

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' 4th Floor,

3, Pretoria Street, Kolkata-700 071

Phone : (033) 2282-1169/1170

Fax : (033) 2282-1171/1172

REGISTRAR & SHARE TRANSFER AGENT :

M/s. Maheshwari Datamatics Pvt. Ltd.

6, Mangoe Lane

Kolkata 700 001

Phone : (033) 22482248 / 2243 5029

Fax : (033) 2248 4787

STATUTORY AUDITORS

M/s. Jainarawgee & Co.

Chartered Accountants

32A, Chittaranjan Avenue,

Trust House (2nd Floor)

Kolkata-700 012

BANKERS :

Andhra Bank

Central Bank of India

NOTICE

NOTICE is hereby given that the 80th Annual General Meeting of the Members of **Shree Hanuman Sugar & Industries Limited** will be held on Thursday, the 28th October, 2010 at 11.00 A.M. at the Registered Office of the Company at 'Chandra Kunj', 3, Pretoria Street, 4th 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 30th June, 2010 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 Mr. L. K. Tibrawalla, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. K. M. Shah, 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.

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

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

Dated : 28th August, 2010

Chairman cum Managing 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 26th October, 2010 to 28th October, 2010 (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 share in de-materialised form, are requested to bring their client ID and DP-ID number for the purpose of identification and attendance at the meeting.
9. The dividend as recommended by the Board of Directors if declared at this Annual General Meeting will be payable on or after 28th October, 2010 —

- 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 26th October, 2010.
- 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 28th October, 2010.
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 31st 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 30th June, 2003 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, 2nd 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.

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

Name	: Lakshmikant Tibrawalla
Date of Birth	: 03.07.1943
Qualification	: B. Com.
Profession	: Business
Expertise	: Expertise in the field of commerce & industry.
Other Directorships	: i) Shree Milk & Food Industries Limited ii) Pure Coke Ltd. iii) Mica Pvt. Ltd. iv) Gunptroy Pvt. Ltd. v) International Conveyors Ltd. vi) Rock Fort Pvt. Ltd. vii) Pure Fertilisers Pvt. Ltd. viii) Middleton Investment & Trading Co. Ltd. ix) Sanskriti Holdings Pvt. Ltd. x) Chaingmari Tea Co. Ltd. xi) Creative Hortifirms Pvt. Ltd.
Shareholding in the Company	: Nil

Name	:	Krishan Murari Shah
Date of Birth	:	04.12.1944
Qualification	:	B. Com.
Profession	:	Service
Expertise	:	Shri K. M. Shah , aged 66 years , has over 37 years Managerial experience in textiles and sugar industries as well as educational institutions.
Other Directorships	:	i) Bilaspur Spinning Mills & Industries Ltd. ii) Shree Hanuman Services Pvt. Ltd. iii) Shruti Capital & Finance Ltd.
Shareholding in the Company	:	Nil

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

Dated : 28TH August, 2010

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

DIRECTORS' REPORT TO THE MEMBERS

Dear Shareholders,

Your Directors have pleasure in presenting their 80th Annual Report along with the Audited Accounts of the Company for the financial year ended 30th June, 2010:

FINANCIAL RESULTS:	(Rs. In Lacs)	
	2009-10	2008-09
Sales & Other Income	3229.89	1572.10
Profit/ (Loss) before Interest, Depreciation and Tax	1176.07	478.49
Less : Interest	42.25	42.80
Depreciation	126.63	131.31
Profit/(Loss) before tax	1007.29	304.38
Less: Provisions for Tax (Including FBT)	75.90	22.48
Profit/(Loss) after tax	931.39	281.90
Add/Less: Balance brought forward from previous year	142.26	16.27
Profit available for appropriation	1073.65	298.17
APPROPRIATIONS		
Dividend (including Tax)	56.16	56.16
Transfer to Special Reserve	301.65	99.75
Transfer to General Reserve	—	—
	715.84	142.26

PERFORMANCE :

The Company during the year registered improved turnover of Rs. 2928.05 lacs, showing an increase of 98.95%, compared to Rs. 1471.68 lacs during the previous Financial Year 2008-09. Net profit also increased by 230.40 %, compared with that for the previous financial year, both on account of growth in volume and improvement in profit margin. Your Directors are confident to significantly improve the performance of the Company in the coming years by way of undertaking sugar manufacturing and construction activities followed by adoption of state-of-art technology, cost cutting measures and better financial management.

DIVIDEND :

Your directors are pleased to recommend a dividend @ 3% for the financial year 2009-10, 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. A higher dividend in spite of sharp jump in the profit has not been considered with the view to plough back the profit for financing future growth activities.

COMMENCEMENT OF SUGAR MANUFACTURING ACTIVITIES AND UNDERTAKING EXPANSION PROGRAMME THEREOF :

As reported in the last Report of the Board of Directors, the capacity of re-acquired Sugar Unit of the company could not be expanded due to non-availability of the desired fund.

However, looking into the future prospects of the Sugar Industry, management's long term experience, infrastructure facilities already set-up at its reacquired Sugar Mill and locational advantages the Mill enjoys and for future growth of the Company, it is opined that enhancement in Company's Sugar Plant

capacity upto 10000 TCD will be viable and will ensure optimum utilization of its infrastructure facilities, leading to economies of scale, enlarged sales volume and higher profitability.

However, with a view to avoid taking higher risk, by incurring huge capital expenditure at this instance, particularly under the situation of financial constraints, the management of the Company wants to enhance plant capacity steadily out of its own operational cash flows, by avoiding any leveraging to the maximum possible extent. However, in order to make the Mill profitable and to ensure its future growth, it is felt, on the basis of technical expert's advices, that ideally the capacity of the Mill should immediately be expanded to 4000 TCD, with the provision for further enhancements.

Further, in order to reduce power cost, it is proposed to generate electric power mainly through the burning of bagasse, a primary by-product of the Sugar Mill. Bagasse is a combustible material which when burned produces steam, which in turn is used to generate electric power. We propose to establish co-generation facility at the Sugar Mill of the Company with a capacity of 25MW per hour. Now a day, captive power generation is a part of almost all new plants or the expansion projects.

It is also opined that the reacquired Sugar Mill needs overhauling, up-gradation and addition of some balancing equipments before making the same operational. The overhauling and up-gradation of the Mill will not only ensure immediate achievement of break-even point but also bring profitability because of improvement in operational efficiency by way of high productivity, lower cost of production and improvement in quality of sugar, leading to higher sales realizations. It has been opined by technical experts that after overhauling and up-gradation of the Plant, as proposed by them, the Plant capacity will get enhanced to 3000 TCD immediately in the current season.

Therefore, continuations best efforts are being put to raise funds either through equity or debt to part-finance the captioned up-gradation and expansion programme.

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

CONSTRUCTION ACTIVITIES :

Your Company has also been taking effective steps to diversifying into the business of construction and selling of residential houses. Mr. B. K. Nopany, the Chairman of the Company has long-term experience of real estate development. The proposed constructions activities are proposed to be financed entirely either out of internal resources or advance from customers.

During the year under review, sale of construction rights stood at Rs. 301.65 lacs compared to Rs. 99.75 lacs during the previous financial year 2008-09.

FUTURE PROGRAMMES:

After successful implementation of the proposed expansion programme increasing the sugar manufacturing capacity from 2500 TCD to 4000 TCD, the Company has programme for increasing in stages the said capacity to 7500 TCD in the coming years.

The Company, through continuous interaction with foreign agencies, agents and prospective buyers along with regular research through internet, will also take initiatives for availing an opportunity to export sugar, subject to prevailing regulatory conditions in the country. In this process, on the basis of research and interaction with foreign buyers/agencies/agents attempts will also be 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.

DIRECTORS:

Mr. L. K. Tibrawalla and Mr. K. M. Shah retire by rotation at the conclusion of ensuing Annual General Meeting and being eligible offer himself for re-appointment.

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., 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.

M/s Bharat D. Sarawagee & Co., Chartered Accountants are also proposed to be appointed as Joint Auditors of the Company to hold office until the conclusion of the ensuing Annual General Meeting. 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.

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, 2010, 10860154 equity shares representing 67.88% of your Company's Equity Share Capital have been de-materialised.

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 2010-11.

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, 2010, the applicable accounting standards had been followed, along with proper explanation relating to material departures;

- II. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financials 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.

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
Date : 28TH August, 2010

CORPORATE GOVERNANCE REPORT

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

II. BOARD OF DIRECTORS

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

The Board formulates the strategy, regularly reviews the performance of the Company and ensures that the previously agreed objectives are met on a consistent basis. Directors along with a team of professionals manage the day-to-day operations of the Company. May of eminent professionals, 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, 2010:

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. K. M. Shah Mr. L. K. Tibrawalla Ms. Pratima Srivastava Mr. Nikhil Merchant Mr Subbarao Peteti

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, Ten Board meetings were held on 08/08/09, 29/09/09, 30/10/09, 30/11/09, 01/12/09, 31/12/09, 30/01/10, 11/03/10, 07/05/10 and 28/06/10. 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	10	No
Mr. R. K. More	10	No
Mr. Nikhil Merchant	2	No
Mr. Subbarao Peteti	2	No
Mr. L. K. Tibrawalla	7	Yes
Ms. Pratima Srivastava	1	No
Mr. K. M. Shah	10	No

D. Directors of the Company having directorship in other Companies, Membership/Chairmanship in Committees (as prescribed under Corporate Governance) across all Companies in which there are directors as on 30.6.2010:

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 5 times on 29.09.09, 30.10.09, 30.01.10, 11.03.10 and 07.05.10 and attendance of members at the meetings were as follows:

Name of Member	Status	No. of meetings attended
Mr. K. M. shah	Chairman	5
Mr. B. K. Nopany	Member	5
Mr. L. K. Tibrawalla	Member	5

V. PUBLIC ISSUE COMMITTEE

The Board had constituted a Public Issue 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 had no meeting.

VI. REMUNERATION COMMITTEE

During the year under review, in view of appointment of Mr. R. K. More as Executive Director of the Company, the Board of Directors reconstituted the Remuneration Committee on 29.9.2009. The reconstituted Remuneration Committee, comprises 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, two meetings of the Remuneration Committee on 28.9.2009 and 30.12.2009 were 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 30th June, 2010 are given below:

Executive Director	Salary* (Rs.)	Commission (Rs.)	Service Contract
Mr. R.K. More	9,00,000/-	Nil	Appointed for 3 years w.e.f. 1 st 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 30th June, 2010 are given below:

Non-executive Director	Sitting Fee (Rs.)	Commission (Rs.)	Total (Rs.)
Mr. Nikhil Merchant	10000.00	Nil	10000.00
Mr. Subbarao Peteti	10000.00	Nil	10000.00
Mr. K. M. Shah	10000.00	Nil	10000.00
Mr. L. K. Tibrawalla	Nil	Nil	Nil
Ms. Pratima Srivastava	7500.00	Nil	7500.00

VII. 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 2 times on 31.10.2009, 30.04.2010. 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 2010, 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

VIII. GENERAL BODY MEETINGS

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

Year	Location	Date	Time	Special Resolutions Passed
2008-09	Regd. Office.: 3, Pretoria Street, 4 th floor Kolkata	31.12.2009	11.00 A.M.	N.A.
2007-08	Regd. Office.: 12, Govt. Place East, 2 nd Floor, Kolkata	31.12.2008	1.00 P.M.	N.A.
2006-07	- do -	30.12.2007	1.00 P.M.	N.A.

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

IX. 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 2009-10. A declaration to this effect signed by the Chief Executive Officer 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 2010; 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.

X. SUBSIDIARY MOTORING FRAMEWORK

The Company has no subsidiary.

XI. MEANS OF COMMUNICATION

Immediately after the Board of Directors of the Company took note of Results for quarter ended 30th September 2009, 31st December 2009, 31st March 2010 and Audited Annual Accounts, the same were informed to the Calcutta Stock Exchange Association Ltd, Kolkata and are also were published in English newspaper (viz Business Standard/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.

XII. GENERAL SHAREHOLDERS INFORMATION**1. Annual General Meeting**

Date : 28th October, 2010
Day : Thursday
Time : 11.00 A. M
Venue : Regd. Office.:
 'Chandra Kunj', 3, Pretoria Street, 4th Floor
 Kolkata 700 071

2. Financial Calendar

[Tentative and subject to change]

Financial Year	July 1, 2010 to June 30, 2011
First Quarter Results	End October, 2010
Second Quarter Results	End January, 2011
Third Quarter Results	End April, 2011
Fourth Quarter Results	End July, 2011

3. Date of Book closure

Tuesday, 26th October 2010 to Thursday, 28th October, 2010 (both days inclusive)

4. Dividend payment date

On or after 28th Oct., 2010

5. Listing on Stock Exchanges

The Shares of the Company are listed on The Calcutta Stock Association Ltd, Kolkata. Listing fees for the year 2010-11 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 30th June, 2010

8. Registrar & Share Transfer Agent

M/s Maheshwari Datamatics Pvt Ltd
 6, Mangoe Lane, 2nd 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 30th June, 2010

No. of shares held (Rs. 10/- paid up)	No. of Shareholders	% age of total	Total (Rs.)	% of total Shareholding
Upto 500	446	77.9720	1109730	0.6936
501 to 1000	59	10.3147	398600	0.2491
1001 to 2000	4	0.6993	60000	0.0375
2001 to 3000	3	0.52545	75400	0.0471
3001 to 4000	1	0.1748	34000	0.0212
5001 to 10000	1	0.1748	98600	0.0616
10001 and above	58	10.1399	158223670	98.8898

11. Shareholding Pattern 30th June, 2010

Category code	Category of Shareholder	Number of Shareholders	Total No. of Shares	Number of Shares held in demate realised form	Total Shareholding as percentage of total number of shares
(A)	Shareholding of Promoter and Promoter Group*				
(1)	Indian				
(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
(e)	Individual holding on behalf of Partnership Firm	1	1019000	1019000	6.37
	Sub-Total (A) (1)	17	6793660	5873162	42.46
(2)	Foreign				
(a)	Individuals (Non-Resi-dent Individuals / Foreign Individuals	—	—	—	—
(b)	Bodies Corporate	—	—	—	—
(c)	Institutions	—	—	—	—
(d)	Any other (Specify)				
	Sub-Total (A) (2)	—	—	—	—
	Total Shareholding of Promoters (A)	17	6793660	5873162	42.46
(B)	Public Shareholding³				
(1)	Institutions				
(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)	—	—	—	—
	Sub-Total (B) (1)	2	173345	—	1.08

Category code	Category of Shareholder	Number of Shareholders	Total No. of Shares	Number of Shares held in demate realised form	Total Shareholding as percentage of total number of shares
(2)	Non Institutions				
(a)	Bodies Corporate	17	7575262	4076502	47.35
(b)	Individual Shareholders -				
	(I) holding nominal share capital up to Rs.1 lakh	510	163203	7500	1.02
	(II) holding nominal share capital in excess of Rs.1 lakh	26	1294530	902990	8.09
(c)	Any other (Specify) — Foreign Company — Non resident Individual				— —
	Sub-Total (B) (2)	553	9032995	4986992	56.46
	Total Public Shareholding (B)	555	9206340	4986992	57.54
	TOTAL (A) + (B)	572	16000000	10860154	100.00
(C)	Shares held by Custodians and against which depository receipts have been issued	—	—	—	—
	GRAND TOTAL (A) + (B) + (C)	572	16000000	10860154	100.00

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 2010, 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, 4th Floor
Kolkata 700 071

Place : Kolkata
Date : 28TH August, 2010

For & on behalf 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, 2010, 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, 2010 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 : 32A, Chittaranjan Avenue,
Kolkata-700 012

Date : 28th August, 2010

For **JAINSARAWGEE & CO.**
Chartered Accountants
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 2010, 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 : 28th August, 2010

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 2010 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 2010 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 : 28th August, 2010

Madhu Tiwari
Chief Financial Officer

B. K. Nopany
Chairman cum Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Although, presently company is mainly engaged in trading activities, the same is going to be significantly changed from subsequent year onwards due to undertaking of manufacturing of sugar and also construction activities.

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 forecast for the period from October 2009 to September 2010 shows a widening gap between world consumption and global output. The world sugar economy is facing the second consecutive year of a significant gap between world consumption and production. **World production** is now put at 157.160 mln tonnes, raw value, up by 4.678 mln tonnes or 3.07% from the last season. Generally sugar crops in the world's leading producing countries with the exception of the EU, Russia, and, probably, India are now likely to be lower than expectations at the beginning of the season. **World consumption** is expected to grow at a rate significantly lower than the long-term 10 year average (1.48% and 2.66%, respectively). The lower growth is attributed to soaring world market prices as well as some lingering impacts of the 2008/09 global recession on sugar consumption growth rates. The ISO does not anticipate that the projected renewed global economic growth will significantly stimulate sugar consumption in the course of 2009/10, particularly taking into account high world market prices. Even so, global use of sugar is expected to reach 166.585 mln tonnes. Therefore, the growth in global production is far too small to cover anticipated increases in sugar consumption, and the **world statistical deficit** is expected to reach 9.425 mln tonnes as against 7.247 mln tonnes projected in November. [Source:Indian Sugar Mills Association]

Global Sugar Industry

A summary of the revised world sugar balance in 2009/10 is provided in the table below.

World Sugar Balance

	2009/10	2008/09		Change
	(mln tonne, raw value)		in mln t	in %
Production	157.160	152.482	4.678	3.07
Consumption	166.585	164.153	2.432	1.48
Surplus/Deficit	-9.425	-11.671		
Import demand	54.281	50.068	4.213	8.41
Export availability	52.156	50.070	2.086	4.17
End Stocks	53.068	60.368	-7.300	-12.09
Stocks/Consumption ratio in%	31.86	36.78		

Source: ISO quarterly market outlook, February 2010

Indian Sugar Industry

Indian sugar industry has entered the strongest up cycle (lowest stock to use ratio) in the history of 50 years after witnessing supply glut in previous two sugar seasons in a row (SS 2006-08). In SS2006-07, sugar production reached all-time high of 28.3 mn tonnes, registering a growth of 46.6% on yoy basis and it declined marginally by 7.1% to 26.3 mn tonnes in SS2007-08. Sugar production reached an all-time low of 14.7 mn tonnes during SS2008-09 due to sharp fall in the sugarcane acreage. However, sugar consumption continued to grow at a steady pace. It grew at a CAGR of 4% during SS 07-09.

Indian Sugar Industry at a glance

Sr.	Particulars	Crushing Season			
		2008-2009	2007-08	1998-99	1988-89
1.	Number of Sugar Factories in Operation	488	516	426	366
2.	Area under Sugarcane (000 hectares)	4395	5055	4055	3329
3.	Sugarcane Crushed ('000 Tonnes)	144978	249906	157560	85693
4.	Sugar Produced ('000 Tonnes)	14538	26356	15539	8752
5.	Recovery % Cane	10.03	10.55	9.87	10.21
6.	Yield of sugarcane (tons per hectare)	61.70	68.90	71.20	61.00

[Source: Indian Sugar, April, 2010 issue from ISMA, New Delhi]

Production, Consumption & Closing Stock in India

[In lakh tones]

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Opening Stock	85.00	40.00	*43.00	109.00	100.72	44.00
Production	126.91	192.67	283.28	263.28	145.38	185.00
Imports	21.38	-	-	-	**25.00	43.00
Total supply	233.29	232.67	326.28	372.28	271.10	272.00
Consumption	185.00	185.00	200.00	222.00	225.00	225.00
Exports	0.04	11.30	17.28	49.56	2.00	-
Total Demand	185.04	196.30	217.28	271.56	227.00	225.00
Closing Stock	48.25	36.37	109.00	100.72	***44.00	47.00

[Source: Indian Sugar, April, 2010 issue from ISMA, New Delhi]

*Adjusted as per Central Excise Certificate.

** Total imports were 25 lakh tones consisting of 2 lakh tonnes white and 23 lakh tonnes raw sugar. Out of which 11 lakh tonnes has been processed into white sugar leaving 12 lakh tonnes at the end of the season.

*** Inclusive of 12 lakh tonnes of unprocessed raw sugar.

Sugar Outlook, Opportunities and Constraints

Sugar production in India for 2011 may touch 25 million tonne (mt) over the expected 17 mt this year on the back of increased planting. Current year ending September 2010, the industry is expecting India to produce 17 mt from the earlier estimate of 14.5 mt.

Brazil is likely to produce 34 mt of sugar as against the earlier projection of 31 mt, a jump of 10% for the current year.

Due to the increased production estimates for the current and following year India may not see much of sugar imports. Imports depend on the final projection but it will definitely reduce and may also become near zero.

Inventories globally are very low so we expect the demand will definitely be there as countries would want to maintain a certain level of sugar inventory. This demand could support prices.

Although prices have come down 35% from peak, there has been a marginal uptick in sugar prices over the past two days.

Prices have definitely bottomed out but we will see some increase in price as there is still sugar deficit in the country.

Currently, sugar prices in northern India are ruling at Rs 32 per kg and we may see an improvement of Rs 2-3 per kg once the crushing season ends next month.

Currently, the landed cost of sugar is around \$540 per tonne and may be seen in a range of \$540-600 per tonne, and at \$540 per tonne it comes to Rs 30 per kg.

An industry gets stifled if it is overregulated and if not managed properly on the basis of economic criteria. This industry has the potential to be a leading player not only in the domestic markets but also in the international markets with several value-additions like clean power and ethanol.

India has great potential to increase sugarcane and sugar production as the sugarcane crop merely occupies about 3% of our cultivable area [Source: Indian Sugar, April, 2010 issue (Page: 6) from ISMA, New Delhi]. What is needed is a fresh outlook that is, sugarcane pricing policy based on sugar prices akin to the one followed by other regular sugar producing and exporting countries. Larger production and higher sugar exports on a regular basis may provide incidental added value to the sugar sector and enable the setting up of large sugar complexes producing clean energy this is, ethanol and power besides sugar, thereby ensuring adequate and timely payment of appropriate sugarcane price to millions of sugarcane farmers.

As aforesaid 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. 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 Indian sugar consumption has steadily increased at 3.5 percent since 1996. Typically, sugar consumption is driven by the GDP growth and this has been the case for India as well. The per capita consumption has seen a steady growth of 2.1 percent CAGR over this period, while the population has grown at a CAGR of 1.4 percent.

The industry has the potential to do well. Most of the sugar manufacturing companies are expected to do well depending on the plant, managerial and administrative efficiency of the company.

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.

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).

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. Trading activity.
- II. Construction activity

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. 3229.89 lacs was recorded in the financial year ended 30th June, 2010 as compared to Rs. 1572.10 lacs in the previous year, showing a growth of 105.45%.

Profits

The Company has earned Profit before Interest, Depreciation and Tax of Rs. 839.04 lacs during the financial year ended 30th June, 2010 which represents an increase of 75.35% on year to year basis. PAT increased to Rs. 931.39 lacs during the year under review, representing an increase of 230.40%, from Rs. 281.90 lacs in fiscal 2008-09.

Earnings Per Shares (EPS)

The Company recorded an EPS of Rs. 5.82 per equity shares of Rs. 10/- each during 2009-10

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 2009-10.

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 6.03 per cent payout on net profit of the Company.

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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 2009-10.

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 6.03 per cent payout on net profit of the Company.

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 : 28th August, 2010

B. K. Nopany
Chairman cum Managing Director

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 30th June, 2010 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 As15;
 - e) On the basis of written representations received from the individual directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 30th June, 2010 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 30th June, 2010;
- 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 **JAINSARAWGEE & CO.**

Chartered Accountants

D. K. Sarawgee

Partner

Membership No. 10089

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

Date : 28th August, 2010.

REFERRED TO IN PARAGRAPH - I OF THE AUDITORS' REPORT TO THE MEMBERS OF SHREE HANUMAN SUGAR & INDUSTRIES LIMITED FOR THE YEAR ENDED 30TH JUNE, 2010.

- (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.715.43 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) Provisions regarding Maintenance of the cost records u/s 209(1)(d) of the Companies Act, 1956 are not applicable for the period, as the Company did not carry on any manufacturing activity.
- (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 30th June, 2010 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.

Place : 32A, Chittaranjan Avenue,
Kolkata-700 012
Date : 28th August, 2010.

For **JAIN SARAWGEE & CO.**
Chartered Accountants
D. K. Sarawgee
Partner
Membership No. 10089

BALANCE SHEET AS AT 30 TH JUNE 2010

	Schedule	30 th June 2010 (Rs.in lacs)	30th June 2009 (Rs.in lacs)
I. Sources of Funds			
Shareholders' Funds :			
Share Capital	A	1600.00	1600.00
Reserves & Surplus	B	4917.36	4042.14
Loan Funds :			
Secured Loans	C	359.00	374.85
Unsecured Loans	D	1522.55	825.70
TOTAL:		<u>8398.91</u>	<u>6842.69</u>
II. Application of Funds			
Fixed Assets :	F		
Gross Block		6623.52	6068.79
Less : Depreciation		<u>1624.11</u>	<u>1497.48</u>
Net Block		4999.41	4571.31
Capital Work-in-Progress		753.11	753.11
		<u>5752.51</u>	<u>5324.42</u>
Investments	G	<u>370.24</u>	<u>370.24</u>
Current Assets, Loans & Advances	H	2512.11	1615.84
Less:			
Current Liabilities & Provisions:	E	<u>235.95</u>	<u>467.81</u>
Net Current Assets		<u>2276.16</u>	<u>1148.03</u>
TOTAL :		<u>8398.91</u>	<u>6842.69</u>
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 **JAIN SARAWGEE & CO.**
Chartered Accountants

ICAI REG. NO: -306087E

D. K. Sarawgee
Partner

Membership No. 10089

B. K. Nopany
Chairman cum Managing Director
R. K. More
Executive Director

L. K. Tibrawalla **N. Merchant**
S. Peteti **P. Srivastava**
K. M. Shah
Directors

R. K. Didwania - Company Secretary

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

Date : 28th September, 2010.

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 30th JUNE ,2010

INCOME	2009-10 (Rs.in lacs)	2008-09 (Rs.in lacs)
Sales	2928.05	1471.68
Profit on Sale of Construction Rights	301.65	99.75
Other Income	0.19	0.67
Increase / Decrease in Stock	(19.82)	125.25
	<u>3210.07</u>	<u>1697.35</u>
EXPENDITURE		
Purchases	1822.08	1099.86
Manufacturing /Construction Expenses	78.84	15.40
Personnel Expenses	55.33	41.18
Administrative Expenses	77.54	61.95
Selling & Distribution Expenses	0.11	0.47
Interest	42.25	42.80
Depreciation	126.63	131.31
Total Expenditure	<u>2202.79</u>	<u>1392.97</u>
Profit before Tax	1007.29	304.38
Add: Balance Brought Forward from Previous Year	142.26	16.27
Profit available for Appropriation	<u>1149.55</u>	<u>320.65</u>
Less :		
Proposed Dividend	48.00	48.00
Provision for Income Tax	75.90	22.48
Provision for Dividend Tax	8.16	8.16
Transferred to Special Reserve	301.65	99.75
	<u>433.71</u>	<u>178.39</u>
Balance carried to Balance Sheet	<u>715.84</u>	<u>142.26</u>

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 **JAIN SARAWGEE & CO.**
Chartered Accountants

ICAI REG. NO: -306087E

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

Date : 28th September, 2010.

D. K. Sarawgee
Partner

Membership No. 10089

B. K. Nopany
Chairman cum Managing Director
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S. Peteti **P. Srivastava**
K. M. Shah
Directors

R. K. Didwania - Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 30.06.2010

	30.06.2010 (Rs. In lacs)	30.06.2009 (Rs. In lacs)
A) Cash Flow From Operation Activities		
a) Net Profit Before Tax & Extraordinary Item	1,007.29	304.38
Adjustment for :		
Interest Paid	42.25	42.80
Depreciation	126.63	131.31
Profit on sale of Investments	—	—
b) Operating Profit before Working Capital changes	1,176.17	478.49
Adjustment for :		
Trade and Other Receivable	(302.48)	297.18
Inventories	19.82	(247.25)
Trade Payable	(307.77)	173.78
c) Cash Generated From Operations	585.74	702.20
B) Cash Flow From Investment Activities		
Purchase of Fixed Assets	(619.23)	(2,347.71)
Sale of Fixed Assets	64.50	122.00
Sale of Investments	—	0.07
Loans & Advances	(616.50)	1,340.87
Deferred Revenue Expenditure	—	—
Preliminary Expenses	—	—
Taxes Paid	(8.16)	(5.20)
Dividend	(48.00)	(30.60)
Net Cashflow from Investing Activities	(1,227.39)	(920.57)
C) Cash Flow From Financing Activities		
Interest Paid	(42.25)	(42.80)
Unsecured Loan	696.85	(874.07)
Secured Loan	(15.85)	(30.63)
Share Application	—	1,160.00
	638.75	212.50
D) Net Increase/(decrease) in Cash and Cash Equivalent	(2.90)	(5.87)
Cash and Cash Equivalent at the beginning of the Year	20.88	26.75
Cash and Cash Equivalent at the end of the year	17.98	20.88

As per our report attached
For **JAIN SARAWGEE & CO.**
Chartered Accountants

ICAI REG. NO: - 306087E

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

Date : 28th September, 2010.

D. K. Sarawgee
Partner

Membership No. 10089

B. K. Nopany
Chairman cum Managing Director
R. K. More
Executive Director

L. K. Tibrawalla **K. M. Shah**
S. Peteti **P. Srivastava**

Directors

R. K. Didwania - Company Secretary

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 30th JUNE, 2010

SCHEDULE - A

	30 th June 2010 (Rs.in lacs)	30th June 2009 (Rs.in lacs)
A. SHARE CAPITAL		
AUTHORISED		
40000000 Equity Shares of Rs 10/- each	4000.00	4000.00
	<u>4000.00</u>	<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
TOTAL	<u>1600.00</u>	<u>1600.00</u>
B. RESERVES & SURPLUS		
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	715.84	142.26
Special Reserve		
As per Last Balance Sheet	361.13	
Transfer from Profit & Loss A/C	<u>301.65</u>	361.13
TOTAL :	<u>4917.36</u>	<u>4042.14</u>

	30 th June 2010 (Rs.in lacs)	30th June 2009 (Rs.in lacs)
C. SECURED LOANS		
200000 17% Unsecured Redeemable Convertible Debentures of Rs. 100/- each (Refer Note No 2.10 on Schedule 'K')	200.00	200.00
From Orix Auto Business Solutions Ltd (Refer Note No 2.11 on Schedule 'K')	159.00	174.85
TOTAL :	<u><u>359.00</u></u>	<u><u>374.85</u></u>
D. UNSECURED LOANS		
Short term Loan from a Bank (bearing interest)	6.20	6.20
From Body Corporates (Interest Free)	669.28	78.50
From Directors (Interest Free)	9.93	10.00
From Others (Interest Free)	837.15	731.00
	<u><u>1522.55</u></u>	<u><u>825.70</u></u>
E. CURRENT LIABILITIES & PROVISIONS		
A) Current Liabilities		
Sundry Creditors	65.58	373.35
	<u>65.58</u>	<u>373.35</u>
B) Provisions		
Proposed Dividend	48.00	48.00
Provision for Taxation	114.20	38.30
Provision for Dividend Tax	8.16	8.16
	<u>170.36</u>	<u>94.46</u>
TOTAL :	<u><u>235.95</u></u>	<u><u>467.81</u></u>

**SCHEDULE - 'F'
FIXED ASSETS**

(Rs. In Lacs)

DESCRIPTION	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	As at 01.07.2009 Rs.	Addition/ Revaluation Rs.	Sales / Adjustment Rs.	As at 30.06.2010 Rs.	Up to 01.07.2009 Rs.	For the year Rs.	Up to 30.06.2010 Rs.	As at 30.06.2010 Rs.	As at 30.06.2009 Rs.
A. FIXED ASSETS - OWN									
Land	745.96	—	64.50	681.46	—	—	—	681.46	745.96
Building	59.04	—	—	59.04	13.62	0.96	14.58	44.45	45.42
Plant & Machinery	4,821.27	607.99	—	5,429.26	1,208.69	75.63	1,284.32	4,144.94	3,612.58
Plant & Machinery (Leasehold)	335.00	—	—	335.00	188.24	41.88	230.12	104.89	146.76
Furniture & Fixtures	21.60	0.10	—	21.70	21.60	—	21.60	0.10	—
Vehicles	85.92	11.14	—	97.06	65.33	8.16	73.49	23.57	20.59
TOTAL :	6,068.79	619.23	64.50	6,623.52	1,497.48	126.63	1,624.11	4,999.41	4,571.31
B. CAPITAL WORK IN PROGRESS									
Machinery under installation	570.43	—	—	570.43	—	—	—	570.43	570.43
Capital Work in Progress	10.40	—	—	10.40	—	—	—	10.40	10.40
Expenses Pending Allocation	172.28	—	—	172.28	—	—	—	172.28	172.28
GRAND TOTAL : (A+B)	6,821.90	619.23	64.50	7,376.64	1,497.48	126.63	1,624.11	5,752.52	5,324.42

G. INVESTMENTS (AT COST)		30th June 2009-10 (Rs.in lacs)	30th June 2008-09 (Rs.in lacs)
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
100000 Equity Shares of Shruti Ltd.	10	370.00	370.00
TOTAL :		<u>370.24</u>	<u>370.24</u>

	30th June 2009-10 (Rs.in lacs)	30th June 2008-09 (Rs.in lacs)
SCHEDULE — H.		
CURRENT ASSETS, LOANS & ADVANCES		
A. Current Assets:		
Closing Stock of goods traded (As taken, valued and certified by the management)		
Stores & Spares Parts	21.56	11.87
Construction Right	227.50	372.00
Work in Progress (construction)	140.27	25.28
Sundry Debtors (Unsecured, Considered good by the management) Exceeding Six months	—	—
Other Debts	778.28	475.80
Cash & Bank Balances Cash in hand (As certified by the management) With Scheduled Banks in Current Accounts	4.77	11.30
	13.21	9.58
TOTAL (A)	<u>1185.60</u>	<u>905.83</u>
B. Loans & Advances:		
Advances Recoverable in cash or in kind or for value to be received or pending adjustments	1290.74	674.72
Due from employees	25.56	25.33
Securities & other Deposits	10.19	9.94
Income Tax Advance & TDS	0.02	0.02
TOTAL (B)	<u>1326.51</u>	<u>710.01</u>
TOTAL : (A+B)	<u>2512.11</u>	<u>1615.84</u>

**SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 30th JUNE,2010**

	30th June 2009-10 (Rs.in lacs)	30th June 2008-09 (Rs.in lacs)
I. SALES:		
(Less: Return,Rebate,Discount etc.)		
Stores & Spare Parts	2274.92	1471.68
Construction Right	<u>653.12</u>	<u>—</u>
	<u>2928.05</u>	<u>1471.68</u>
INCREASE/DECREASE IN STOCK		
CLOSING STOCK :		
Stores	21.56	11.87
Construction Right	227.50	372.00
Work in Progress(construction)	<u>140.27</u>	<u>25.28</u>
Less: Opening Stock	389.33	409.15
Stock in Process		12.32
Stores	11.87	149.58
Construction Right	372.00	122.00
Work in Progress(construction)	<u>25.28</u>	<u>—</u>
	(19.82)	125.25
J. PERSONNEL EXPENSES:		
Salary & Bonus etc.	54.26	38.90
Employees Welfare Expenses	1.07	2.28
TOTAL :	<u>55.33</u>	<u>41.18</u>
ADMINISTRATIVE EXPENSES:		
Rent	0.60	0.60
Insurance	0.55	0.68
Travelling Expenses	23.13	16.13
Miscellaneous Expenses	<u>53.26</u>	<u>44.54</u>
TOTAL :	<u>77.54</u>	<u>61.95</u>
SELLING & DISTRIBUTION EXPENSES :		
Others	<u>0.11</u>	<u>0.47</u>
TOTAL :	<u>0.11</u>	<u>0.47</u>

SCHEDULE 'K'**NOTES ON ACCOUNTS AS AT 30TH JUNE, 2010
& 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) Stock-in-Process - At estimated realisable value
- (ii) Stores - At cost or realizable value whichever is lower.
- (iii) Scrap - At estimated realizable value.
- (iv) Construction right - 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 in to 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	2009-2010 (Rs.)	2008-2009 (Rs.)
Audit Fee	22,000	16,000
In other Capacity		
Out of Pocket Expenses	—	1,978
	<u>22,000</u>	<u>17,978</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	30.06.2010		30.06.2009	
	Qty.	Rs.	Qty.	Rs.
Stock-in-Process	—	—	—	—
Stores & Spare Parts	N.A.	21.56	N.A.	11.87
Construction Right	N.A.	227.50	N.A.	372.00
Work-in-progress (Construction)	N.A.	140.27	N.A.	25.28
SALES				
Sugar(in quintals)	NIL	NIL	NIL	NIL
Stores	N.A.	2274.92	N.A.	1471.68
Construction Right	N.A.	653.13	NIL	NIL
		<u>2928.05</u>		<u>1471.68</u>

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

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 30th June, 2010 and segment as per AS-17 issued by the ICAI is given below: -

Segment Revenue, Result and Capital employed

Particulars	As at 30/06/2010	As at 30/06/2009
1. Segment Revenue		
Net Sale/Income from each segment (including other operating income and other income)		
(a) Sugar	2274.92	1472.35
(b) Construction	954.78	99.75
TOTAL REVENUE	<u>3229.7</u>	<u>1572.10</u>
2. Segment Result		
PBIT from each segment		
(a) Sugar	466.76	247.43
(b) Construction	582.77	99.75
TOTAL		
Less:		
Interest expense	42.25	42.80
Interest income	—	—
Unallocable Expenditure	—	—
TOTAL PBT	<u>1007.28</u>	<u>304.38</u>
3. Capital Employed		
Segment Assets-Segment Liabilities		
(a) Sugar	5524.59	5523.55
(b) Construction	367.77	122.00
(c) Unallocated	—	—
TOTAL	<u>5892.36</u>	<u>5645.55</u>

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	0.08
ii) Unsecured loans received from Nopany & Sons	106.15
Nopany Investments (P) Ltd.	609.28
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: -

	<u>30.06.2010</u>	<u>30.06.2009</u>
Profit after Tax as per Profit & Loss Account	9,31,39,000	2,76,70,000
Weighted Average No. of Equity Shares	1,60,00,000	1,60,00,000
Basic & Diluted Earning per Share	5.82	1.73

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

Signatories to Schedules 'A' to 'K'
For **Jainsarawgee & Co.**
Chartered Accountants

ICAI REG. NO: - 306087E

D. K. Sarawgee
Partner

Membership No. 10089

B. K. Nopany
Chairman cum Managing Director
R. K. More
Executive Director

L. K. Tibrawalla **N. Merchant**
S. Peteti **P. Srivastava**
K. M. Shah

Directors

R. K. Didwania - Company Secretary

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

Date : 28th September, 2010.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details:-

Registration No. : 7276
 State Code : 21
 Balance Sheet Date : 30.06.2010

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

Public Issue : NIL Rights Issue : NIL
 Bonus Issue : NIL Private Placement : NIL

III. Position of mobilisation and deployment of Funds
(Amount in Rs. Thousands)

Total Liabilities: 8,39,891 Total Assets: 8,39,891

Sources of Funds:

Paid up Capital: 1,60,000 Reserve & Surplus: 4,91,736
 Secured Loans: 35,900 Unsecured Loans: 1,52,255

Application of Funds:

Net Fixed Assets: 5,75,251 Investments: 37,024
 Net Current Assets: 2,27,616 Misc. Expenditure: NIL
 Accumulated Losses: NIL

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

Turnover (Total Income): 3,22,989 Total Expenditure: 2,22,260
 Profit/(Loss) before Tax: 1,00,729 Profit/(Loss) after Tax: 931.39
 Earning per share (in Rs.): 5.82 Dividend Rate: 3%

V. Generic Names of three Principal Products / Services of Company
(As per monetary terms ITC Code)

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

As per our report attached
 For **JAIN SARAWGEE & CO.**
 Chartered Accountants

ICAI REG. NO:- 306087E

D. K. Sarawgee
 Partner

Membership No. 10089

B. K. Nopany
 Chairman cum Managing Director
R. K. More
 Executive Director

L. K. Tibrawalla **N. Merchant**
S. Peteti **P. Srivastava**

K. M. Shah
 Directors

R. K. Didwania - Company Secretary

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

Date : 28th September, 2010.

FORM OF PROXY

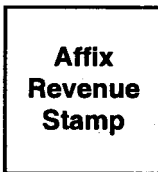
I/We _____ of _____ being a member of the above-named Company, hereby appoint the following as my / our Proxy to attend and vote [on a poll]* for me / us and on my / our behalf at the 80th Annual General Meeting of the company, be held on _____, 28th October, 2010 at _____ and any adjournment thereof :

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

Number of Share held _____



Signed thisday of 2010

Reference Folio No. DP ID A& Client ID _____

Signature(s) Member(s)

1. _____
2. _____
3. _____

Notes :

1. The Proxy, to be 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 () 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 Resolution, the proxy will be 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.