

# Shree Hanuman Sugar & Industries Ltd.



ANNUAL REPORT 2010-2011

# SHREE HANUMAN SUGAR & INDUSTRIES LIMITED

## CHAIRMAN CUM MANAGING DIRECTOR

Shri Bimal Kumar Nopany

## DIRECTORS

Shri Raj Kumar More — *Whole Time Director*

Shri Nikhil Merchant

Shri Subba Rao Peteti

Ms Pratima Srivastava

Shri Lakshmikant Tibrawalla

Shri Krishan Murari Shah

## COMPANY SECRETARY & COMPLIANCE OFFICER

Shri Ramesh Kr. Didwania

## REGISTERED OFFICE

Chandra Kunj', 4<sup>th</sup> Floor

3, Pretoria Street, Kolkata-700 071

Phone: (033) 2282-1169/1170

Fax: (033) 2282-1187/1188

## REGISTRAR & SHARE TRANSFER AGENT

M/s. Maheshwari Datamatics Pvt. Ltd.

6, Mangoe Lane

Kolkata 700 001

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

Fax: (033) 2248-4787

## STATUTORY AUDITORS

M/s. Jainsarawgee & Co.

Chartered Accountants

&

M/s Bharat D. Sarawgee & Co.

Chartered Accountants

32A, Chittaranjan Avenue,

Trust House (2nd Floor)

Kolkata-700 012

## BANKERS

Andhra Bank

Bank of Baroda

Axis Bank

## SHREE HANUMAN SUGAR & INDUSTRIES LIMITED

Regd. Office : 'Chandra Kunj', 4th Floor, 3 Pretoria Street, Kolkata-700 071

### NOTICE

NOTICE is hereby given that the 81<sup>st</sup> Annual General Meeting of the Members of Shree Hanuman Sugar & Industries Limited will be held on Tuesday, the 20<sup>th</sup> Day of December, 2011 at 11.00 A.M. at the Registered Office of the Company at 'Chandra Kunj', 3, Pretoria Street, 4<sup>th</sup> Floor, Kolkata – 700071 to transact the following business:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 30<sup>th</sup> June, 2011 together with Profit & Loss Account for the year ended on that 'date, and the reports of the Directors and the Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Ms. Pratima Srivastava, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. Nikhil Merchant, who retires by rotation and is eligible for re-appointment.
5. To appoint M/s Jainsarawgee & Co. and M/s Bharat D. Sarawgee & Co. as Joint Auditors and to fix their remuneration.

#### SPECIAL BUSINESS:

6. To re-appoint Shri Bimal Kumar Nopany as Managing Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolutions as **Special Resolutions**:

"**RESOLVED THAT** in accordance with the provisions of Sections 198, 269, 309 and 317 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, approval of the Company be and is hereby accorded to the re-appointment of Shri Bimal Kumar Nopany, as Managing Director of the Company, for a period of 3 (three) years with effect from July 1, 2011, on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary the terms and conditions and / or remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof."

"**RESOLVED FURTHER THAT** the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

7. To consider and, if thought fit, to pass with or without modification(s), if any, the following Resolution as **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any of the Companies Act, 1956 and SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (hereinafter referred to as 'said Regulations') including any statutory modification(s) or re-enactment thereof for the time being in force and in accordance with the relevant provisions of

the Memorandum and Articles of Association of the Company, rules/ regulations/ guidelines, if any, prescribed by the Securities and Exchange Board of India and/or any other regulatory authority. The listing agreement entered into by the Company with the Stock Exchange(s) where the equity shares of the Company are listed and subject to the approval(s), consent(s), permission(s) and/or sanction(s), if any, of appropriate authorities, institutions or bodies, as may be required, and subject to such conditions as may be prescribed by any of them while granting any such approval(s), consent(s), permission(s), and/or sanction(s), the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall include any Committee of the Board constituted/to be constituted to exercise its powers conferred by this Resolution) be and is hereby authorised on behalf of the Company to create, offer, issue and allot 25,00,000 equity shares, in aggregate, of Rs. 10/- each, on preferential basis, to the holders of 2,00,000 17% Unsecured Redeemable Non-convertible Debentures of the Company (hereinafter referred to as 'the said Debentures), in the ratio of 25 (Twenty Five) Equity Shares of Rs. 10/- each for 2 (Two) Debentures of Rs. 100/- each held by them, at an issue price of Rs. 16.05 per equity share, including premium of Rs. 6.05 per equity share, the consideration for which shall be payable by way of extinguishment of liability towards the said Debentures aggregating to Rs. 200 lacs and balance by way of payment in cash, as mentioned in the Explanatory Statement annexed to the Notice convening this Meeting in such manner as may be determined by the Board in its absolute discretion."

**"RESOLVED FURTHER THAT** the relevant date for pricing of the equity shares is 20<sup>th</sup> November, 2011, i.e., 30 days prior to the date of the Annual General Meeting as per provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009."

**"RESOLVED FURTHER THAT** the resultant equity shares to be issued and allotted in terms of this resolution shall rank pari passu with the then existing equity shares of the Company in all respects and be listed where the equity shares of the Company are listed."

**"RESOLVED FURTHER THAT** the aforesaid Equity Shares allotted in terms of this resolution shall be subject to lock-in requirements as per the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009."

**"RESOLVED FURTHER THAT** for the purpose of giving effect to the issue or allotment of equity shares the Board be and is hereby authorized on behalf of the Company to take all actions and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable for such purpose and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in the proposed issue, offer and allotment of the said equity shares including utilization of the issue proceeds, and to do all acts, deeds and things in connection therewith and incidental thereto as the Board may in its absolute discretion deem fit, without being required to seek any further consent or approval of members or otherwise to the end and intent that members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or any Director(s) or the Company Secretary of the Company to give effect to this resolution."

Regd. Office : "Chandra Kunj"  
4<sup>th</sup> Floor, 3 Pretoria Street  
Kolkata - 700071

Dated : 21<sup>st</sup> November, 2011

By order of the Board  
For SHREE HANUMAN SUGAR & INDUSTRIES LIMITED  
R. K. More  
Executive Director

**NOTES:**

1. **A member entitled to attend and vote at the Meeting is also entitled to appoint one or more proxies to attend and vote instead of himself and the proxy need not be a member of the Company.**
2. **Proxies in order to be effective must be received by the Company at least 48 hours before the time of the Meeting.**
3. The Register of Members and Share Transfer Book of the Company will remain closed from 14<sup>th</sup> December, 2011 to 20<sup>th</sup> December, 2011 (both days inclusive).
4. The Members are requested to intimate change in their address, if any, quoting their registered Folio No.
5. Members are requested to furnish/update details of their Bank Account to the Company/Registrar & Transfer Agents/Depository Participants to enable the Company to print the same on the dividend warrants/to avail of ECS facility, whatever applicable.
6. The Members are requested to bring their copies of Annual Report to the Meeting, as the same will not be redistributed at the venue of Annual General Meeting.
7. The Members attending the General Meeting are requested to bring enclosed attendance slip, duly filled in.
8. Members, who hold shares in de-materialised form, are requested to bring their client ID and DP-ID number for the purpose of identification and attendance at the meeting.
9. The dividend as recommended by the Board of Directors if declared at this Annual General Meeting will be payable on or after 20<sup>th</sup> December, 2011.
  - a. To those shareholders whose names appear on the Company's Register of Members after giving effect to all valid transfers in physical form lodged with the Registrar & Transfer Agents (R&T Agents) of the Company on or before 14<sup>th</sup> December, 2011.
  - b. In respect of shares held in electronic form, to those "deemed members" whose names appear in the statements of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as at the end of the business hours on 20<sup>th</sup> December, 2011.
10. Consequent upon the introduction of section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form No. 2B in duplicate (which will be made available on request) to the R&T Agents of the Company.
11. Pursuant to the provisions of section 205A (5) of the Companies Act, 1956, dividends for the financial year ended 31<sup>st</sup> March, 1995 and thereafter, which remain unclaimed in the unpaid dividend account for a period of seven years from the date of transfer of the same, will be transferred to the Investor Education and Protection Fund established by the Central Government. Shareholders, who have not encashed their dividend warrants(s) so far for the financial year ended 30<sup>th</sup> June, 2004 or any subsequent financial years, are requested to make their claim to the R&T Agents of the Company. According to the provisions of the Act, no claims shall lie against the said Fund or the Company for the amounts of dividend so transferred nor shall any payment be made in respect of such claims.
12. As per SEBI directive, shares of all the Companies have to be traded compulsorily in dematerialized form by all investors, the Company has appointed M/s Maheshwari Datamatics Pvt Ltd, 6, Mangoe Lane, 2<sup>nd</sup> Floor, Kolkata – 700001 as common agency to act as Registrars for the purpose of electronic connectivity for effecting dematerialization of shares as well as for transfer of physical shares.

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

The following Explanatory Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

### **Item Nos. 6**

The term of Mr. B. K. Nopany as Managing Director expired on 30<sup>th</sup> June, 2011. The Remuneration Committee of the Board of Directors of the Company (the 'Board'), at its meeting held on 12<sup>th</sup> May, 2011 noted the above fact and was of the unanimous view that in view of proposed growth plans of the Company and also considering profound knowledge and vast work experience and financial acumen of Shri Nopany and also the fact that he has been steering the finances of the Company in such difficult times, Mr. B. K. Nopany should be re-appointed as Managing Director of the Company.

As recommended by the Remuneration Committee of the Board, Mr. Nopany was reappointed, subject to approval of the members of the Company and in terms of provisions of the Companies Act, 1956 read with Schedule XIII of the said Act, for further period of 3 (three) years w.e.f. 1<sup>st</sup> July, 2011 upon remuneration and subject to terms and conditions as contained in the draft agreement proposed to be executed with him, the details of which are also given below:

#### **A. SALARY**

Rs. 2, 50,000/- per month.

#### **B. COMMISSION**

2% of net profit calculated in the manner specified in the Act.

#### **C. HOUSE**

The Company shall provide free furnished accommodation and also pay all rents, rates, taxes, electricity, fuel charges, water charges and all other expenses for the upkeep and maintenance thereof. In case he or his spouse own a house and he chooses to reside there, the Company shall pay all rents, rates, taxes, electricity, fuel charges, water charges and all other expenses for the upkeep and maintenance thereof.

#### **D. PERQUISITES**

**Perquisites will be classified as follows:**

##### **i. Contribution to Provident Fund, Superannuation and Annuity Fund**

The Company's contribution to Provident Fund and Superannuation or Annuity Fund as per rules of the Company.

##### **ii. Gratuity**

As per Rules of the Company.

##### **iii. Medical Reimbursement**

Reimbursement of actual medical expenses incurred in India and/or abroad and including hospitalization, nursing home and surgical charges for himself and family as per Company's Rules.

##### **iv. Club Fees**

Reimbursement of Membership fees for such clubs as may be considered appropriate.

##### **v. Entertainment, Travelling and other Expenses**

Reimbursement of entertainment, travelling and all other expenses incurred for the business of the Company.

##### **vi. Leave**

Leave with full pay including encashment of unavailed earned leave at the end of the tenure of the

Managing Director as per Rules of the Company.

**vii. Leave Travel Concession**

For the Managing Director and his family once in a year in accordance with the Rules of the Company.

**viii. EXPLANATION**

Perquisites shall be evaluated as per the Income Tax Rules, 1962 wherever applicable and in the absence of any such Rule, perquisites shall be evaluated at cost.

**E. AMENITIES**

**i. Conveyance Facilities**

He will be provided with a car for use on Company's business. Provision of car for use on Company's business will not be considered as perquisites.

**ii. Mobile, Telephone, Telefax and other Communication facilities**

The Company shall provide mobile, telephone, telefax and other communication facilities at the Managing Directors' residence for the purpose of official use.

**F. OVERALL REMUNERATION**

The aggregate of salary, commission and perquisites in any Financial Year shall not exceed the limits prescribed from time to time under section 198, 309 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII of the said Act as may be in force from time to time.

**G. MINIMUM REMUNERATION**

In the event of loss or inadequacy of profits in any Financial Year during the currency of tenure of service of the Managing Director, the above mentioned remuneration, excluding commission, shall be paid as minimum remuneration to Mr. Bimal Kumar Nopany as Managing Director of the Company, subject, however, to the provisions contained and limits prescribed in Schedule XIII of Companies Act, 1956 including any Statutory modification or re-enactment hereof as may be in force for the time being in force.

**H. FUNCTIONS AND DUTIES**

Subject to superintendence, control and direction of the Board, Mr. Nopany will perform such duties and functions as would commensurate with his position as Managing Director of the Company and as delegated by the Board from time to time.

Mr. Nopany as Managing Director will be responsible for ensuring profitable growth of the Company with adequate control on costs, investments in current and fixed assets and maintaining overall financial discipline throughout the organization.

Shri B.K.Nopany, having been of 68, had more than 44 years' experience in diverse fields like sugar, real estate development, investment apart from experience of handling matters of schools of repute.

The draft Agreement proposed to be executed between Shri Nopany and the Company as approved by the Remuneration Committee and Board of Directors of the company is available for inspection by the members at the Registered Office of the Company on all working days between 11.00 a.m. to 1.00 p.m. up to the date of the Meeting and will also be available at the Meeting.

A brief resume of Bimal Kumar Nopany, nature of his expertise in specific functional areas, name of companies in which he hold directorship and membership / chairmanship of Board Committees and relationships between directors *inter-se*, as stipulated under Clause 49 of Listing Agreement with the Stock Exchanges in India, are provided in the Report on Corporate Governance forming part of the Annual Report.

The Board recommends passing of the resolution set out at Item No. 6 of the accompanying notice.

Mr. Bimal Kumar Nopany may be deemed to be concerned or interested in the resolution.

No other Director is interested in this resolution.

The above should also be considered as an abstract of the terms of appointment of Shri Nopany and Memorandum as to nature of concern or interest of the Directors in the said appointment, as required under Section 302 of the Companies Act, 1956.

### Re. Item No. 7 : CONVERSION OF DEBENTURES INTO EQUITY SHARES

After the Board at its meeting held on 12.11.2011 decided to convert existing 17% Unsecured Redeemable Non-convertible Debentures of the Company (hereinafter referred to as 'the said Debentures') in to Equity Shares, the holders of said Debentures had already given consent to the proposed conversion, *inter alia*, pursuant to provisions of the Companies Act, 1956, read with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (hereinafter referred to as 'said Regulations'), including amendments therein, and also subject to approval of Equity Shareholders of the Company (hereinafter referred to as 'Members of the Company') and such other approvals as may be necessary, in the manner and at such price as may be decided by the Members of the Company.

The Special Resolution concerns proposal to issue and allot 25,00,000 equity shares, in aggregate, of Rs. 10/- each, on preferential basis, to the holders of the said Debentures, in the ratio of 25 (Twenty Five) Equity Shares of Rs. 10/- each for 2 (Two) Debentures of Rs. 100/- each held by them, at an issue price of Rs. 16.05 per equity share, including premium of Rs. 6.05 per equity share, the consideration for which shall be payable by way of extinguishment of liability towards the said Debentures aggregating to Rs. 200 lacs and balance by way of payment in cash.

The information required to be given in the notice calling General Meeting pursuant to SEBI (Disclosure & Investor Protection) Guidelines is as under:-

#### I. The Object of the Issue through preferential offer

The issue and allotment of shares through preferential offer is proposed in terms of Arbitration Award delivered by the Hon'ble Justice Ajit Kumar Sengupta (Retd.), Sole Arbitrator on 12<sup>th</sup> February, 2011 in respect of a claim settlement.

#### II. Intentions of promoters/directors/key management persons to subscribe to the offer

The promoters of the Company whom the preferential allotment in terms of this resolution is proposed to be made intend to fully subscribe the same.

#### III. Shareholding pattern before and after the offer

	Pre-Issue Shareholding Pattern		Shareholding Pattern post Preferential Issue	
	No. of Shares	% Shareholding	No. of Shares	% Shareholding
Promoter	3745422	23.41%	3745422	20.25%
Promoter Group	3048238	19.05%	4948238	26.75%
Total Holding of Promoter & Promoter Group	6793660	42.46%	8693660	47.00%
MFs/Banks/FIs/FIs	173345	1.08%	173345	0.94%
Private Bodies Corporate	7700842	48.13%	8300842	44.97%
General Public	1332153	8.33%	1332153	7.20%
Total	16000000	100.00%	18500000	100.00%

The Board recommends passing of the resolution set out at Item No. 6 of the accompanying notice.

Mr. Bimal Kumar Nopany may be deemed to be concerned or interested in the resolution.

No other Director is interested in this resolution.

The above should also be considered as an abstract of the terms of appointment of Shri Nopany and Memorandum as to nature of concern or interest of the Directors in the said appointment, as required under Section 302 of the Companies Act, 1956.

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The Special Resolution concerns proposal to issue and allot 25,00,000 equity shares, in aggregate, of Rs. 10/- each, on preferential basis, to the holders of the said Debentures, in the ratio of 25 (Twenty Five) Equity Shares of Rs. 10/- each for 2 (Two) Debentures of Rs. 100/- each held by them, at an issue price of Rs. 16.05 per equity share, including premium of Rs. 6.05 per equity share, the consideration for which shall be payable by way of extinguishment of liability towards the said Debentures aggregating to Rs. 200 lacs and balance by way of payment in cash.

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Private Bodies Corporate	7700842	48.13%	8300842	44.97%
General Public	1332153	8.33%	1332153	7.20%
Total	16000000	100.00%	18500000	100.00%

Consequent to the issue of aforesaid shares there will be no change in the Board of Directors of the Company and control over the Company. The Voting right would change in tandem with shareholding pattern of the Company..

**IV. Proposed time within which the allotment shall be complete.**

As required under the SEBI Guidelines, the allotment of shares shall be completed within 15 days from the date of passing of resolution granting consent for preferential issue by the shareholders of the Company, provided if allotment on preferential basis is pending on account of pendency of any approval of such allotment by any regulatory authority or the Central Government, the allotment shall be completed within 15 days from the date of such approval.

**V. Identity of the proposed allottees and percentage of post preferential issued capital.**

The shareholding pattern and the identity of the proposed allottees before and after the preferential issue is given below:

Name of Allottees	Pre-preferential issue holding		Shareholding post-preferential issue	
	No.	%	No.	%
<b>Promoter &amp; Promoter Group</b>				
1) B. K. Nopany (HUF)	170,000	1.06%	360,000	1.95%
2) Rawatmull Nopany Family Trust	340,000	2.13%	815000	4.41%
3) Nopany Investments Pvt. Ltd.	143,140	0.89%	1378140	7.45%
<b>Non – Promoters Group</b>				
1) N N P Trading & Investment Pvt. Ltd.	1367020	8.54%	1967020	10.63%

**IV. Lock-in :**

In terms of the SEBI Guidelines for Preferential Issues, the equity shares proposed to be allotted shall be locked-in for such period as prescribed in the SEBI Guidelines.

**V. Pricing of the Issue**

Although, the Equity Shares of the Company are listed at the Calcutta Stock Exchange Association Ltd, Kolkata, there is no trading record at the said Exchange during the period relevant for determining minimum pricing of the issue in terms of Chapter XIII of the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000. The proposed preferential issue is being made at a premium of Rs.6.05/- per equity share, as determined by the Arbitrator Hon,ble Justice Ajit Kumar Sengupta (Retd.) in respect of a claim settlement.

Allottees of the above said preferential shares have not sold/transferred any shares within six months prior to relevant date (i.e. 20<sup>th</sup> November, 2011).

The allotment of shares does not require making of a public offer as it is below the prescribed threshold limit for making of a public offer in terms of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997. Due to above preferential allotment of the Shares, no change in management control is contemplated.

A copy of the certificate from the Statutory Auditors of the Company, M/s Bharat D. Sarawgee & Co., Chartered Accountants, certifying that the issue of the Shares is being made in accordance with the requirements of SEBI Guidelines for Preferential Issues, will be available for inspection at the Registered Office of the Company during 11.00A.M. and 1.00 P.M on any working day (Except Saturday) prior to the date of meeting.

The equity shares shall rank pari passu in all respects with the then existing equity shares of the Company and will be listed on Stock Exchange(s) where the equity shares of the company are listed.

The Board recommends the Special Resolution as set out in the Notice for member's approval.

None of the Directors of the Company (other than the promoters, if any, to whom shares are proposed to be allotted in terms of this resolution) is, in any way, concerned or interested in the resolution.

**Regd. Office :** "Chandra Kunj"  
4<sup>th</sup> Floor, 3 Pretoria Street  
Kolkata - 700071

By order of the Board  
For **SHREE HANUMAN SUGAR & INDUSTRIES LIMITED**  
**R. K. More**  
Executive Director

**Dated :** 21<sup>st</sup> November, 2011

**Disclosures pursuant to sub-clause (iv) under the proviso to sub-paragraph (B) of Paragraph 1 under Section II of Part II of Schedule XIII of the Companies Act, 1956:**

**I. GENERAL INFORMATION**

**1. Nature of Industry**

The Company is currently engaged in manufacturing and selling of crystal white sugar, construction activities and also trading of stores items used by mainly Sugar Industry.

Sugar industry can be broadly classified in to two sub sectors, the organized sector i.e. sugar factories and the unorganized sector i.e. manufacturers of traditional sweeteners like gur and khandsari. The latter is considered to be a rural industry and enjoys much greater freedom than sugar mills.

The production of traditional sweeteners gur and khandsari is quite substantial. Though the trends indicate a progressive shift from traditional sweeteners to white sugar over the years, they still account for about 37% of total sweetener consumption in India.

Since the sugar industry in the country uses only sugarcane as an in input, sugar companies have been established in large cane growing states like Uttar Pradesh, Maharashtra, Tamil Nadu, Karnataka, Punjab and Gujarat.

India is the largest consumer and second largest producer of sugar in the world (Source: USDA Foreign Agricultural Service). The Indian sugar industry is the second largest agro-industry located in the rural India.

Further, the Indian construction industry is an integral part of the Indian economy and an important portion of investments into the development of the Indian Economy takes place through the construction industry. The construction industry is expected to grow with further economic development, industrialization, urbanization and improvements in the standard of living.

According to Indian Infrastructure, the Indian construction industry accounts for more than 5% of India's GDP and is the second largest employer after agriculture, employing nearly 32 million people. In the course of liberalization of the Indian economy, the Government has placed a priority on infrastructure development and emphasized the involvement of private capital and management in order to respond to the growing demand for new infrastructure projects.

**2. Date or expected date of commencement of commercial production**

After completion of a part of up-gradation programme, the Company recently, i.e., in the last season 2010, commenced production of sugar at its Sugar Mill at Motihari, Bihar. The Company

expects to complete the up-gradation programme by forthcoming season 2011 and further expansion of the said Mill to 4000 TCD with setting of 25 MW captive power plant and commence production there against by the subsequent season, i.e., Season 2012.

The Company has not undertaken any major construction project. It has plans to expand its construction activities by undertaking large housing projects comprising economy as well as luxurious residential houses. Presently, it has very small construction activities which include purchase and sell of construction rights.

**3. Financial performance based on given indicators during the financial year ended June 30, 2011**

	<b>Rs. in Lakhs</b>
Profit before Interest, Depreciation and Tax	1056.76
Profit before Tax	885.17
Profit after Tax	720.92
EPS (Rs.)	4.51
P/E Ratio	N. A.
Total Assets	12017.28
Dividend paid (%)	3%

**4. Export performance and net foreign exchange collaborations**

Not Applicable

**5. Foreign Investments or collaborators, if any**

Not Applicable

**II. INFORMATION ABOUT SHRI B. K. NOPANY, THE MANAGING DIRECTOR**

**1. Background details**

As given in the Explanatory Statement under Item No. 6 of the accompanying notice.

**2. Past Remuneration**

Shri B. K. Nopany voluntarily waived his remuneration for the period from 1.7.2007 to 31.12.2010, as the factory was not operative. The details of the past remuneration package, as approved by the shareholders of the Company at their meeting held on 10<sup>th</sup> June, 2009 for the period from 1.7.2009 to 30.6.2011, is same as proposed for his reappointment and as mentioned in the explanatory statement to the Item No. 6 of the accompanying notice.

**3. Recognition or awards**

Not Applicable

**4. Job profile and his suitability**

The Managing Director (MD) is responsible for overall operations and profitability of the Company. He is expected to help to achieve the organization's short-term and long-term targets.

Shri B.K.Nopany, having been of 68, has more than 44 years' experience in diverse fields like sugar, real estate development, and investment apart from experience of handling matters of schools of repute. He has been steering the finances of the Company in such difficult times.

He will be responsible for ensuring profitable growth of the Company with adequate control on costs, investments in current and fixed assets and maintaining overall financial discipline throughout the organization.

The MD is also expected to ensure that stakeholder interests are met with leading to a balanced and sustainable growth for the Company.

Shri Nopany has the requisite experience and attributes to meet the above requirements.

**5. Remuneration proposed**

As detailed in the Special Resolution under Item No. 6 of the accompanying notice.

**6. Comparative remuneration profile with respect to industry & size of the Company, profile of the Company, profile of the position and person**

Information about remuneration of Managing Director of Sugar and Construction companies of comparable size and business profile is not available in public domain. The remuneration of the Managing Director is commensurate with his experience; growth plans of the Company and challenges confronting the sugar and construction sectors in general and the Company in particular.

**Profile of the Position :**

As set out above

**Profile of the person :**

As detailed in the explanatory statement to Item No. 6 of the accompanying notice.

**7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any**

Apart from holding equity shares of the Company and also the offices of Director and Managing Director of the Company, Shri Nopany has no pecuniary relationship with the Company as well as other Managerial personnel.

**III. OTHER INFORMATION**

**1. Reasons of loss or inadequate profits**

Presently, the company has no major activities other than trading in stores items required by sugar industry and construction rights apart from small construction activities. Although, the Company has since commenced sugar manufacturing at its Sugar Mill at Motihari, Bihar, the Company is at the beginning stage of streamlining and expanding the manufacturing activities at its sugar mill at Motihari, Bihar

**2. Steps taken or proposed to be taken for improvement**

The Company has already undertaken effective steps for streamlining and expanding the manufacturing activities at its sugar mill at Motihari, Bihar. Further, its has also plans to increase its construction activities by undertaking large residential projects. It also proposes to set-up 25MW captive power plant at the said Mill. It has also plans to set small steel plant.

Your Board of Directors is confident that the above mentioned steps will improve company's profitability in coming years.

**3. Expected increase in productivity and profits in measurable terms**

Looking into the uncertainty which prevails in the Sugar as well as Construction sectors, the increase in productivity and profits for the future years in measurable terms can not be estimated with a sufficient degree of assurance.

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

Name	:	<b>Ms. Pratima Srivastava</b>
Date of Birth	:	02.10.1956
Qualification	:	Post Graduate in Economics, Business Mgmt and studied finance at New York University.
Profession	:	Financial Consultant
Expertise	:	In the field of finance with publicity/marketing and sales.
Other Directorships	:	i) Canthus Finvest Pvt. Ltd. ii) Shruti Capital & Finance Ltd.
Shareholding in the Company	:	25,000

Name	:	<b>Mr. Nikhil V. Merchant</b>
Date of Birth	:	06.07.1960
Qualification	:	BS (Textile Engineering), M.E.P., IIM Ahmedabad.
Profession	:	Business
Expertise	:	Strong techno commercial person, successfully handled assignments in strategic planning and projects, operations, implementation of projects from conceptual stage to commissioning.
Other Directorships	:	i) Swan Energy Limited ii) Shree Om Trades Limited iii) Cardinal Energy and Infrastructure Private Limited iv) Feltham Trading Private Limited v) Swan Engitech Works Pvt. Ltd. vi) Stormsoft Technologies Pvt. Ltd. vii) Swan International Ltd. viii) Tirupati Agencies Pvt. Ltd. ix) Good Earth Commodities (India) Pvt. Ltd. x) Dave Impex Pvt. Ltd. xi) Sahajan and Soaps and Chemicals Pvt. Ltd. xii) Dave Leasing and Holdings Pvt. Ltd. xiii) Swan Realtors Pvt. Ltd. xiv) Dave Securities Pvt. Ltd. xv) Sunflower Schools Solutions Pvt. Ltd.
Shareholding in the Company	:	Nil

Name	:	<b>Bimal Kumar Nopany</b>
Date of Birth	:	26.04.1943
Qualification	:	B. Com.
Profession	:	Industrialist
Expertise	:	Shri B. K. Nopany is a Commerce Graduate from Calcutta University and has more than 44 years' experience in business, spreading over Sugar, Real Estate development, investments etc. He is Chairman of the Board of a leading Academic Institution in Kolkata and is on the Board of Governors of another leading Institution (Public School) at Ranchi.
Other Directorships	:	<ul style="list-style-type: none"> <li>i) Hanuman Industries India Pvt. Ltd.</li> <li>ii) Daulatram Rawatmull Pvt. Ltd.</li> <li>iii) Shruti Ltd.</li> <li>iv) Indo Austro Corporation Pvt. Ltd.</li> <li>v) Shruti Spinners Ltd.</li> <li>vi) Nopany Investments Pvt. Ltd.</li> <li>vii) Nopany &amp; Sons Pvt. Ltd.</li> <li>viii) Super Scans &amp; Systems Pvt. Ltd.</li> <li>ix) Shree Milk &amp; Food Industries Ltd.</li> <li>x) Eastern Sugar &amp; Industries Ltd.</li> <li>xi) Champaran Agri Park Private Limited</li> </ul>
Shareholding in the Company	:	18,18,642 Equity Shares

## DIRECTORS' REPORT TO THE MEMBERS

Dear Shareholders,

Your Directors have pleasure in presenting their 81st Annual Report along with the Audited Accounts of the Company for the financial year ended 30th June, 2011:

### FINANCIAL RESULTS

(Rs. in Lacs):

	2010-11	2009-10
Sales & Other Income	2493.91	3229.89
Profit / (Loss) before Interest, Depreciation and Tax	1056.76	1176.07
Less: Interest	44.64	42.25
Depreciation	126.95	126.63
Profit/(Loss) before tax	885.17	1007.29
Less: Provisions for Tax (Including FBT)	164.25	75.90
Profit/(Loss) after tax	720.92	931.39
Add/Less: Balance brought forward from previous year	715.84	142.26
Profit available for appropriation	1436.76	1073.65
<b>APPROPRIATIONS:</b>		
Dividend (including Tax)	56.16	56.16
Transfer to Special Reserve	321.00	301.65
Transfer to General Reserve	—	—
Balance carried to Balance Sheet	1059.60	715.84

### PERFORMANCE:

The Company during the year registered turnover of Rs. 1885.40 lacs, compared to Rs. 2928.05 lacs during the previous Financial Year 2009-10. During the year under review, your Directors put its efforts towards up-gradation of Company's Sugar Mill at Motihari, Bihar and commencement of production at the same. As targeted, the Company succeeded in completing a part of the up-gradation of the Plant and also in commencing production of Sugar thereat during Season 2010. Turnover, during the year under review, includes sale of Sugar lats to the extent of Rs. 69.21 lacs. The Company succeeded in registering completion of construction of residential flats and sale thereof amounting to Rs. 419.59 lacs.

During the year under review, profit before tax stood at Rs. 885.17 lacs, as against Rs. 1007.29 lacs in the previous financial year 2009-10, mainly on account of lower turnover of stores items required by sugar industry and increased overheads due to commencement of manufacturing as well as construction activities at trial level.

Your Directors are hopeful that the performance of the Company will improve in the coming years because of commencement of manufacturing as well as construction activities.

### DIVIDEND:

Your directors are pleased to recommend a dividend @ 3% for the financial year 2010-11, i.e., Rs. 0.30 per equity share of Rs. 10/- each, for your approval. The Proposed dividend, if approved at the ensuing Annual General Meeting, would result in appropriation of Rs. 56.16 lacs (including Corporate Dividend Tax of Rs. 8.16 lacs) out of the profits.

### COMMENCEMENT OF SUGAR MANUFACTURING ACTIVITIES AND FUTURE PROGRAMMES:

As stated above, your Directors are delighted to further mention that after completion of a part of up-

gradation programme from its own resources, the Company has successfully commenced trial production of sugar at its Sugar Mill at Motihari, Bihar during the immediate past season 2010. Your Directors further expects to complete the up-gradation programme by forthcoming season 2011 and further expansion of the said Mill to 4000 TCD with setting of 25 MW captive power plant and commence production there against by the subsequent season, i.e., Season 2012.

However, as reported in the previous Report, the implementation of the expansion programme increasing the capacity of the said Sugar Mill to 4000 TCD together with setting-up of 25 MW captive power plant is delayed because of non-availability of the desired funds. The Draft Red Herring Prospectus (DRHP) for raising funds through equity issue from various sources had been filed with SEBI in December, 2010.

Your Directors also have plans to diversify into steel by installing initially mild steel ingot manufacturing plant of 72 MT per day. This will facilitate use of power proposed to be generated in Sugar Plant.

Continuous best efforts are being put to raise funds either through equity or debt to part-finance the captioned proposals. As a part of this effort, the Company submitted Draft Red Herring Prospectus (DRHP) with SEBI in the month of December, 2010 for raising funds through equity. However, looking into the need for revision in the proposal, the same has since been withdrawn. A fresh proposal is proposed to be submitted for raising funds through equity or debt as aforesaid.

Your directors are confident that these steps will increase business activities of the Company significantly followed by significant improvement in its financial performance in coming years.

#### **PRESENT CONSTRUCTION ACTIVITIES AND FUTURE PROGRAMMES:**

During the year under review, sale of construction rights stood at Rs. 607.49 lacs compared to Rs. 301.65 lacs during the previous financial year 2009-10.

The Company has not undertaken any major construction project. Presently, it has very small construction activities which include purchase and sale of construction rights. However, it has plans to expand its construction activities by undertaking large housing projects comprising economy as well as luxurious residential houses.

#### **DIRECTORS:**

Ms. Pratima Srivastava and Mr. Nikhil Merchant retire by rotation at the conclusion of ensuing Annual General Meeting and being eligible offer himself for re-appointment.

Further, the term of Mr. B. K. Nopany as Managing Director expired on 30th June, 2011. The Board of Directors, upon recommendation of the Remuneration Committee and subject to approval of the members of the Company and in terms of provisions of the Companies Act, 1956 read with Schedule XIII of the said Act, reappointed him as Managing Director of the Company, for a further period of 3 (three) years w.e.f. 1st July, 2011.

Brief resume of the Directors proposed to be re-appointed, as stipulated under clause 49 of the Listing Agreements with the Calcutta Stock Exchange Association Ltd are provided in the Notice forming part of this Annual Report.

#### **AUDITORS:**

The Auditors of the company M/s Jainsarawgee & Co. & M/s Bharat D. Sarawagee & Co., Chartered Accountants, hold office until the conclusion of the ensuing Annual General Meeting and are recommended for re-appointment. Certificate from Auditors has been received to the effect that their appointment, if made, would be within the limit prescribed under section 224(1B) of the Companies Act, 1956.

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

**FIXED DEPOSITS:**

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

**DE-MATERIALISATION OF SHARES:**

The Company's equity shares are available for de-materialization on both the depositories, viz., NSDL & CDSL. Shareholders may be aware that SEBI has made trading in your Company's shares mandatory, in de-materialized form. As on 30th June, 2011, 10860154 equity shares representing 67.88% of your Company's Equity Share Capital have been de-materialised.

**ISSUE OF EQUITY SHARES IN PURSUANCE OF ARBITRATION AWARD:**

In the matter of a dispute, the Company has since received an award from Hon'ble Justice Ajit Sengupta (Retd.), Sole Arbitrator, to the effect, inter alia, that your Company is under an obligation to issue and allot 25,00,000 Equity Shares of Rs. 10/- each to the existing holders of Company's 200000 17% secured Non-Convertible Debentures of Rs. 100/- each, at a premium of Rs. 6.05 per share by redemption of the said debentures and in cash for the balance.

**LISTING AT STOCK EXCHANGE:**

The Shares of the Company are listed on The Calcutta Stock Exchange Association Ltd, Kolkata. The Company has paid annual listing fee to the Exchange for the year 2011-12.

**STATUTORY INFORMATION:**

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

**DIRECTOR'S RESPONSIBILITY STATEMENT**

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

- I. In the preparation of the Annual Accounts for the year ended 30th June, 2011 the applicable accounting standards have been followed along with proper explanation relating to material departures
- II. The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and the loss of the company for the year under review.
- 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, 1956 for safeguarding the assets of the Company and for preventing, and detecting fraud and other irregularities; and
- IV. The Directors have prepared the annual accounts on a going concern basis.

**PARTICULARS OF EMPLOYEES:**

In view of no employees of the Company having drawn remuneration as prescribed in section 217(2A) of the Companies Act, 1956 or in the rules made pursuant to the same, during the Financial Year under review, particulars of the employees pursuant to the said provisions are not required to be given.

**ENERGY, TECHNOLOGY & FOREIGN EXCHANGE:**

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required under section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is given as per 'Annexure A' and forms part of the Directors' Report.

**EMPLOYEE RELATIONS:**

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

**INVESTOR RELATIONS:**

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

**ACKNOWLEDGEMENT:**

Your Directors wish to place on record the sincere and dedicated efforts of all the members of the Company'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 & on behalf of the Board  
For **SHREE HANUMAN SUGAR & INDUSTRIES LIMITED**  
**B.K. Nopany**  
Chairman cum Managing Director

Place : Kolkata  
Dated : 27<sup>th</sup> August, 2011

## ANNEXURE - A

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE

Information as required under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988 is given hereunder:

#### A. Conservation of energy

The Company took all necessary measures for conservation of energy by way of undertaking awareness programme and regular training of its workers and employees. Necessary balancing equipments leading to energy conservation are also installed, as and when it is felt necessary. Since efforts put for energy conservation are regular in nature, no separate investment proposal is identifiable.

#### FORM A

Particular with respect to Conservation of energy:	Current Year	Previous Year
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#### A. POWER & FUEL CONSUMPTION

1. Electricity		
a. Purchased		
- Units (In Million)	Nil	Nil
- Total Amount (Rs. In Million)	Nil	Nil
- Rate per Unit (Rs.)	Nil	Nil
b. Own Generation		
Through Diesel Generator		
- Unit (In Million)	106980	
- Per Litre of Diesel (No.)	4.21	
- Rate per Unit (Rs.)	40.97	
c. Through steam turbine/generator	(Bagasse)	
- Unit (In Million)	95497	
- Per Litre of fuel oil/gas*		
- Cost/unit	48.51	
2. Coal (specify quality and where used)		
Quantity (tonnes)	N.A.	
Total cost		
Average rate		
3. Furnace oil		
Quantity (k ltrs.)		
Total amount		
Average rate		
4. Others/internal generation (please give details)		
Quantity		
Total cost		
Rate/unit		

Note:

\* Bagasse, a by-product, is being used for production of steama and power generation to save the cost.

**A. CONSUMPTION PER UNIT OF PRODUCTION**

	Standards (if any)	Current year	Previous year
Products (with details) unit	Suga (in Qtls.)	602	
Electricity		35.29	429
Furnace oil		N.A.	
Coal (specify quality)		N.A.	
Others (specify)		N.A.	

**B. Technology absorption and research and development****Particulars with respect of absorption:****(1) Research and Development:**

- Continuous in-house research for development of value-added products.
- Following on-going process for improving productivity.

Since the Company undertakes in-house research in the process of regular production activities itself, the expenditure on Research & Development is not identifiable.

**(2) Technology absorption, adaption and innovation:****(a) Efforts in brief made towards technology absorption, adaption and innovation:**

- Constant monitoring of process and technology upgradation taking place in advance countries and to offer similar products through in-house R & D as well as through progressive manufacturing activities. The company is in the process of further improving its quality control methods and testing facilities.
- Regular interaction with equipment designers and manufacturers and major raw material suppliers for improvements to processing and operating parameters.

**(b) Benefits derived as a result of above efforts.**

- better product quality leading to higher realizations.

**C. Foreign Exchange Earning and Outgo**

(a) Continuous interaction with foreign agencies, agents and prospective buyers along with regular research through internet for availing an opportunity to export is undertaken. In this process, on the basis of research and interaction with foreign buyers/agencies/agents attempts are made through in-house research to develop products of foreign standard and global needs. The management is very hopeful to enter the foreign market soon.

(b) Information in respect of Foreign Exchange Earning and Outgo is: (Rs. in lacs)

	Current Year	Previous Year
Earning:	Nil	Nil
Outgoing:	Nil	Nil

# CORPORATE GOVERNANCE REPORT

## I. COMPANY'S PHYLOSOPHY ON CORPORATE GOVERNANCE

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

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

## II. BOARD OF DIRECTORS

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

The Board formulates the strategy, regularly reviews the performance of the Company and ensures that the previously agreed objectives are met on a consistent basis. Directors along with a team of professionals manage the day-to-day operations of the Company. Many of eminent professionals 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.

### A. Composition of Board

The constitution of the Board as on June 30, 2011:-

#### Executive Chairman

**Mr. B. K. Nopany, Chairman cum Managing Director**

Promoter Director	Executive Director	Non-Executive Director and Independent Director
Mr. B. K. Nopany	Mr. R.K.More	Mr. Nikhil Merchant Mr. Subbarao Peteti Ms. Pratima Srivastava Mr. L. K. Tibrawalla Mr. K. M. Shah

### B. Pecuniary Relationship

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

### C. Attendance records of Board Meetings

During the year under review, Five Board meetings were held on 28/08/2010, 13/11/2010, 16/11/2010, 12/02/2011 and 14/05/2011. 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 is as under:-

Director	No. of Board meetings attended	Attendance at last AGM
Mr. B. K. Nopany	5	Yes
Mr. R. K. More	4	Yes
Mr. Nikhil Merchant	0	No
Mr. Subbarao Peteti	4	No
Mr. L. K. Tibrawalla	2	Yes
Ms. Pratima Srivastava	4	No
Mr. K. M. Shah	3	Yes

**D. Directors of the Company having directorship in other Companies, Membership/ Chairmanship in Committees (as prescribed under Corporate Governance) across all Companies in which there are directors as on 30.6.2011:**

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 & Executive Chairman	4	1	Nil
Mr. R. K. More	Independent & Executive Director	8	Nil	Nil
Mr. Nikhil Merchant	Independent & Non-executive	3	Nil	Nil
Mr. Subbarao Peteti	Independent & Non-executive	Nil	Nil	Nil
Mr. K. M. Shah	Independent & Non-executive	2	Nil	Nil
Mr. L. K. Tibrawalla	Independent & Non-executive	6	N.A.	N.A.
Ms. Pratima Srivastava	Independent & Non-executive	Nil	Nil	Nil

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

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

### III. BOARD PROCEDURES

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

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

#### IV. AUDIT COMMITTEE

The Board of the Company has constituted Audit Committee comprising of three directors. Mr. K. M Shah and Mr. L. K. Tibrawalla are independent and non executives.

The constitution of the Audit Committee meets the requirement of section 292A of the Companies Act, 1956 and the Listing Agreement. The power and role of the audit committee is as per the guidelines set out in the listing agreement and as prescribed under section 292A of the Companies Act, 1956.

During the year under review, the Committee met 4 times on 27.08.2010, 12.11.2010, 11.02.2011, 14.05.2011 and attendance of members at the meetings were as follows:

Name of Member	Status	No. of meetings attended
Mr. K. M. shah	Chairman	4
Mr. B. K. Nopany	Member	4
Mr. L. K. Tibrawalla	Member	4

#### III. FPO COMMITTEE

The Board had constituted a FPO Committee, comprising of four directors under the chairmanship of Mr. B. K. Nopany. The other members in the committee being Mr. L. K. Tibrawalla, Ms. Pratima Srivastava and Mr. R. K. More.

The committee was formed to exercise all such functions as may be required in connection with the proposed public issue (hereinafter referred to as 'the issue') in consultation with the Merchant Bankers, Lead Managers, Advisors, Underwriters and other experts in accordance with the applicable provisions of law, including, among others, in particular the following:

- a. Determining the time, terms and size of the issue;
- b. Finalizing the Prospectus or Red Herring Prospectus subject to such approvals or comments of SEBI, Stock Exchanges, Registrar of Companies, Financial Institutions, Banks and such authorities as may be necessary;
- c. Finalizing the 'Memorandum containing salient features of Prospectus/Red Herring Prospectus;
- d. Finalizing draft text of Statutory Announcements;
- e. Appointment of Lead Manager(s) to the Issue and finalization of their terms of appointment;
- f. Appointment of Co-Manager(s) to the Issue and finalization of their terms of appointment;
- g. Appointment of Registrars, Legal Advisors, Underwriters, Brokers, etc. and finalization of their terms of appointment.

During the year under review, the committee met 2 times on 17.08.2010 and 11.12.2010 attendance of members at the meetings was as follows:

Name of Member	Status	No. of meetings attended
Mr. B. K. Nopany	Chairman	2
Mr. L. K. Tibrawalla	Member	2
Ms. Pratima Srivastava	Member	2
Mr. R.K. More	Member	2

#### IV. REMUNERATION COMMITTEE

The Board had constituted a Remuneration Committee comprising of three members, viz., Mr. L. K. Tibrawalla, Ms. Pratima Srivastava and Mr. K. M. Shah. Mr. L. K. Tibrawalla is the Chairman of the

said Committee. All the members of the Remuneration Committee are independent and non executives.

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, one meeting of the Remuneration Committee on 12.05.2011 was held, in which all the members are present.

**A. Details of the remuneration to the Executive Director provided as per accounts for the year ended 30<sup>th</sup> June, 2011 are given below:**

Executive Director	Salary* (Rs.)	Commission (Rs.)	Service Contract
Mr. B. K. Nopany	15,00,000/-	Nil	Appointed for 5 years w.e.f. 1 <sup>st</sup> July, 2006
Mr. R. K. More	12,00,000/-	Nil	Appointed for 3 years w.e.f. 1 <sup>st</sup> October, 2009

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

**B. Details of the remuneration to the Non-executive Directors provided as per accounts for the year ended 30<sup>th</sup> June, 2011 are given below:**

Non-executive Director	Sitting Fee (Rs.)	Commission (Rs.)	Total (Rs.)
Mr. Nikhil Merchant	Nil	Nil	Nil
Mr. Subbarao Peteti	30000.00	Nil	30000.00
Mr. K. M. Shah	15000.00	Nil	15000.00
Mr. L. K. Tibrawalla	22500.00	Nil	22500.00
Ms. Pratima Srivastava	30000.00	Nil	30000.00

**V. GENERAL ADMINISTRATION COMMITTEE**

The Board had constituted a General Administration Committee comprising of four members, viz., Mr. B. K. Nopany, Mr. L. K. Tibrawalla, Ms. Pratima Srivastava and Mr. K. M. Shah. Mr. B. K. Nopany is the Chairman of the said Committee. All the members of the General Administration Committee are independent and non executives.

The Committee has been formed for the purpose of dealing with general administrative functions of the company, including its units and branches.

The General Administration Committee had met on 11th October, 2010 and all the members were present at the meeting.

**VI. SHAREHOLDERS' GRIEVANCE COMMITTEE**

The Board had constituted a Shareholders' Grievance Committee, comprising of three directors under the chairmanship of Mr. K. M. Shah. The other members in the committee being, Mr. B. K. Nopany and Mr. L. K. Tibrawalla.

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

division of shares, split of share, review of dematerialization of shares and all matters related to shares.

During the year under review, the committee met 1 times on 30<sup>th</sup> September, 2010. All the members were present in all the meetings held during the year.

Total number of letters and complaints received and replied to the satisfaction of shareholders during the year under review was Nil As on 30th June 2011, there are Nil complaints pending with the Company.

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

## VII. GENERAL BODY MEETINGS

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

Year	Location	Date	Time	Special Resolutions Passed
2009-10	Regd. Office: 3, Pretoria Street, 4 <sup>th</sup> floor, Kolkata	28.10.2010	11.00 A.M.	N.A.
2008-09	Regd. Office: 3, Pretoria Street, 4 <sup>th</sup> floor, Kolkata	31.12.2009	11.00 A.M.	N.A.
2007-08	Regd. Office: 12, Govt. Place East, 2 <sup>nd</sup> Floor, Kolkata	31.12.2008	1.00 P.M.	N.A.

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

## X. DISCLOSURES

### A. Basis of related party transaction

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

### B. Whistle Blower Policy

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

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

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

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

The Board has prescribed a Code of Conduct ("Code") for all Board members and senior management of the Company. The Code is already displayed in the Company's Website – www.hanumansugar.com. All Board members and senior management personnel have confirmed compliance with the Code for the year 2010-11. A declaration to this effect signed by the Chairman cum Managing Director of the Company is provided elsewhere in the Annual Report.

### D. Disclosure of Accounting Treatment

In the preparation of financial statements for the year ended on 30th June 2011; there was no treatment different from that prescribed in an accounting standard that had been followed.

### E. Board Disclosures – Risk Management

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

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

The Company has not raised any amount through Public Issue, Right Issue, etc.

## XI. SUBSIDIARY MOTORING FRAMEWORK

The Company has no subsidiary.

## XII. MEANS OF COMMUNICATION

Immediately after the Board of Directors of the Company took note of Results for quarter ended 30th September 2010, 31st December 2010, 31st March 2011 and Audited Annual Accounts, the same were informed to the Calcutta Stock Exchange Association Ltd, Kolkata and also were published in English newspaper (viz Financial Express in Kolkata) and 'Kalantar' in Bengali in Kolkata editions.

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.

## XIII. GENERAL SHAREHOLDERS INFORMATION

### 1. Annual General Meeting:

Date	: 20 <sup>th</sup> December, 2011
Day	: Tuesday
Time	: 11.00 A.M.
Venue	: Regd. Office: 'Chandra Kunj', 3, Pretoria Street, 4 <sup>th</sup> Floor Kolkata – 700 071

### 2. Financial Calendar [Tentative and subject to change]:

Financial Year	July 1, 2011 to June 30, 2012
First Quarter Results	14 <sup>th</sup> November, 2011
Second Quarter Results	14 February, 2012
Third Quarter Results	15 <sup>th</sup> May, 2012
Fourth Quarter Results	29 <sup>th</sup> August, 2012

### 3. Date of Book closure

14<sup>th</sup> day of December, 2011 to 20<sup>th</sup> day of December, 2011 (both days inclusive)

#### 4. Dividend payment date

On or after 20<sup>th</sup> December, 2011

#### 5. Listing on Stock Exchanges

The Shares of the Company are listed on The Calcutta Stock Association Ltd, Kolkata. Listing fees for the year 2011-12 has been paid to the Stock Exchange.

#### 6. Stock Codes

The Calcutta Stock Exchange Association Ltd. : Scrip Code – 29132

ISIN Number for Dematerialized Shares : INE 101H01013

#### 7. Stock Market Data

There was no record of any trading of Company's shares at the Calcutta Stock Exchange Association Ltd during the year ended 30<sup>th</sup> June, 2011, except the following:

MONTH	Calcutta Stock Exchange	
	High	Low
September, 2010	40.00	40.00

#### 8. Registrar & Share Transfer Agent

M/s Maheshwari Datamatics Pvt Ltd.

6, Mangoe Lane, 2<sup>nd</sup> Floor

Kolkata – 700001

Phone : 033-2248 2248

2243 5809

Fax : 033-2248 8787

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

#### 9. Share Transfer system

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

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

#### 10. Distribution of Shareholding as on 30<sup>th</sup> June, 2011

No. of shares held (Rs. 10/- paid up)	No. of Shareholders	Percentage of total	No. of Shares	% of total Shareholding
Upto 500	445	78.7611	110773	0.6923
501 to 1000	59	10.4425	39860	0.2491
1001 to 2000	3	0.5310	4500	0.0281
2001 to 3000	1	0.1770	3000	0.0188
3001 to 4000	1	0.1770	3400	0.0212
5001 to 10000	1	0.1770	9860	0.0616
10001 and above	55	9.7345	15828607	98.9288

**11. Shareholding Pattern 30<sup>th</sup> June, 2011**

Category Code	Category of Shareholder	Number of Shareholders	Total No. of Shares	Number of Shares held in dematerialised form	Total shareholding as percentage of total number of shares
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group*</b>				
<b>(1)</b>	<b>Indian</b>				
(a)	Individuals/Hindu Undivided Family	8	2815522	2529242	17.60
(b)	Central Government / State Government(s)	-	-	-	-
(c)	Bodies Corporate	4	2154138	1519920	13.46
(d)	Financial Institutions / Banks	-	-	-	-
(e)	Trustee of various Trust	4	805000	805000	5.03
(f)	Individual holding on behalf of Partnership Firm	1	1019000	1019000	6.37
	<b>Sub-Total (A) (1)</b>	<b>17</b>	<b>6793660</b>	<b>5873162</b>	<b>42.46</b>
<b>(2)</b>	<b>Foreign</b>				
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-
(b)	Bodies Corporate	-	-	-	-
(c)	Institutions	-	-	-	-
(d)	Any other (Specify)	-	-	-	-
	<b>Sub-Total (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total Shareholding of Promoters (A)</b>	<b>17</b>	<b>6793660</b>	<b>5873162</b>	<b>42.46</b>
<b>(B)</b>	<b>Public Shareholding<sup>3</sup></b>				
<b>(1)</b>	<b>Institutions</b>				
(a)	Mutual Funds/UTI	-	-	-	-
(b)	Financial Institutions / Banks	2	173345	-	1.08
(c)	Central Government / State Government(s)	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-
(e)	Insurance Companies	-	-	-	-
(f)	Foreign Institutional Investors	-	-	-	-
(g)	Foreign Venture	-	-	-	-
(h)	Capital Investors Any other (Specify)	-	-	-	-
	<b>Sub-Total (B) (1)</b>	<b>2</b>	<b>173345</b>	<b>-</b>	<b>1.08</b>

Category Code	Category of Shareholder	Number of Shareholders	Total No. of Shares	Number of Shares held in dematerialised form	Total shareholding as percentage of total number of shares
<b>(2)</b>	<b>Non Institutions</b>				
(a)	Bodies Corporate	17	770842	4076502	48.13
(b)	Individual Shareholders				
	(I) holding nominal share capital up to Rs.1 lakh	506	156963	7500	0.98
	(II) holding nominal share capital in excess of Rs.1 lakh	23	1175190	902990	7.34
(c)	Any other (Specify) Foreign Company Non-resident Individual				—
	<b>Sub-Total (B) (2)</b>	<b>546</b>	<b>9032995</b>	<b>4986992</b>	<b>56.46</b>
	<b>Total Public Shareholding (B)</b>	<b>548</b>	<b>9206340</b>	<b>4986992</b>	<b>57.54</b>
	<b>TOTAL (A) + (B)</b>	<b>565</b>	<b>16000000</b>	<b>10860154</b>	<b>100.00</b>
(C)	Shares held by Custodians and against which depository receipt have been issued	-	-	-	-
	<b>GRAND TOTAL (A) + (B) + (C)</b>	<b>565</b>	<b>16000000</b>	<b>10860154</b>	<b>100.00</b>

## 12. Dematerialisation of Shares and liquidity

The dematting facility exists with both the NSDL and CDSL for the convenience of shareholders. As on 30th June 2011, 10860154 equity shares representing 67.88% of your Company's Equity shares capital have been de-materialised.

## 13. Plant location

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

## 14. Investors correspondence may be addressed to –

Mr. Ramesh Kumar Didwania  
'Chandra Kunj'  
3, Pretoria Street, 4<sup>th</sup> Floor  
Kolkata - 700 071

Place : Kolkata - 700071  
Dated : 27<sup>th</sup> August, 2011

By order of the Board  
For SHREE HANUMAN SUGAR & INDUSTRIES LIMITED  
**B. K. Nopany**  
Chairman cum Managing Director

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of  
Shree Hanuman Sugar & Industries Ltd.

We have examined the compliance of the conditions of Corporate Governance by **SHREE HANUMAN SUGAR & INDUSTRIES LIMITED** for the year ended on June 30, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.

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

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

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that based on the report given by Investors' Grievance Committee, as on June 30, 2011 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

Place: 32-A, Chittaranjan Avenue,  
Kolkata-700 012  
Date: 27<sup>th</sup> August, 2011

For **JAINSARAWGEE & CO.**  
Chartered Accountant  
Reg.No. 306087E  
**D. K. Sarawgee**  
Partner  
Membership No. 10089

## **DECLARATION BY M.D. UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

As required under clause 49 of the Listing Agreement with Stock Exchanges, it is hereby confirmed that for the year ended 30th June 2011, the Director's of Shree Hanuman Sugar & Industries Limited 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: - 27<sup>th</sup> August, 2011

**B. K. Nopany**  
**Chairman cum Managing Director**

## **CEO AND CFO CERTIFICATION**

We, B. K. Nopany, Chairman and Madhu Tiwari, Chief Financial Officer, responsible for the finance function certify that:

- a. We have reviewed the financial statements and cash flow statement for the year ended 30th June 2011 and to the best of our knowledge and belief:
  - I. These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;
  - II. These statements together, present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b. To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 30th June 2011 are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to the financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d. There has not been any significant change in internal control over financial reporting during the year under reference;
- e. There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and
- f. We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Place: Kolkata  
Date: 27<sup>th</sup> August, 2011

**Madhu Tiwari**  
**Chief Financial Officer**

**B. K. Nopany**  
**Chairman cum Managing Director**

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Company is currently engaged in two segments, which includes sugar and construction. Sugar segment includes manufacturing and selling of crystal white sugar and trading of stores items, used by sugar industry. Construction segment includes construction and sale of residential houses and trading of construction rights.

### SUGAR

Sugar is one of the essential items not only in the household sector but also in various industrial formulations in pharmaceutical sector, confectionery, soft drinks, sweets etc. The consumption of sugar in the country is on the increase due to population growth as also due to various development plans of the Government. Still the per capita sugar consumption in India is much lower than the world standard and even from the developing countries. However, the per capita consumption of sugar is on the increase on account of improved standard of living and the changing life style of rural masses which now prefers sugar than any other alternate sweetening material.

The second revision of the world sugar balance in the 2010/11 (October/September) crop cycle by ISO puts world production at a record 168.045 mln tonnes, raw value, up 4.66% from the last season. Although ISO still expect a record high world sugar production, it has been revised downwards by 0.910 mln tonnes from their previous assessment in November, 2010. In contrast to output, world consumption has been revised marginally upwards and now is put at 167.849 mln tonnes. Consumption is expected to grow at 2.01%, slower than the 10-year average of 2.6%, due to historically high prices in both the world and domestic markets. After two seasons of large deficits, the stocks/consumption ratio had reduced to the lowest level for more than 20 years - since 1989/90. The ratio is expected to decrease further to 35.04% in 2010/11 from 35.73% in the previous season of a large deficit. Despite the downward revision of world production, export availability still covers projected import demand. The absence of a physical trade deficit may act to cap prices for the rest of 2010/11 season. The world export availability is put at 50.496 mln tonnes exceeding import demand estimated at 50.309 mln tonnes.

A summary of the third assessment of the world sugar balance in 2010/11 is given in the table below.

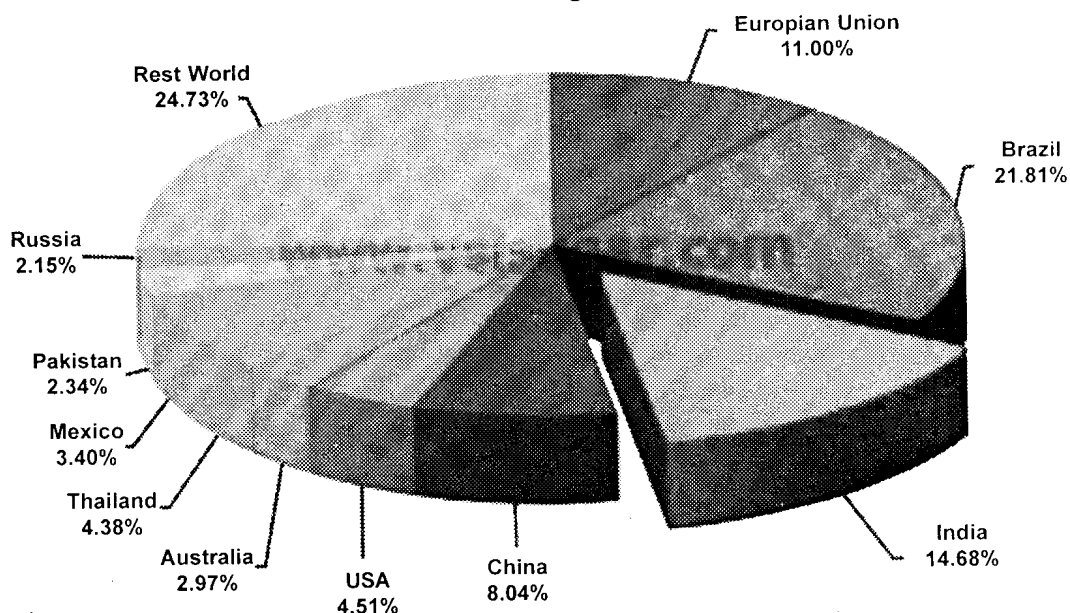
#### WORLD SUGAR BALANCE

	2010/11	2009/10	Change	
			in mln t	in %
	(mln tonne, raw value)			
Production	168.045	160.569	7.476	4.66
Consumption	167.849	164.549	3.300	2.01
Surplus / Deficit	0.196	-3.980	—	—
Import demand	50.309	53.393	-3.084	-5.78
Export availability	50.496	53.023	-2.527	-4.77
End Stocks	58.808	58.799	0.009	0.02
Stocks/Consumption ratio in%	35.04	35.73		

*Source: ISO Quarterly Market Outlook, February 2011*

India and major sugar producing countries contribution (%) in total world sugar production

### Contribution of Sugar Production (%) of India in Total World Sugar Production



Source: vsisugar.com

#### Indian Sugar Industry

India is the largest consumer and second largest producer of sugar in the world. The Indian sugar industry is one of the key drivers of rural development, supporting India's economic growth. The industry directly employs approximately 500,000 workmen, as well as many others in industries which utilize by-products of the sugar production process as raw material. Sugarcane is primarily grown in six states of India, namely, Andhra Pradesh, Gujarat, Karnataka, Maharashtra, Uttar Pradesh and Tamil Nadu.

The sugar industry has a number of transformational opportunities. In addition to the potential to cater to the large and growing domestic sugar consumption, the industry can emerge as a carbon credit and power producer through co-generation. It is also in a position to support the ethanol blending programme of E5 (blending petrol with 5% ethanol).

The sugar industry is cyclical in nature and the entire value chain is controlled by the government. In SS10, the performance of the sugar companies was adversely impacted by shortage of sugarcane resulting in very high raw material cost. Besides, increase in government control by hiking levy sugar quota by additional 10% and introduction of fortnightly release mechanism, instead of monthly release, led to a steep fall in sugar price after January 2010.

As a result, the credit profile of the majority of the sugar players weakened significantly. During SS11, sugarcane supply increased on account of expansion of cane acreage by more than 20% owing to government's favourable pricing policies by way of upward revision in both State Advised Price (SAP) as well as Fair & Remunerative Price (FRP). In SS10, on account of short supply of cane, mill owners generally paid premium ranging about Rs. 85-100/quintal over SAP of about Rs. 165/quintal; however, in SS11, on the back of increased sugarcane supply, the mill owners have been paying as per SAP ranging about Rs. 200-210/quintal.

The sugar price recovered during the quarter ending December, 2010 to about Rs. 28- 29/Kg from a low of Rs. 25/Kg in August, 2010 due to the improved demand scenario on account of festive season along-with various government measures like reinstating levy sugar quota back to the earlier level of 10% (from

20%) and reintroduction of monthly release system from fortnightly system. Despite increase in sugar production, the price is expected to be steady around Rs. 28-29/Kg level in the next two quarters on the back of stable stock position.

With opening stock of 5 million tonne in the current season, the expected production of about 25.0 million tonne in SS11, consumption of 23 million tonne and exports of 1.5 million tonne, the stock position is likely to be stable at 5.5 million tonne. The same might witness minor variations due to change in monthly release quota and government policies on allowance of exports of surplus production.

On the export front, delay in notification of exports, allowed by the government aggregating 5 lakh tonne, and allowance of further exports may lead to sugar exports becoming an unattractive proposition to the domestic sugar mills fetching them only marginal profits due to softening of global prices on the back of expected arrival of sugar supply from Brazil in the international market.

However, with the upward revision of ethanol price by 26% from Rs. 21.5/litre to Rs. 27.0/litre in September 2010, improvement in levy sugar price and various incentives for cogeneration by the government, CARE expects the overall realisation of the sugar companies to increase further with improvement in credit profile in SS11. The profitability ratios of major CARE-rated sugar companies for the December 2010 quarter improved from the immediately preceding two quarters (June 2010 & September 2010)

Sugar output of India could rise by about 10% to 26.5 million tonnes in 2011-12 sugar year starting October on higher cane area, industry body ISMA said on Tuesday.

ISMA demanded that the government should allow further export of 1.5 million tonnes of sugar under Open General Licence (OGL). In April, the government had allowed 5,00,000 tonnes sugar exports under OGL. "We expect sugarcane area to go up by 5%. The area is about five million hectare currently. Production is expected to be about 26-26.5 million tonnes in the next sugar season," ISMA President Narendra Murkumbi told reporters here.

"Next year we are expecting a surplus crop and currently we have enough stock. So, this is the right time to export sugar and reduce the sugar stocks held with the mills," said Murkumbi, who also heads Shree Renuka Sugars.

He pointed out that the sugar prices have been slowly but continuously falling due to delays in exports and restrictions on domestic demand because of stock-holding limit on traders. "The mills are so overburdened with surplus inventories that most of them do not have adequate storage capacities and cash flows, which has led them to resort to distress sale of sugar, which is only bringing down the prices," he said.

"The seriousness of the problem may be judged by the fact that value of stock balance with sugar mills at present would be Rs 35,000 crore," he added.

ISMA noted that if the government does not take any steps to export some of the surplus sugar, the opening balance for 2011-12 season might be over 6.5 million tonnes. The opening stock for 2010-11 season stood at about five million tonnes. With falling domestic prices and improving international sugar prices, the mills stand to gain about Rs 500 per quintal of sugar exports if the same is allowed immediately.

The current ex-factory prices are lower by over Rs 300 per quintal than the cost of production, he said, adding that such a situation will lead to cane price arrears to farmers. The cost of production is around Rs 2,900/quintal in Uttar Pradesh and Rs 2,700/quintal in Maharashtra. ISMA also demanded that the duty-free regime on sugar import should end as "this is hurting market sentiments and sending wrong signals to the market about clarity of government policies and intentions".

### **Sugar Outlook, Opportunities and Constraints**

Further, sugar production in India, the world's second biggest producer and largest consumer, is expected to be on an average 32 million tonnes (MT) per year for the next 10 years, says a latest report.

According to the Agriculture Outlook prepared jointly by Paris-based OECD and UN body FAO, global output of sugar is expected to soar to 209 MT in 2020-21 as against 158 MT in 2010-2011.

"India is expected to boost production substantially to 32 MT of sugar per year, on average, in the coming decade, or some 50% higher than 2008-10, when the production fell sharply," according to the report.

The Organisation for Economic Cooperation and Development (OECD) is a 34-member grouping of mostly developed nations, including the US and Germany.

According to the latest outlook, annual sugar output of India will continue to depend on periodic large swings in the production cycle, where two-three years of surplus is followed by two-three years of deficit, it said.

After a jump to 30.1 MT in 2006-07, the country's sugar output declined to 15.2 MT in 2008-09 and is currently estimated at 28 MT (in raw value) for 2010-11, it added.

As per the report, the sugar demand in India has been growing steadily at about four per cent per year over the past 10 years. Therefore, the domestic production and consumption balance moves from periods of surpluses and deficits, leading to often significant changes in the trade position.

On global front, the OECD-FAO report said the world's sugar output is likely to increase by 50 MT to reach over 209 MT in 2020-21 in response to the rising demand of sugar and its by-products and relatively high market prices.

The bulk of the additional sugar output will come from the developing countries and the main burden of growth will continue to fall on Brazil, the world's biggest sugar producer, it said.

"The potential for expanding sugar production in India exists and can be fully exploited if adjustments were introduced to ensure a market driven relationship between sugar and sugarcane prices," it added.

Suggesting India to relax some of the existing measures such as the monthly releases, the report said, "This could provide sugar factories some cash flow flexibility".

Regarding decontrol of the Indian sugar sector, the report said: "The liberalisation of the sugar industry can only be undertaken within the context of broader domestic reforms, because of the linkages on both demand and supply sides that prevail in agricultural commodity markets".

On sugar prices, the report pointed out that "major uncertainties remain in the international sugar market".

In the light of the relatively tight world market situation at present, any major production disruptions in the main producing countries of Brazil and India, could radically change the market outlook in the near term, igniting further bouts of high volatility, it said.

### **Supply response**

World farmers may raise output after prices jumped, he said. "There's probably a big bear market coming in 2011 because there will be a supply response," he said. "But it won't be in time for the first half of 2010."

The overall direction of commodities is a "macro call" about world economic growth and the direction of the dollar, and there is not too much clarity, he said. He is inclined to see the dollar stabilise at current levels, he said.

### **Sugar Prices**

The Government has been following a dual pricing policy for sugar, under which a fixed percentage (currently 10%) of total production is to be sold by sugar companies to the Public Distribution System ("PDS") set up by the Government at a fixed price referred to as levy sugar. This price is fixed with respect to each mill and varies from mill to mill. The balance sugar, called free sale sugar, can be sold in the open market.

The price of free sale sugar during the year depends on the demand supply situation. The movement in sugar price is determined by the net deficit or surplus in sugar (production plus import less domestic consumption less export) and stock-to-use ratio.

### **Sugarcane procurement and prices**

India has a unique structure with respect to procurement of sugarcane. Every sugar mill is assigned a reserved area around the mill within which any sugarcane that is grown is required to be supplied to the mill, and the mill is obligated by law to crush the sugarcane available to it within the reserved area. The reserved area may change if a mill is unable to crush all of the cane within its reserved area and a portion of the reserved area may be allocated to a mill that is able to crush the sugarcane.

On an average, sugarcane cost constitutes approximately 70% of the total cost of producing sugar. The SMP set by the Central Government controls the sugarcane procurement price for sugar manufacturers.

### **By-products opportunity**

The main by-products in the production of sugar are molasses, bagasse, press mud and fly ash. Effective utilization of these by-products can de-risk the revenue stream of a sugar company and make it less cyclical.

### **Bagasse**

Bagasse can be used for co-generation to meet the electricity and steam requirements of sugar mills.

Bagasse is burnt in a large furnace, which releases substantial amounts of heat for boiling water and generating high pressure steam. The steam is used to drive a turbine, which generates electricity. The residual low pressure steam is used in the sugar making process. The power produced by co-generation is used for captive consumption and excess power is sold to the State utilities distribution companies. The realization from exportable power is dependent on the long-term power purchase agreements with the Government and power companies. Co-generation also has proven revenue potential in Clean Development Mechanism ("CDM") based carbon credits. However, the potential for bagasse based co-generation of power is yet to be fully realized. According to ISMA, sugar units have currently set up a capacity to produce 2,635 MW of co-generated power and the potential to co-generate power by the sugar industry has been assessed to be much higher going forward. In addition, bagasse is also used for production of paper and particle boards.

### **Particle Board and Medium-Density Fibre Board**

Bagasse is also used to produce particle board and medium-density fibre board, which are environmentally friendly substitutes for plywood. Although particle board and medium-density fibre board have been produced in India for some time, these products were previously exclusively made by manufacturing plants which used wood as raw material. The production in India of particle board and medium-density fibre board from agricultural wastes such as bagasse using advanced manufacturing technologies only began in recent years.

### **Molasses**

Molasses is extensively used for the manufacture of ethanol. These molasses are fermented with yeast to get ethyl alcohol or ethanol. The mixture is then distilled to separate the alcohol from the mixture.

Normally for every 1 ton of sugar produced, around 0.45 tons of molasses is generated as a by-product. One ton of molasses can produce around 225 litres of ethanol.

Ethanol is 99.5% pure alcohol and is used as feedstock for alcohol-based downstream chemicals like

paints, inks and to manufacture potable alcohol. Ethanol is also becoming popular across the world as a fuel.

Ethanol is used as an additive in petrol to lessen vehicular pollution as it contains 35% oxygen, which helps complete combustion of fuel thus reducing harmful tailpipe emissions.

With a view to providing an incentive to the agricultural sector and reduce environmental pollution, the Government mandated 5% blending of ethanol with petrol across India except for certain states.

## **CONSTRUCTION**

The Company has also commenced the business of construction and selling of residential houses.

The Indian construction industry is an integral part of the Indian economy and an important portion of investments into the development of the Indian Economy takes place through the construction industry. The construction industry is expected to grow with further economic development, industrialisation, urbanisation and improvements in the standard of living.

According to Indian Infrastructure, the Indian construction industry accounts for more than 5% of India's GDP and is the second largest employer after agriculture, employing nearly 32 million people. In the course of liberalization of the Indian economy, the Government has placed a priority on infrastructure development and emphasised the involvement of private capital and management in order to respond to the growing demand for new infrastructure projects.

According to the Indian Central Statistical Organisation, investments in construction in India grew at a compounded annual growth rate of 12% during the last ten years.

Ministry of Housing and Urban Poverty Alleviation, India (MHUPA) has framed the National Urban Housing and Habitat Policy, which carefully analyses ways and means of providing 'Affordable Housing to All' with special emphasis on the EWS and LIG segments. The new policy lays emphasis on earmarking of land for the EWS/LIG groups in new housing projects and also emphasizes on the Government retaining its role in social housing so that affordable housing is made available to EWS and LIG of the population as they lack affordability and are hopelessly out priced in urban land markets.

Government initiatives coupled with increasing per capita income in India on the back of high economic growth is expected to provide strong impetus to affordable housing demand.

## **REFORMS IN THE REAL ESTATE SECTOR**

In recent years, various reforms have been initiated at the Central as well as State level which have led to greater organisation and transparency in the real estate sector. These include:

- Support from the Gol for the repeal of the Urban Land Ceiling Act (introduced in 1976), with nine State Governments having already repealed the Act. The law was repealed by the Central Government in 1999. However, land being a state subject, the law is still in force in some states like Andhra Pradesh, Assam, Bihar and West Bengal;
- Modifications in the rent control statutes to provide greater protection to homeowners wishing to rent out their properties;
- Rationalisation of property taxes in a number of States;
- The proposed conversion of land records into electronic form; and
- FDI being permitted in the real estate sector, subject to certain conditions.

### **Residential Development**

The residential sector accounts for approximately 75-80 per cent. of the total real estate sector in the

country. The growth in the residential real estate market in India has been largely driven by rising disposable incomes, a rapidly growing middle class and youth population, low interest rates, fiscal incentives on both interest and principal payments for housing loans, heightened customer expectations, and increased urbanisation and nuclearisation.

A large proportion of the demand for residential developments, especially in urban centres is likely to be for high-rise residential buildings. Since this is a fairly new segment, the growth of the high-rise segment is expected to be faster than the growth of more traditional urban housing segments. The reasons for the anticipated demand are the lack of space in cities and proximity to offices and IT parks. The high-rise culture is gradually seeping into other cities such as Kolkata, Hyderabad and Chennai due to increasing affordability, nearness to IT or BPO parks and the township concept being embraced within close proximity to such IT and BPO parks.

The emergence of the integrated township format is another key highlight in the residential sector. Availability of large land parcels as well as office developments in major cities' peripheral areas have led to an increase in the number of integrated townships to accommodate the growing population of the city. These integrated townships offer consolidated development of commercial, retail, residential, and leisure facilities. The scope of development is estimated to be approximately 400 township projects over the next five years, spread across 30-35 cities, each having a population of 0.5 million. (Source: Cushman & Wakefield Report: India Gaining Momentum – Indian Real Estate Investment Dynamics).

The total demand estimated for the residential segment is estimated to be approximately 687 million square feet across India for the next five years, of which the top seven cities account for nearly 77 per cent. (Source: Cushman & Wakefield Report: The Metamorphosis – Changing Dynamics of the Indian Realty Sector, October 2008)

## **SEGMENTWISE PERFORMANCE**

Presently, the Company mainly deals in two segments:

- I. Sugar
- II. Construction

Segment Reporting as per Note No.16 attached to schedule K of the Audited Statements of Account.

## **RISKS & CONCERNS**

Both sugar as well as construction business of the Company being undertaken have been rapidly growing because of urbanization and economic boom as discussed above. Further, performance of sugar industry is dependent upon demand-supply gap apart from crop level of sugarcane as discussed in the preceding paragraphs. The same rule of demand-supply gap applies to construction industry. As such, the continuance of economic slowdown and increased demand-supply gap may be main fears for both sugar as well as construction industries.

## **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**

The gross revenue of Rs. 2493.10 lacs was recorded in the financial year ended 30<sup>th</sup> June, 2011 compared to Rs. 3229.89 lacs in the previous year 2009-10.

### **Profits**

The Company has earned Profit before Interest, Depreciation and Tax of Rs. 1056.76 lacs during the financial year 2010-11, compared to Rs. 1176.07 during previous financial year 2009-10.

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

The Company recorded an EPS of Rs. 4.51 per equity shares of Rs. 10/- each during 2010-11.

### **Dividend**

The Board has recommended a dividend of Rs. 0.30 per equity share (being 3% on the par value per equity share of Rs. 10/- each), to be appropriated from the profits of the Company for the financial year 2010-11.

### **Dividend Payout**

The proposed dividend, if approved at the ensuing Annual General Meeting, would result in appropriation of Rs. 56.16 lacs (including Corporate Dividend Tax of Rs. 8.16 lacs) out of profits. The total appropriation of Dividend of Rs. 56.16 lacs gives 7.79 per cent payout on net profit of the Company, as against 6.03 per cent in the previous financial year 2009-10.

## **MATERIAL DEVELOPMENT IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT**

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

## **CAUTION STATEMENT**

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

Place: Kolkata

Date: - 27<sup>th</sup> August, 2011

**B. K. Nopany**  
Chairman cum Managing Director

# SHREE HANUMAN SUGAR & INDUSTRIES LIMITED

Regd. Office : 'Chandra Kunj', 4th Floor, 3 Pretoria Street, Kolkata-700 071

## AUDITORS' REPORT

To the Members of  
Shree Hanuman Sugar & Industries Limited

We have audited the attached Balance Sheet of **SHREE HANUMAN SUGAR & INDUSTRIES LIMITED** as at 30<sup>th</sup> June, 2011 and also the Profit & Loss Account for the year ended on that date annexed here to and the Cash Flow Statement for the year ended on that date, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

1. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by Central Government of India, in terms of sub section (4A) of Section 227 of the Companies Act, 1956, and on the basis of the information and explanations given to us and the books and records examined by us in the normal course of our audit and to the best of our knowledge and belief, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to above, we report that: -
  - a) We have, subject to **Note No. 13 on Schedule "K"**, 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, subject to **Note No 1(f) on Schedule "K"** regarding non-maintenance of certain accounts on accrual basis, proper books of accounts, as required by law, have been kept by the company so far as appears from our examination of those books;
  - c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account as submitted to us;
  - d) In our opinion the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, subject to Note 7 with regard to the provision for Gratuity not done as prescribed in AS-15;
  - e) On the basis of written representations received from the individual directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 30<sup>th</sup> June, 2011 from being appointed as a director in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956.

In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet, the Profit & Loss Account and Cash Flow Statement read together with Note Nos. 3, 4, 5 & 7 in respect of maintenance of certain accounts on cash/acceptance basis and consequent non-provision of liability in respect of such accounts and other NOTES to Schedule "K" give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India: -

- i) in the case of Balance sheet, of the state of affairs of the Company as at 30<sup>th</sup> June, 2011;
- ii) in the case of Profit & Loss Account, of the **Profit** of the Company for the year ended on that date; and
- iii) in the case of Cash Flow Statement, of the cash flow for the year ended on that date.

For **BHARAT D. SARAWGEE & CO.**

Chartered Accountants

Reg No. 326264E

**Bharat D. Sarawgee**

Partner

Membership No. F061505

For **JAINSARAWGEE & CO.**

Chartered Accountant

Reg.No. 306087E

**D. K. Sarawgee**

Partner

Membership No. 10089

Place: 32-A, Chittaranjan Avenue,  
Kolkata-700 012

Date: 27<sup>th</sup> August, 2011

**REFERRED TO IN PARAGRAPH - I OF THE AUDITORS' REPORT  
TO THE MEMBERS OF SHREE HANUMAN SUGAR & INDUSTRIES LIMITED  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2011.**

- (1) The Company has maintained proper records showing full particulars including quantitative details and situations of fixed assets. We are informed that all the fixed assets have been physically verified by the management at the year-end and no material discrepancies have been noticed on such verification. No disposal of a substantial part of the fixed assets of the Company has taken place during the reporting period.
- (2) The Company has taken unsecured loans amounting Rs.2694.93 lacs from companies, firms or other parties listed in the register maintained under Section 301 of the Act, during the year.
- (3) The Company has not granted any loan, secured or unsecured, to companies, firms or other parties listed in the Register maintained under Section 301 of the Act, during the year.
- (4) The Company has adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to purchase of trading goods, raw materials including components, plant and machinery, equipment and other assets and also for the sale of goods. We have not come across any major weaknesses in internal control.
- (5) Transactions that are required to be entered into the Register in pursuance of Section 301 of the Act have been so entered.
- (6) The company has not accepted any deposits from the public.
- (7) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (8) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records in respect of sugar u/s 290(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed account and records have been maintained.
- (9) The Company is generally regular in depositing undisputed statutory dues, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues.
- (10) According to the information and explanations given to us, no undisputed amount payable in respect of Income Tax, Wealth Tax, Dividend Tax, Service Tax, Sales Tax, Custom Duty, Excise Duty and Cess were in arrears, as at 30<sup>th</sup> June, 2011 for a period of more than six months from the date they became payable.
- (11) According to the records of the Company, dues outstanding in respect of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Excise Duty and Cess on account of any dispute are as follows:-

Name of the Statute	Nature of Dues	Amount (Rs in lacs)	Forum where Dispute is pending
Income Tax Act, 1961	Income Tax	129.78	Calcutta High Court

- (12) The Company has neither accumulated losses till the immediately preceding Financial Year nor has incurred any cash loss during the current Financial Period and immediately preceding financial year under this Report.
- (13) The Company has not defaulted in repayment of the secured loan from a Financial Institution.

- (14) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (15) In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi/mutual benefit fund/societies.
- (16) In our opinion and according to information and explanations given to us, the company is not dealing or trading in shares, securities, debentures and other investments and therefore the provisions of Clause 4(xiv) of the order are not applicable. The securities and other investments have been held by the company in its own name.
- (17) The Company has not given any guarantee for loans taken by others from Banks or Financial Institutions during the reporting period.
- (18) The Company has not raised any term loans, so the provisions are not applicable to the Company.
- (19) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long term investments. No long term funds have been used to finance short term requirements.
- (20) During the year the Company has not issued and allotted any preferential shares.
- (21) The Company has not raised any money during the year through any public issue.
- (22) Based on the audit procedures adopted and information and explanations given to us by the management, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **BHARAT D. SARAWGEE & CO.**

Chartered Accountants

Reg No. 326264E

**Bharat D. Sarawgee**

Partner

Membership No. F061505

For **JAIN SARAWGEE & CO.**

Chartered Accountant

Reg.No. 306087E

**D. K. Sarawgee**

Partner

Membership No. 10089

Place: 32-A, Chittaranjan Avenue,  
Kolkata-700 012

Date: 27<sup>th</sup> August, 2011

# SHREE HANUMAN SUGAR & INDUSTRIES LIMITED

Regd. Office : 'Chandra Kunj', 4th Floor, 3 Pretoria Street, Kolkata-700 071

## BALANCE SHEET AS AT 30<sup>TH</sup> JUNE, 2011

	SCHEDULE	30th June 2011 (Rs.in lacs)	30th June 2010 (Rs.in lacs)
<b>I. SOURCES OF FUNDS</b>			
<b>Shareholders' Funds :</b>			
Share Capital	A	1600.00	1600.00
Share Application Money		26.00	—
Reserves & Surplus	B	5582.13	4917.36
<b>Loan Funds :</b>			
Secured Loans	C	294.31	359.00
Unsecured Loans	D	4211.28	1522.55
	<b>TOTAL :</b>	<b>11713.73</b>	<b>8398.91</b>
<b>II. APPLICATION OF FUNDS</b>			
<b>Fixed Assets :</b>			
Gross Block	F	9956.54	6623.52
Less : Depreciation		1751.06	1624.11
Net Block		8205.48	4999.41
Capital Work-in-Progress		1533.39	753.11
		9738.88	5752.52
Investments	G	1671.30	370.24
Current Assets, Loans & Advances	H	3163.73	2512.11
Less: Current Liabilities & Provisions:	E	2860.18	235.95
Net Current Assets		303.55	2276.16
	<b>TOTAL :</b>	<b>11713.73</b>	<b>8398.91</b>
Notes to accounts	K		

The Schedules referred to above and notes to accounts form an integral part of the Balance Sheet

As per our report attached

For **BHARAT D. SARAWGEE & CO.**

Chartered Accountants,

Reg. No. 326264E

**Bharat D. Sarawgee,**

(Partner)

Membership No. F061505

32-A, Chittaranjan Avenue

Kolkata-700 012

Dated: 27<sup>th</sup> August, 2011

For **JAINSARAWGEE & CO.**

Chartered Accountants,

Reg. No. 306087E

**D.K. Sarawgee,**

(Partner)

Membership No. 10089

**B.K. Nopany**

Chairman cum Managing Director

**R.K. More**

Executive Director

**S. Peteti, L.K. Tibrawalla,**

**P. Srivastava, K.M. Shah**

Directors

**R.K. Didwania,** Company Secretary

# SHREE HANUMAN SUGAR & INDUSTRIES LIMITED

Regd. Office : 'Chandra Kunj', 4th Floor, 3 Pretoria Street, Kolkata-700 071

## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 30<sup>TH</sup> JUNE, 2011

	SCHEDULE	Year ended 2011 (Rs.in lacs)	Year ended 2010 (Rs.in lacs)
<b>INCOME</b>			
Sales	I	1885.40	2928.05
Profit on Sale of Construction Rights		607.49	301.65
Other Income		0.21	0.19
Increase / Decrease in Stock	I	711.65	(19.82)
		<b><u>3204.75</u></b>	<b><u>3210.07</u></b>
<b>EXPENDITURE</b>			
Purchases		1356.88	1822.08
Raw Material Consumed		155.06	---
Store Consumed		16.22	---
Manufacturing /Construction Expenses		253.95	78.84
Personnel Expenses	J	210.87	55.33
Administrative Expenses	J	150.86	77.54
Selling & Distribution Expenses	J	4.15	0.11
Interest		44.64	42.25
Depreciation		126.95	126.63
Total Expenditure		<b><u>2319.58</u></b>	<b><u>2202.79</u></b>
Profit before Tax		885.17	1,007.29
Add: Balance Brought Forward from Previous Year		<u>715.84</u>	<u>142.26</u>
Profit available for Appropriation		<u>1601.01</u>	<u>1149.55</u>
Less :			
Proposed Dividend		48.00	48.00
Provision for Income Tax		164.25	75.90
Provision for Dividend Tax		8.16	8.16
Transferred to Special Reserve		<u>321.00</u>	<u>301.65</u>
		<b><u>541.41</u></b>	<b><u>433.71</u></b>
<b>Balance carried to Balance Sheet</b>		<b><u>1059.60</u></b>	<b><u>715.84</u></b>

Notes to accounts

K

The Schedules referred to above and notes to accounts form an integral part of the Profit and Loss Account

As per our report attached

For **BHARAT D. SARAWGEE & CO.**

Chartered Accountants,

Reg. No. 326264E

**Bharat D. Sarawgee**, Partner

Membership No. F061505

32-A, Chittaranjan Avenue

Kolkata-700 012

Dated: 27<sup>th</sup> August, 2011

For **JAIN SARAWGEE & CO.**

Chartered Accountants,

Reg. No. 306087E

**D.K. Sarawgee**, Partner

Membership No. 10089

**B.K. Nopany**

Chairman cum Managing Director

**R.K. More**

Executive Director

**S. Peteti, L.K. Tibrawalla,**

**P. Srivastava, K.M. Shah**

Directors

**R.K. Didwania**, Company Secretary

**ANNUAL REPORT 2010-2011**

# SHREE HANUMAN SUGAR & INDUSTRIES LIMITED

Regd. Office : 'Chandra Kunj', 4th Floor, 3 Pretoria Street, Kolkata-700 071

## CASH FLOW STATEMENT FOR THE YEAR ENDED ON 30<sup>TH</sup> JUNE, 2011

	2010-11 (Rs. in lacs)	2009-10 (Rs. in lacs)
<b>A) Cash Flow From Operation Activities</b>		
a) Net Profit Before Tax & Extraordinary Item	885.17	1,007.29
Adjustment for :		
Interest Paid	44.64	42.25
Depreciation	126.95	126.63
Profit on sale of Investments	—	—
b) Operating Profit before Working Capital changes	1,056.76	1,176.17
Adjustment for :		
Trade and Other Receivable	325.39	(302.48)
Inventories	(802.99)	19.82
Trade Payable	2,451.83	(307.77)
c) Cash Generated From Operations	<b>3,030.99</b>	<b>585.74</b>
<b>B) Cash Flow From Investment Activities</b>		
Purchase of Fixed Assets	(4,113.30)	(619.23)
Sale of Fixed Assets	—	64.50
Purchase of Investments	(1,301.06)	—
Loans & Advances	(78.98)	(616.50)
Taxes Paid	—	(8.16)
Dividend	(48.00)	(48.00)
Net Cashflow from Investing Activities	<b>(5,541.34)</b>	<b>(1,227.39)</b>
<b>C) Cash Flow From Financing Activities</b>		
Interest Paid	(44.64)	(42.25)
Unsecured Loan	2,688.73	696.85
Secured Loan	(64.69)	(15.85)
Share Application	26.00	—
	<b>2,605.40</b>	<b>638.75</b>
D) Net Increase/(decrease) in Cash and Cash Equivalent	95.05	(2.90)
Cash and Cash Equivalent at the beginning of the Year	17.98	20.88
Cash and Cash Equivalent at the end of the year	113.03	17.98

As per our report attached

For **BHARAT D. SARAWGEE & CO.**

Chartered Accountants,

Reg. No. 326264E

**Bharat D. Sarawgee**, Partner

Membership No. F061505

32-A, Chittaranjan Avenue

Kolkata-700 012

Dated: 27<sup>th</sup> August, 2011

For **JAINSARAWGEE & CO.**

Chartered Accountants,

Reg. No. 306087E

**D.K. Sarawgee**, Partner

Membership No. 10089

**B.K. Nopany**

Chairman cum Managing Director

**R.K. More**

Executive Director

**S. Peteti, L.K. Tibrawalla,**

**P. Srivastava, K.M. Shah**

Directors

**R.K. Didwania**, Company Secretary

# SHREE HANUMAN SUGAR & INDUSTRIES LIMITED

Regd. Office : 'Chandra Kunj', 4th Floor, 3 Pretoria Street, Kolkata-700 071

## SCHEDULES FORMING PART OF BALANCE SHEET AS AT 30<sup>TH</sup> JUNE, 2011

SCHEDULE	30th June 2011 (Rs.in lacs)	30th June 2010 (Rs.in lacs)
<b>A. SHARE CAPITAL:</b>		
Authorised: 40000000 Equity Shares of Rs. 10/- each	4000.00 <u>4000.00</u>	4000.00 <u>4000.00</u>
Issued, Subscribed and Paid up: 16000000 Equity shares of Rs. 10/- each fully paid up (Out of the above 7450000 Shares were issued as Bonus Shares on Capitalisation of Reserves)	1600.00	1600.00
<b>TOTAL:</b>	<u>1600.00</u>	<u>1600.00</u>
<b>B. RESERVES &amp; SURPLUS:</b>		
Revaluation Reserve: As per Last Balance Sheet	625.00	625.00
Capital Redemption Reserve: As per Last Balance Sheet	22.50	22.50
Share Premium: As per Last Balance Sheet	691.25	691.25
Debenture Redemption Reserve : As per Last Balance Sheet	200.00	200.00
General Reserve: As per Last Balance Sheet	2000.00	2000.00
Profit & Loss Account Balance brought forward	1059.60	715.84
Special Reserve As per Last Balance Sheet	662.78	662.78
Transfer from Profit & Loss A/C	<u>321.00</u>	983.78
<b>TOTAL :</b>	<u>5582.13</u>	<u>4917.36</u>

# SHREE HANUMAN SUGAR & INDUSTRIES LIMITED

Regd. Office : 'Chandra Kunj', 4th Floor, 3 Pretoria Street, Kolkata-700 071

## SCHEDULES FORMING PART OF BALANCE SHEET AS AT 30<sup>TH</sup> JUNE, 2011

SCHEDULE	30th June 2011 (Rs.in lacs)	30th June 2010 (Rs.in lacs)
<b>C. SECURED LOANS:</b>		
200000 17% Unsecured Redeemable Convertible Debentures of Rs. 100/- each (Refer Note No 10 on Schedule 'K')	200.00	200.00
From Orix Auto Business Solutions Ltd. (Refer Note No 11 on Schedule 'K')	94.31	159.00
<b>TOTAL :</b>	<b>294.31</b>	<b>359.00</b>
<b>D. UNSECURED LOANS:</b>		
Short term Loan from a Bank (bearing interest)	—	6.20
From Body Corporates (Interest Free)	3371.10	669.28
From Directors (Interest Free)	22.05	9.92
From Others (Interest Free)	818.13	837.15
<b>TOTAL :</b>	<b>4211.28</b>	<b>1522.55</b>
<b>E. CURRENT LIABILITIES &amp; PROVISIONS:</b>		
A) Current Liabilities:		
Sundry Creditors	2517.41	65.58
	<u>2517.41</u>	<u>65.58</u>
B) Provisions:		
Proposed Dividend	48.00	48.00
Provision for Taxation	278.45	114.20
Provision for Dividend Tax	16.32	8.16
	<u>342.77</u>	<u>170.36</u>
<b>TOTAL :</b>	<b>2860.18</b>	<b>235.94</b>

## SHREE HANUMAN SUGAR & INDUSTRIES LIMITED

Regd. Office : 'Chandra Kunj', 4th Floor, 3 Pretoria Street, Kolkata-700 071

### SCHEDULES FORMING PART OF BALANCE SHEET AS AT 30<sup>TH</sup> JUNE, 2011

#### SCHEDULE - 'F'

#### FIXED ASSETS

DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 01.07.2010 (Rs. In Lacs)	Addition/ Revaluation (Rs. In Lacs)	Sales/ Adjustment (Rs. In Lacs)	As at 30.06.2011 (Rs. In Lacs)	Up to 01.07.2010 (Rs. In Lacs)	For the year (Rs. In Lacs)	Up to 30.06.2011 (Rs. In Lacs)	As at 30.06.2011 (Rs. In Lacs)	As at 30.06.2010 (Rs. In Lacs)
<b>A. FIXED ASSETS - OWN:</b>									
Land	681.46	—		681.46	—	—	—	681.46	681.46
Building	59.04	—		59.04	14.58	0.96	15.54	43.49	44.45
Plant & Machinery	5,429.26	3,321.18		8,750.44	1,284.32	75.60	1,359.92	7,390.52	4,144.94
Plant & Machinery (Leasehold)	335.00	—		335.00	230.12	41.88	272.00	63.00	104.89
Furniture & Fixtures	21.70	1.64		23.34	21.60	0.10	21.70	1.64	0.10
Vehicles	97.06	10.20		107.26	73.49	8.40	81.89	25.37	23.57
<b>TOTAL :</b>	<b>6,623.52</b>	<b>3,333.02</b>	<b>—</b>	<b>9,956.54</b>	<b>1,624.11</b>	<b>126.95</b>	<b>1,751.06</b>	<b>8,205.48</b>	<b>4,999.41</b>
<b>B. CAPITAL WORK IN PROGRESS:</b>									
Machinery under installation	570.43	608.19		1,178.62				1,178.62	570.43
Capital Work in Progress	10.40	40.00		50.40				50.40	10.40
Expenses Pending Allocation	172.28	—		172.28				172.28	172.28
Preoperative Expenses		132.10		132.10				132.10	—
<b>GRAND TOTAL : (A+B)</b>	<b>7,376.63</b>	<b>3,981.21</b>	<b>—</b>	<b>11,357.85</b>	<b>1,624.11</b>	<b>126.95</b>	<b>1,751.06</b>	<b>9,738.88</b>	<b>5,752.53</b>
<b>PREVIOUS YEAR</b>	6,821.90	619.23	64.50	6,376.64	1,497.48	126.63	1,624.11	5,752.53	—

# SHREE HANUMAN SUGAR & INDUSTRIES LIMITED

Regd. Office : 'Chandra Kunj', 4th Floor, 3 Pretoria Street, Kolkata-700 071

## SCHEDULES FORMING PART OF BALANCE SHEET AS AT 30<sup>TH</sup> JUNE, 2011

### SCHEDULE - 'G'

		30th June 2011 (Rs.in lacs)	30th June 2010 (Rs.in lacs)
<b>INVESTMENTS (AT COST)</b>			
No of Shares (other than trade)	Nominal Value		
Unquoted:			
N.S.C. (Deposited with Central Excise Authority)		0.12	0.12
100 3½% Unclassified Shares of Bihar State Financial Corporation Ltd.	100	0.10	0.10
140 Equity Shares of Shree Milk & Food Industries Ltd.	10	0.01	0.01
11 Equity Shares of Shubham Holdings Private Limited	100	0.01	0.01
175950 Equity Shares of Shruti Ltd. (Previous year 100000)	10	977.24	370.00
82500 Equity Shares of Hanuman Industries (India) Pvt Ltd.	10	693.83	—
<b>TOTAL :</b>		<b><u>1671.30</u></b>	<b><u>370.24</u></b>

# SHREE HANUMAN SUGAR & INDUSTRIES LIMITED

Regd. Office : 'Chandra Kunj', 4th Floor, 3 Pretoria Street, Kolkata-700 071

## SCHEDULES FORMING PART OF BALANCE SHEET AS AT 30<sup>TH</sup> JUNE, 2011

### SCHEDULE - 'H'

	30th June 2011 (Rs.in lacs)	30th June 2010 (Rs.in lacs)
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
<b>A. Current Assets:</b>		
Closing Stock of goods traded (As taken, valued and certified by the management)		
Stores & Spares Parts	91.33	21.56
Sugar	53.72	
Molases	10.82	
Construction Right	815.25	227.50
Work in Progress (construction)	221.20	140.27
Sundry Debtors (Unsecured, Considered good by the management)		
Exceeding Six months	—	—
Other Debts	452.89	778.28
Cash & Bank Balances:		
Cash on hand (As certified by the management)	17.36	4.77
With Scheduled Banks		
In Current Accounts	95.67	13.21
<b>TOTAL (A)</b>	<b>1758.26</b>	<b>1185.60</b>
<b>B. Loans &amp; Advances:</b>		
Advances Recoverable in cash or in kind or for value to be received or pending adjustments	1335.05	1290.74
Due from employees	59.99	25.56
Securities & other Deposits	10.42	10.19
Income Tax Advance & TDS	0.02	0.02
<b>TOTAL (B)</b>	<b>1405.49</b>	<b>1326.51</b>
<b>TOTAL : (A+B)</b>	<b>3163.73</b>	<b>2512.11</b>

**SHREE HANUMAN SUGAR & INDUSTRIES LIMITED**

Regd. Office : 'Chandra Kunj', 4th Floor, 3 Pretoria Street, Kolkata-700 071

**SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT  
FOR THE YEAR ENDED ON 30<sup>TH</sup> JUNE, 2011****SCHEDULE - 'I'**

	<b>30th June 2011 (Rs.in lacs)</b>	<b>30th June 2010 (Rs.in lacs)</b>
<b>SALES:</b>		
(Less: Return, Rebate, Discount etc.)		
Stores & Spare Parts	1396.19	2274.92
Flats	419.59	—
Sugar	69.21	—
Molasses	0.41	—
Construction Right	0.00	653.12
	<u>1885.40</u>	<u>2928.04</u>
<b>INCREASE/DECREASE IN STOCK:</b>		
<b>Closing Stock :</b>		
Stores	0.00	21.56
Sugar	53.72	—
Molasses	10.82	—
Construction Right	815.25	227.50
Work in Progress(construction)	221.20	140.27
	<u>1100.98</u>	<u>389.33</u>
<b>Less: Opening Stock</b>		
Stock in Process		
Stores	21.56	11.87
Construction Right	227.50	372.00
Work in Progress(construction)	140.27	25.28
	<u>389.33</u>	<u>25.28</u>
	<u>711.65</u>	<u>(19.82)</u>

# SHREE HANUMAN SUGAR & INDUSTRIES LIMITED

Regd. Office : 'Chandra Kunj', 4th Floor, 3 Pretoria Street, Kolkata-700 071

## SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 30<sup>TH</sup> JUNE, 2011

### SCHEDULE - 'J'

	30th June 2011 (Rs.in lacs)	30th June 2010 (Rs.in lacs)
<b>PERSONNEL EXPENSES:</b>		
Salary & Bonus etc.	207.38	54.26
Employees Welfare Expenses	3.49	1.07
TOTAL :	<u>210.87</u>	<u>55.33</u>
<b>ADMINISTRATIVE EXPENSES:</b>		
Rent	—	0.60
Insurance	0.96	0.55
Travelling Expenses	54.47	23.13
Miscellaneous Expenses	95.43	53.26
TOTAL :	<u>150.86</u>	<u>77.54</u>
<b>SELLING &amp; DISTRIBUTION EXPENSES:</b>		
Others	4.15	0.11
TOTAL :	<u>4.15</u>	<u>0.11</u>
Legal & Filing Expenses	35.08	10.54
Office Maintenance & general expenses	22.27	10.74
Excise Duty	8.23	—
Miscellaneous Expenses	29.85	31.98
	<u>95.43</u>	<u>53.26</u>

## SCHEDULE – 'K'

### NOTES ON ACCOUNTS AS AT 30<sup>TH</sup> JUNE, 2011 & FOR THE YEAR ENDED ON THAT DATE

#### 1. ACCOUNTING POLICIES :

##### a) General :

The Company follows the Mercantile System of Accounting and recognises Income and Expenditure on Accrual basis unless otherwise stated. The Accounts are prepared on historical cost basis, as a going concern, and are consistent with generally accepted accounting principles.

##### b) Fixed Assets :

Fixed Assets of the Company (except Land) are stated at cost of acquisition/ construction as reduced by depreciation.

##### c) Depreciation :

Depreciation on fixed assets is being provided on straight line method at the rates given below:

- (i) On assets acquired upto 30th June, 1987 at the rates applicable at the time of acquisition/ installation, in accordance with the circular 1/86 dated 21st May 1986 issued by the Company Law Board.
- (ii) On additions made after 30th June, 1987 as per Schedule XIV of the Companies Act, 1956.

##### d) Investments :

Investments are for long term purpose and stated at cost.

##### e) Inventories :

Inventories of goods traded are valued as under

- (i) Sugar – at cost or realizable valued whichever is lower.
- (ii) Molasses – at cost or realizable value whichever is lower.
- (iii) Stores – At cost or realizable value whichever is lower.
- (iv) Scrap – At estimated realizable value.
- (v) Construction right – At cost.
- (vi) Work – in- Progress (Construction) at cost.

##### f) Others :

- (i) Leave encashment by the employees of the Company except in the case of his/her death while in service is not allowed by the Company. Leave liability is, therefore, accounted for on cash basis.
- (ii) Interest and Penalty on T.D.S., Advance Tax, Income Tax dues and Dividend Tax are accounted for on cash basis.

##### g) Deferred Tax:

Deferred Income Tax is recognized for the current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier year.

Deferred Tax Assets in respect of carry forward of unabsorbed depreciation and tax losses are

recognized to the extent there is virtual certainty and in respect of other item, on the basis of reasonable certainty of their realization against future taxable profit.

**h) Review of Assets for impairment:**

The carrying value of assets of the company net of accumulated depreciation as on the balance sheet date is not less than the recoverable amount of those assets.

**i) Contingent Liabilities :**

The Contingent liabilities are separately disclosed by way of notes on accounts.

**2. CONTINGENT LIABILITIES :**

- a) The company has given a guarantee to the Bank of India for cash credit facilities of Rs.250 lacs, Working Capital Term Loan for Rs.650 lacs and guarantee issue facility to the extent of Rs.150 lacs sanctioned to Eastern Sugar & Industries Limited.
  - b) The company has mortgaged, by way of deposit of title deeds, all immovable properties pertaining to its sugar division situated at Motihari, Champaran East, Bihar as security *interalia* for the punctual payment of Lease Rentals, Cost Compensatory and Finance Charges, expenses and other moneys payable by Eastern Sugar & Industries Limited to IDBI in respect of assistance granted under Equipment Lease Finance Scheme and Term Loan aggregating to Rs. 2625 lacs.
  - c) The Company had determined lease with The Eastern Sugar & Industries Ltd in the accounting year 2005 – 2006 and as per the terms and conditions of the agreement entered into with the said lessee company, all the fixed assets of the said lessee company will be acquired on deferred payment basis over a number of years by the Company at a value (to be ascertained) on the date of transfer. Such purchases shall be accounted for as and when the assets are acquired and the amount payable for such purchases/acquisition of fixed assets shall be adjusted against loans given to and other claims due from the lessee company. Contingent liability for such amount payable to the said Company for acquisition of its fixed assets has not therefore been provided in the books of the Company.
3. In some cases T. D. S. have not been deducted and deposited in time. Interest and penalty on T. D. S., Advance Tax & Income Tax dues, Dividend Tax if any, will be accounted for on cash basis.
  4. 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.
  5. Professional Taxes and Trade License Fees are to be accounted for on cash basis.
  6.
    - i) Balance Confirmation Certificates from Debtors, Creditors and Banks are awaited from the respective parties.
    - ii) There is no amount due to Micro and Small Enterprises as on the Balance Sheet date in excess of Rupees One lac to the extent such parties have been identified from the available information/documents.
  7. The Company has made an ad hoc provision for gratuity amounting to Rs. 33.25 lacs in the year 2006-07 on the basis of calculation made by the management and the same is considered adequate to cover liability on account of Gratuity. However, no actuarial valuation has been made as per AS – 15.
  8. Depreciation on fixed assets has been provided on straight-line basis as specified in clause 1(c) of Accounting Policies stated above.
  9. The company has revalued land by Rs.6.25 crores during the year 2006-07 as certified by the

management which resulted in an increase in the value of fixed assets by the said amount and the same has been credited to Revaluation Reserve.

10. Arbitration proceeding is in progress for conversion of 17% Unsecured Redeemable Debentures into equity shares. On finalization of arbitration proceeding, the said debentures will be converted into equity shares on such terms and conditions as may be decided by the Arbitrator.
11. Loan from Orix Auto Business Solution Ltd. is secured against vehicles and machineries purchased under hire purchase.

12. Auditors remuneration	2010-2011 (Rs.)	2009-2010 (Rs.)
Audit Fee	33,090	22,000
In other Capacity		
Out of Pocket Expenses	—	—
	<u>33,090</u>	<u>22,000</u>

13. Additional information pursuant to the provisions of Paragraph 3 and 4C of Part II of Schedule VI to the Companies Act, 1956:

A. Quantitative Information	Current Year	Previous Year
i. Licensed capacity at the year end	5000 M.T.Crushing of sugar cane	5000 M.T.Crushing of sugar cane
ii. Installed capacity	2500 M.T.Crushing of sugar cane	2500 M.T.Crushing of sugar cane

Licensed & installed capacity are certified by the management and accepted as correct by the Auditors.

- iii. Break up of Stock-in-Process and goods traded (as certified by the management), however, no quantitative information regarding Trading goods is available.

**CLOSING STOCK (Rs. In lacs)**

Unit	30.06.2011		30.06.2010	
	Qty.	Rs.	Qty.	Rs.
Sugar (Qtls)	2776	53.72	—	—
Molasses (Qtls)	6183.12	10.82	—	—
Stores & Spare Parts	N.A.	91.33	N.A.	21.56
Construction Right	N.A.	815.25	N.A.	227.50
Work-in-progress (Construction)	N.A.	221.20	N.A.	140.27
<b>SALES</b>				
Sugar (in quintals)	3245	69.21	NIL	NIL
Bye – Products	N.A.	.41		
Flats	N.A.	419.59		
Stores	N.A.	1396.19	N.A.	2274.92
Construction Right	N.A.	NIL	NIL	653.13
		<u>1885.40</u>		<u>2928.05</u>

B. Raw Materials Consumed	Current Year		Previous Year	
	Qty. (in Qtl)	Amount (Rs. In lacs)	Qty. (in Qtl)	Amount (Rs. In lacs)
Sugar Cane	74483.35	155.06	—	—

14. In accordance with the requirements under the Accounting Standard (AS-22), Deferred Tax Assets (net) at the year end arising out of carry forward Business losses, carry forward of Long Term Capital Loss and unabsorbed depreciation has not been recognized in the current year in the accounts. The accounting treatment is in line with prudential accounting norms and recommendations under AS-22.

15. There is no impairment of assets. The management expects to recover amount higher than the carrying value of fixed assets.

16. **Segment Reporting :**

The Company has operated in two segments during the year ended on 30<sup>th</sup> June, 2011 and segment as per AS-17 issued by the ICAI is given below: -

Segment Revenue, Result and Capital employed

Particulars	As at 30/06/2011	As at 30/06/2010
1. Segment Revenue		
Net Sale/Income from each segment (including other operating income and other income)		
(a) Sugar	1465.81	2274.92
(b) Construction	1027.08	954.78
<b>TOTAL REVENUE</b>	<b>2492.89</b>	<b>3229.70</b>
2. Segment Result		
PBIT from each segment		
(a) Sugar	13.62	466.76
(b) Construction	916.19	582.77
TOTAL		
Less:		
Interest expense	44.64	42.25
Interest income	—	—
Unallocable Expenditure	—	—
<b>TOTAL PBT</b>	<b>885.17</b>	<b>1007.28</b>
3. Capital Employed		
Segment Assets – Segment Liabilities		
(a) Sugar	5546.68	5524.59
(b) Construction	1036.45	367.77
(c) Unallocated Expenditure	—	—
<b>TOTAL</b>	<b>6583.13</b>	<b>5892.36</b>

17. **Related Party Disclosures:**

a) **Names of Related Parties**

Associate Companies	:	Nopany Investments Pvt Ltd., Shruti Ltd., Eastern Sugar & Industries Ltd.
Key Management Personnel	:	Directors of the Company
Enterprises over which Key Management Personnel exercise significant influence	:	Nopany & Sons

b) **During the period, the Company entered into the following related party transactions**

**Amount (Rs. in lacs)**

i) Unsecured loans repaid to: Sri Bimal Kumar Nopany Nopany & Sons		19.02
ii) Unsecured loans received from Nopany & Sons Pvt. Ltd		716.57
Nopany Investments (P) Ltd.		884.15
Shruti Limited		1027.60
Sri Bimal Kumar Nopany		12.13
iii) Interest paid to: - Nopany Investments Pvt Ltd.		34.00

18. Basis for Calculation of Basic and Diluted Earnings per share in terms of Accounting Standard-20 is as under (Amount Rs. in lacs):

	<b>30.06.2011</b>	<b>30.06.2010</b>
Profit after Tax as per Profit & Loss Account	720.92	931.39
Weighted Average No. of Equity Shares	160.00	160.16
Basic & Diluted Earning per Share	4.51	5.82

19. Figures of previous year have been re-arranged and re grouped wherever considered necessary.

Signatories to Schedules 'A' to 'K'

For **BHARAT D. SARAWGEE & CO.**

Chartered Accountants,  
Reg. No. 326264E

**Bharat D. Sarawgee**, Partner  
Membership No. F061505

32-A, Chittaranjan Avenue  
Kolkata-700 012

Dated: 27<sup>th</sup> August, 2011

For **JAINSARAWGEE & CO.**

Chartered Accountants,  
Reg. No. 306087E

**D.K. Sarawgee**, Partner  
Membership No. 10089

**B.K. Nopany**

Chairman cum Managing Director

**R.K. More**

Executive Director

**S. Peteti, L.K. Tibrawalla**

**P. Srivastava, K.M. Shah**

Directors

**R.K. Didwania**, Company Secretary

# SHREE HANUMAN SUGAR & INDUSTRIES LIMITED

Regd. Office : 'Chandra Kunj', 4th Floor, 3 Pretoria Street, Kolkata-700 071

## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

### I Registration Details

Registration No: : 7276  
State code : 21  
Balance Sheet Date : 30.06.2011

### II Capital Raised during the year (Amount Rs. in Thousands)

Public Issue : Nil Right Issue : Nil  
Bonus Issue : Nil Private Placement : Nil

### III Position of Mobilisation and Deployment of Funds (Amount Rs. in Thousands)

Total Liabilities : 11,71,372 Total Assets : 11,71,372

#### Source of Funds

Paid up Capital : 1,60,000 Reserve & Surplus : 5,58,213  
Secured Loans : 29,431 Unsecured Loans : 4,21,128  
Share Application : 2600

#### Application of Funds

Net fixed Assets : 9,73,887 Investments : 1,67,130  
Net Current Assets : 30355 Misc. Expenditure : Nil  
Accumulated Losses : Nil

### IV Performance of Company (Amount Rs. in Thousands)

Turnover : 2,49,289 Total Expenditure : 1,60,772  
Profit/(Loss) Before Tax : 88517 Profit After Tax : 72092  
Earning Per Share (in Rs.) : 4.51 Dividend Rate : 3%

### V Generic names three principal products/services of Company

(As per monetary terms ITC Code)

Products Description : White Crystal Sugar  
Item Code No : 170199-02  
Products Description : Molasses  
Item Code No : 170310-00

As per our report attached

For **BHARAT D. SARAWGEE & CO.**

Chartered Accountants

Reg No. 326264E

**Bharat D. Sarawgee**

Partner

Membership No. F061505

For **JAINSARAWGEE & CO.**

Chartered Accountant

Reg.No. 306087E

**D. K. Sarawgee**

Partner

Membership No. 10089

Place: 32-A, Chittaranjan Avenue,  
Kolkata-700 012

Date: 27<sup>th</sup> August, 2011

# SHREE HANUMAN SUGAR & INDUSTRIES LIMITED

Regd. Office : 'Chandra Kunj', 4th Floor, 3 Pretoria Street, Kolkata-700 071

## FORM OF PROXY

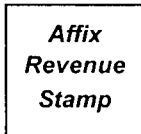
I/We.....of ..... being a member of the above named Company, hereby appoint the following as my/our Proxy to attend and vote [on a poll]\* for me/us on my/our behalf at the 81st Annual General Meeting of the Company, be held on....., 20th December 2011 at..... and any adjournment thereof.

1. Mr. / Mrs. .... (signature), or failing him-
2. Mr. / Mrs. .... (signature), or failing him-
3. Mr. /Mrs. .... (signature),

\* I/We direct my/our Proxy to vote on the Resolutions in the manner as indicated below:

Resolutions	For	Against
Resolutions No. 1		
Resolutions No. 2		
Resolutions No. 3		
Resolutions No. 4		
Resolutions No. 5		
Resolutions No. 6		
Resolution No. 7		

Number of Share held



Signed this ..... day of ..... 2011.

Reference Folio No. DP ID A & Client ID

Signature(s) of Member(s)

1. ....
2. ....
3. ....

### Notes :

1. The Proxy, to effective should be deposited at the Registered Office of the company no less than Forty-Eight Hours before the commencement of the meeting.
2. A Proxy need not be a member of the company.
3. In the case of joint holders, Seniority shall be determined by the order in which the names stand in the Register of Members.
4. This Form of Proxy confers authority to demand or join in demanding a poll.
5. The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the Meeting.
6. \*This is optional. Please put a Tick Mark (000) in the appropriate column against the Resolutions indicated in the Box. If a member leaves the 'For' or 'Against' column blank against any or all the Resolutions, the proxy will entitled to vote in the manner he/she thinks appropriate. If a member wishes to abstain from voting on a particular Resolution, he/she should write 'Abstain' across the boxes against the Resolution.
7. In case a member wishes his/her votes to be differently, he/she indicate the number of share under the column 'For' or 'Against' as appropriate.
8. The copy of the Annual Report may please be brought to the Meeting Hall.