pending litigations on its financial position in its financial statements.
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The Company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company.

For K. N. GUTGUTIA & CO.
Chartered Accountants
(Firm Registration No. 304153E)

CA.SUBHASISH PORE
Partner
Membership No. 55862

Place : Kolkata
Dated : 29th May, 2017

ANNEXURE - A

AS STATED IN PARAGRAPH 1 OF OTHER LEGAL AND REGULATORY REQUIREMENTS IN OUR REPORT OF EVEN DATE.

- (i) a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) These fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- c) The title deeds of immovable properties are held in the name of the Company.
- (ii) Physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed.
- (iii) The company has granted loans, secured or unsecured to companies or other parties covered in the register maintained under section 189 of the Companies Act, 2013 which are repayable on demand and;
 - a) The terms and conditions of the grant of such loans are not prejudicial to the company's interest;
 - b) The schedule of repayment of principal and payment of interest has not been stipulated;
 - c) No amount is overdue.
- (iv) The company has given Loan and has provided Guarantee for Loan taken by Riga Sugar Co. Ltd. from Banks as shown in Note No. 22 of financial statements after complying provisions of sections 185 and 186 of the Companies Act, 2013 and the terms and conditions thereof are not prejudicial to the interest of the company.
- (v) The company has not accepted any such deposits mentioned in the clause.
- (vi) Maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
- (vii) a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Income tax, Service Tax, Provident Fund, Employees State Insurance, Wealth Tax, Customs duty, Value added Tax, Cess and any other statutory dues.
- b) There are no dues of Income tax, Service Tax, Provident Employees State Insurance, Wealth Tax, Customs duty, Value added Tax, Cess Fund and any other statutory dues that have not been deposited on account of dispute.
- (viii) The company has not taken any loan or borrowing from a financial institution, bank, government or debenture holders.
- (ix) No moneys were raised by way of initial public offer.
- (x) No fraud by the company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) No managerial remuneration has been paid or provided so as to attract the provisions of section 197 read with Schedule V to the Companies Act 2013.
- (xii) The Company has not been incorporated as Nidhi.
- (xiii) All transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the financial statements 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) The Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) The Company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934.

For K. N. GUTGUTIA & CO.
Chartered Accountants
(ICAI Firm Registration No. 304153E)

CA.SUBHASISH PORE
Partner
Membership No. 55862

Place : Kolkata
Dated : 29th May, 2017

ANNEXURE - B**AS STATED IN PARAGRAPH 2 (f) OF OUR REPORT OF EVEN DATE ON REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS :-**

Report on the Internal Financial Control 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 THE BELSUND SUGAR & INDUSTRIES LIMITED ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls :

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

Auditors' Responsibility :

Our responsibility is to express an opinion on the of the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by ICAI. 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 :

The 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 of the company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management 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, of 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 March31,2017, 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.

For K. N. GUTGUTIA & CO.
Chartered Accountants
(ICAI Firm Registration No. 304153E)

CA.SUBHASISH PORE
Partner
Membership No. 055862

Place : Kolkata
Dated : 29th May, 2017

BALANCE SHEET AS AT 31ST MARCH, 2017

	Note No.	As at 31.03.2017 ₹	As at 31.03.2016 ₹
I. EQUITY AND LIABILITIES			
1) Shareholders' Funds			
a) Share Capital	2	7,796,025	7,796,025
b) Reserve and Surplus	3	31,048,090	35,644,819
c) Money Received against share warrants		—	—
		38,844,115	43,440,844
2) Share Application Money pending allotment		—	—
3) Non-current Liabilities		—	—
4) Current Liabilities			
a) Short Term Borrowings	4	48,837,979	60,543,308
b) Other Current Liabilities	5	345,067,464	332,416,752
c) Short - Term Provisions	6	580,954	580,954
		394,486,397	393,541,014
TOTAL		433,330,512	436,981,858
II. ASSETS			
(1) Non-current Assets			
a) Property, Plant & Equipments	7	578,294	578,294
b) Non-current Investments	8	61,122,119	61,122,119
c) Deferred Tax Assets (Net)	9	4,575,799	3,816,996
		66,276,212	65,517,409
(2) Current Assets			
a) Current investments	10	8,482	8,482
b) Inventories	11	971,367	412,267
c) Cash and Cash equivalents	12	172,515	6,359,344
d) Short - term loans and advances	13	364,083,443	363,111,141
e) Other current assets	14	1,818,493	1,573,215
		367,054,300	371,464,449
TOTAL		433,330,512	436,981,858

Significant Accounting Policies

1

Notes on Financial Statement

2 to 25

In terms of our Report of even date attached herewith.

For K.N.GUTGUTIA & CO.
 CHARTERED ACCOUNTANTS
 (ICAI Firm Registration No. 304153E)
 (CA SUBHASISH PORE)
 PARTNER
 Membership No. 55862
 6C, Middleton Street, Kolkata-700 071
 Dated : 29th May, 2017

O. P. Dhanuka
 (Director)

S. Prasad
 (Director)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

	Note	For the year ended	For the year ended
	No.	31.03.2017	31.03.2016
		₹	₹
INCOME			
Revenue from operations	–	–	–
Other Income	15	3,683,658	13,369,329
TOTAL		3,683,658	13,369,329
EXPENDITURE			
Employee benefits expense	16	–	159,260
Finance costs	17	8,570,635	7,268,438
Depreciation and amortization expenses	18	–	–
Other Expenses	19	468,555	639,232
TOTAL		9,039,190	8,066,930
Profit (Loss) before tax		(5,355,532)	5,302,399
TAX EXPENSES :			
(1) Current tax		–	580,954
(2) Income tax for earlier years		–	12,380
(3) Deferred tax Liability (Assets)		(758,803)	1,213,177
Net Profit (Loss) for the period		(4,596,729)	3,495,888
Earning per equity share (Rs.) :			
(1) Basic & Diluted	20	-5.90	4.48
Significant Accounting Policies	1		
Notes on Financial Statement	2 to 25		
In terms of our Report of even date attached herewith.			

For K.N.GUTGUTIA & CO.
 CHARTERED ACCOUNTANTS
 (ICAI Firm Registration No. 304153E)
 (CA SUBHASISH PORE)
 PARTNER
 Membership No. 55862
 6C, Middleton Street, Kolkata-700 071
 Dated : 29th May, 2017

O. P. Dhanuka
 (Director)

S. Prasad
 (Director)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	Financial Year ended 31.03.2017 (Rs. in Lacs)	Financial Year ended 31.03.2016 (Rs. in Lacs)
A) CASH FLOW FROM OPERATING ACTIVITIES :		
Net profit (loss) before tax and extraordinary items	(53.56)	53.02
Adjustment for :		
Depreciation	-	-
Liability no longer require written back	-	-
Prior period expenses written off	-	-
Sundry balances written off	(0.38)	-
Interest Charges	85.71	72.68
Interest Income	(24.53)	(86.74)
Dividend Income	(0.02)	(0.02)
Profit / (Loss) on sale of Investment	-	-
Operating Profit before Working Capital Changes	7.22	38.95
Adjustments For :		
Trade and other Receivables	(16.44)	87.16
Inventories	(5.59)	-
Other Current Liabilities	126.51	230.63
Cash Generated from Operating Activities	111.70	356.74
Income Tax (payment) refund (Net)	(2.45)	(4.92)
Net Cash from Operating Activities	(A) 109.25	351.81
B) CASH FLOW FROM INVESTING ACTIVITIES :		
Purchased /Sale of Fixed Assets	-	-
Purchase/Sale of Investment	-	(171.00)
Dividend received	0.02	0.02
Interest Received	48.26	8.91
Profit (Loss) on Investment	-	-
Profit on Sale of Fixed Assets	-	-
Net Cash used in Investing Activities	(B) 48.28	(162.07)
C) CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from short Term Borrowing/Repayment	(115.70)	(195.39)
Short Term Loan & Advances	(16.63)	124.63
Interest paid	(87.06)	(72.68)
Net Cash used in Financing Activities	(C) (219.39)	(143.44)
Net Increase/Decrease in Cash and cash equivalent (A+B+C)	(61.86)	46.30
OPENING BALANCE OF CASH & CASH EQUIVALENTS	63.59	17.29
CLOSING BALANCE OF CASH & CASH EQUIVALENTS	1.73	63.59

In terms of our report on Balance Sheet of even date attached herewith

For K.N. Gutgutia & Co.

Chartered Accountants

(ICAI Firm Registration No. 304153E)

(CA SUBHASISH PORE)

PARTNER

Membership No. 55862

6C, Middleton Street, Kolkata- 700 071

Dated : 29th May, 2017

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES :

a. BASIS OF PREPARATION OF FINANCIAL STATEMENTS :

The Financial Statements are prepared on the basis of historical cost and governing statutes of India unless otherwise stated.

b. PROPERTY, PLANT & EQUIPMENTS :

Property, Plant & Equipments are stated at their original cost which comprises of purchase price and any attributable cost of bringing such assets to working condition for their intended use and relative borrowing costs.

c. DEPRECIATION :

Depreciation is provided on all depreciable assets on the basis of useful lives specified in Schedule III to the Companies Act, 2013 (hereinafter referred to as 'The Act').

The Management estimates the Useful Life for Tangible Assets as follows :

Building : Factory - 30 years

Building : Non Factory - 60 years

Plant and Machineries - 25 years

Furniture and Fixture - 5 years

Computer and Data Processor - 3 Years

Vehicle - 8 Years

Intangible Assets are amortised over a period of 10 years

d. INVESTMENTS :

Investments are stated at cost. Temporary diminution in the value of such investments (Scrip-wise) is not provided for.

e. VALUATION OF INVENTORIES :

Raw Materials are valued at net of Cost or net releasable value which ever is lower.

Stores and Spare Parts are valued at net of Cost or net releasable value which ever is lower.

Standing Agriculture Crop and Agricultural Stocks are valued at estimated realizable value based on market price.

f. CONTINGENT LIABILITIES :

These are not provided for and are disclosed by way of Notes.

g. INCOME TAX :

Provision is made for Income Tax annually based on the tax liability computed after considering tax allowances and exemptions. Deferred Income Tax is recognized on all timing differences at the Balance Sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and written down to the extent that it is no longer reasonably certain that sufficient future taxable profit will be available against which such deferred tax assets can be realized.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	As at 31.03.2017 ₹	As at 31.03.2016 ₹
2. SHARE CAPITAL		
Authorised Share Capital :		
10,00,000 Ordinary Shares of Rs 10/- each	10,000,000	10,000,000
10,00,000	10,000,000	10,000,000
Issued, Subscribed and Paid up :		
7,79,600 Ordinary Shares of Rs. 10/- each Fully paid up (7,79,600)	7,796,000	7,796,000
Add : Forfeited Shares	25	25
	7,796,025	7,796,025

2.1 The details of Shareholders holding more than 5 % of share capital :

Name of the Shareholder	As on 31.03.2017		As on 31.03.2016	
	No. of Shares	% of holding	No. of Shares	% of holding
Life Insurance Corp of India Ltd	143660	18.43	143660	18.43
Kejriwal Investment Co (P) Ltd	112327	14.41	112327	14.41
O. P. Vanyjya Ltd	151700	19.46	151700	19.46
Garima Leasing Co. Ltd.	95000	12.18	95000	12.18
Mrs. Shruti Jatia	62180	7.97	62180	7.97

2.2 The reconciliation of the number of shares outstanding is set out below :

Particulars	As at 31.03.2017 No. of Shares	As at 31.03.2016 No. of Shares
	Equity Shares at the beginning of the year	779,600
Issued (Nil / Nil)	-	-
Redeem/ buyback	-	-
Forfeited Shares	25	25
Equity Shares at the end of the year	779,625	779,625

2.3 The company has issued only equity shares and no special right, preference attached to any class of shares.

2.4 There is no holding or subsidiary company of the company.

2.5 During the last 5 years immediately preceding the balances sheet date no shares were allotted as fully paid pursuant to contract without payment, no bonus shares were issued and no shares were brought back.

2.6 There is no outstanding security convertible into equity/preference shares.

2.7 There is no unpaid call.

2.8 Amount of forfeited equity shares (25 equity shares of Rs. 10 each on which Rs. 1 paid up)	25	25
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NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	As at 31.03.2017 ₹	As at 31.03.2016 ₹
3. RESERVES AND SURPLUS		
a) Capital Reserve	1,726,319	1,726,319
b) General Reserve	1,244,535	1,244,535
c) Share Premium Account	11,693,850	11,693,850
d) Surplus as per Profit and Loss Account		
Opening	20,980,115	17,484,227
Net profit (Loss) for the period	(4,596,729)	3,495,888
Total	16,383,386	20,980,115
Appropriations :	-	-
Balance Carried Forward	16,383,386	20,980,115
TOTAL (a+b+c+d)	31,048,090	35,644,819
4. SHORT TERM BORROWINGS		
Secured	-	-
Unsecured		
Inter - Corporate Loan	47,956,847	59,662,176
Loans & Advances from Related Party (including interest payable)	881,132	881,132
TOTAL	48,937,979	60,543,308
5. OTHER CURRENT LIABILITIES		
Others payable	345,067,464	332,416,752
	345,067,464	332,416,752
5.1 Details of Other Payables		
Outstanding Expenses	14,690	61,635
Sundry Creditors	345,002,013	332,191,987
Stale Cheque	-	-
Income Tax Deducted at Source	50,761	163,130
TOTAL	345,067,464	332,416,752
6. SHORT TERM PROVISIONS		
Provision for Taxation	580,954	580,954
TOTAL	580,954	580,954

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

7. PROPERTY, PLANT & EQUIPMENT										
DESCRIPTION	GROSS BLOCK			DEPRECIATION / AMORTISATION			NET BLOCK			
	As at 01.04.2016	Additions	Deductions/ Adjustments	As at 31.03.2017	As at 31.03.2016	For the year	Deductions/ Adjustments	As at 31.03.2017	As at 31.03.2016	
TANGIBLE ASSETS :										
OWN ASSETS :										
Land :										
Freehold	534,580	-	-	534,580	-	-	-	534,580	534,580	
Leasehold	43,714	-	-	43,714	-	-	-	43,714	43,714	
Buildings	-	-	-	-	-	-	-	-	-	
Plant & Machinery	179,407	-	-	179,407	179,407	-	-	179,407	-	
Furniture & Fixtures	215,199	-	-	215,199	215,199	-	-	215,199	-	
Sub Total	972,900	-	-	972,900	394,606	-	-	578,294	578,294	
LEASED ASSETS :										
Sub Total	-	-	-	-	-	-	-	-	-	
Total (A)	972,900	-	-	972,900	394,606	-	-	578,294	578,294	
INTANGIBLE ASSETS :										
Total (B)	-	-	-	-	-	-	-	-	-	
TOTAL (A + B)	972,900	-	-	972,900	394,606	-	-	578,294	578,294	
Previous Year	972,900	-	-	972,900	394,606	-	-	578,294	623,068	

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

			As at 31.03.2017 ₹	As at 31.03.2016 ₹	
8.	NON -CURRENT INVESTMENT				
	(i) INVESTMENT IN EQUITY INSTRUMENTS				
		QUOTED			
	Current Yr.	Previous Yr.			
	888,770	(888,770)	Hindustan Wire Products Ltd.	2,016,115	2,016,115
	89	(89)	Voltas Ltd.	3,090	3,090
	2,616,165	(2,616,165)	Riga Sugar Co. Ltd.	57,377,089	57,377,089
	4,500	(4,500)	TTG Indus Ltd.	447,075	447,075
	TOTAL			59,843,369	59,843,369
			UNQUOTED		
	250	(250)	Shares of Rs. 100/- each in Bihar State Financial Corporation	25,000	25,000
	125,000	(125,000)	Accent Industries Ltd.	1,250,000	1,250,000
	TOTAL			1,275,000	1,275,000
	(ii) INVESTMENTS IN DEBENTURES OR BONDS				
	15		11% Redeemable Non-convertible Debentures of Rs. 100/- each of Voltas Ltd.	1,500	1,500
	15		12% Secured Redeemable Non-Convertible Debentures of Rs. 150/- each of Thirumalai Chemicals Ltd.	2,250	2,250
	TOTAL			3,750	3,750
	TOTAL			61,122,119	61,122,119
8.1	Aggregate market value of quoted investments			59,165,760	33,776,927

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	As at 31.03.2017 ₹	As at 31.03.2016 ₹
9. DEFERRED TAX		
Deferred Tax Liability	-	-
Deferred Tax Assets		
Depreciation on Fixed Assets	15,180	16,867
Unabsorbed Business Losses carried forward in Income Tax	3,302,752	3,128,735
Unabsorbed Short Term Capital Loss carried forward in Income Tax	20,926	20,926
Unabsorbed Depreciation carried forward in Income Tax	45,647	46,274
MAT Credit	1,191,294	604,194
	<u>4,575,799</u>	<u>3,816,996</u>
Net Deferred tax Assets (Liability)	<u>4,575,799</u>	<u>3,816,996</u>
9.1 Nature of evidence supporting the recognition of deferred tax assets in respect of unabsorbed depreciation and carry forward losses are as follows :-		
(a) Unabsorbed depreciation - Till assessment year 2014-15, as per income tax Assessment Order dated 12.09.16 For assessment year 2015-16 to 2017-18 as per income tax return filed / to be filed.		
(b) Unabsorbed Business Loss - Till assessment year 2014- 15, as per income tax Assessment order dated 12.09.2016 For assessment year 2015-16 to 2017-18, claim of unabsorbed business loss as per income tax return filed / to be filed.		
10. CURRENT INVESTMENTS		
(i) INVESTMENT IN EQUITY INSTRUMENTS		
QUOTED		
1,155 (1,155) Kakinada Fertilizers Ltd	8,482	8,482
10.1 Aggregate market value of quoted investments	<u>8,482</u>	<u>8,482</u>
11. INVENTORIES		
Stock Stores & Spare Parts	131,367	131,767
Stock and Standing Crops at Farm	840,000	280,500
TOTAL	<u>971,367</u>	<u>412,267</u>

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	As at 31.03.2017 ₹	As at 31.03.2016 ₹
12. CASH AND CASH EQUIVALENTS		
Balance with Banks	108,931	6,299,577
Cash in Hand	63,584	59,767
TOTAL	172,515	6,359,344
13. SHORT TERM LOAN AND ADVANCES UNSECURED & CONSIDERED GOOD		
(a) Loans & Advances to related parties (refer Note 21)	166,800,000	165,400,000
(b) Loans and Advances to others		
Security Deposits	28,750	28,750
Advances Recoverable	167,464,138	165,819,287
Inter-Corporate Loan	13,448,072	13,148,072
Interest receivable	16,342,483	18,715,032
TOTAL	364,083,443	363,111,141
14. OTHER CURRENT ASSETS		
Tax Deducted at source	1,818,493	1,573,215
TOTAL	1,818,493	1,573,215
15. OTHER INCOME		
Interest Income		
From Other - Non Operating income	2,452,783	8,673,675
Dividend Income		
From Current Investments	-	-
From Long Term Investments	2,314	2,003
Net Gain / (Loss) on sale of Investments		
From Current Investments		
Short Term Investment	-	-
Long Term Investment loss	-	-
Other Non Operating Income (Loss)	1,228,561	4,693,651
TOTAL	3,683,658	13,369,329
15.1 Other Non Operating Income		
Agriculture Income	1,197,301	2,253,573
Commission Income	-	2,440,078
Misc. receipts	31,260	-
Prior Period Expenses written off	-	-
TOTAL	1,228,561	4,693,651

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	2016-17 ₹	2015-16 ₹
16. EMPLOYEE BENEFITS EXPENSES		
Salaries & Wages	–	125,804
Contribution to Provident Fund	–	8,989
Staff Welfare Expenses	–	24,467
TOTAL	–	159,260
17. FINANCE COST		
Interest Expenses	8,570,635	7,268,438
TOTAL	8,570,635	7,268,438
18. DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation	–	–
TOTAL	–	–
19. OTHER EXPENSES		
Electricity Charges	87,640	26,090
Advertisement Expenses	10,596	19,876
Rates & Taxes	6,900	–
Postage & Telegramme Expenses	250	49,735
Sundry Balance written off	37,541	–
General Charges	4,281	6,499
Stationery & Printing Charges	35,550	37,255
Subscription Charges	85,160	43,596
Telephone Charges	6,193	11,104
Professional Fees	110,520	80,752
Bank Charges	2,218	5,223
Auditors Remuneration	17,618	13,560
Charity & Donations	12,001	12,001
Service Tax paid on commission	–	302,651
Conveyance, Tour and Travel Expenses	11,991	5,189
Filing Fees	26,296	5,308
Directors' Remuneration :		
Directors' Fee (incl. service tax)	13,800	20,393
TOTAL	468,555	639,232
19.1 Payments to the auditor :-		
(i) Auditor remuneration (inclusive of Service Tax)	9,000	9,000
(ii) Tax Audit	4,600	–
(iii) Company Law Matter	–	–
(iv) Managerial Services	–	–
(v) Other Services	4,018	4,560
(vi) Reimbursement	–	–
	17,618	13,560

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	2016-17 ₹	2015-16 ₹
20. EARNING PER SHARE (EPS)		
i) Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders	(4,596,729)	3,495,888
ii) Weighted Average number of equity shares used as denominator for calculating EPS	779,600	779,600
iii) Basic & Diluted Earnings per share	-5.90	4.48
iv) Face Value per equity share (Rs.)	10	10

21. RELATED PARTY DISCLOSURES :-

(in accordance with accounting standard-18 specified under Act)

(I) <u>Related parties Name</u>	<u>Relationship</u>
(a) Where control exists :	None
(b) Others with whom transactions have been taken place during the year	
Riga Sugar Company Limited	Associate
DG Vitta Vinimay & Properties Ltd.	Common significant influence and management

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(II) Particulars of transactions during the year ended 31st March, 2017

₹ 'in lacs

Name of Related Party	Description of relationship with the company	Nature of transaction	Value for the year 2016-2017	Outstanding as on 31.03.2017	Written off during the year
Riga Sugar Co. Ltd.	Associate Company	ICD Interest Trade Receivables	3425.00 Dr. 1.55 -	1606.00 Dr. 1.39 Dr. 314.83 Dr.	NIL
DG Vitta Vinimay & Prop. Ltd.	Common Significant influence and management	ICD Interest	62.00 Dr 6.78	62.00 Dr 2.71 Cr.	NIL
Directors of the Company		Sitting Fee for attending Board Meetings	0.14	NIL	NIL

22. CONTINGENT LIABILITIES AND COMMITMENTS :-

a) Contingent Liabilities

Guarantees

Outstanding guarantees for financial commitments to nationalised banks in respect of Associate Company

	As at 31.03.2017	As at 31.03.2016
	₹	₹

1,352,700,000 1,36,01,00,000

1,352,700,000 1,36,01,00,000

b) Commitments

- -

23. OTHER NOTES

23.1 The company have no separate segment to report

23.2 There are no outstanding dues to entity covered under Micro, Small & Medium Enterprises Development Act, 2006 to the company.

24. The details of Specified Bank Notes (SBN) held and transacted during the period from 8th November to 30th December 2016 by the Company are provided as below :

Particulars	SBNs Rs.	Other Denomination Notes	Total Rs.
Closing Cash in Hand as on 08.11.2016	NIL	67,820	67,820
(+) Permitted Receipts	-	-	-
(-) Permitted Payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing Cash balance as on 30.12.2016	NIL	63,970	63,970

25. Previous year's figures have been re-arranged/regrouped/recasted wherever necessary.

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