

Shree Hanuman Sugar & Industries Limited



**ANNUAL REPORT
2012**

SHREE HANUMAN SUGAR & INDUSTRIES LIMITED

CHAIRMAN CUM MANAGING DIRECTOR

Shri Bimal Kumar Nopany

DIRECTORS

Shri Raj Kumar More — *Whole Time Director*

Shri Lakshmikant Tibrawalla

Ms Pratima Srivastava

Shri Subba Rao Peteti

Shri Ashok Kumar Sinha

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) 2282-1187/1188

REGISTRAR & SHARE TRANSFER AGENT

M/s. Maheshwari Datamatics Pvt. Ltd.

6, Mangoe Lane

Kolkata 700 001

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

Fax: (033) 2248-4787

STATUTORY AUDITORS

M/s. Jainsarawgee & Co.

Chartered Accountants

&

M/s Bharat D. Sarawgee & Co.

Chartered Accountants

32A, Chittaranjan Avenue,

Trust House (2nd Floor)

Kolkata-700 012

BANKERS

Andhra Bank

Bank of Baroda

Axis Bank

SHREE HANUMAN SUGAR & INDUSTRIES LIMITED

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

NOTICE

NOTICE is hereby given that the 82nd Annual General Meeting of the Members of Shree Hanuman Sugar & Industries Limited will be held on Monday, the 17th Day of December, 2012 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, 2012 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. Subbarao Peteti, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. Raj Kumar More, who retires by rotation and is eligible for re-appointment.
5. To appoint M/s Jainsarawgee & Co. and M/s Bharat D. Sarawgee & Co. as Joint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

Appointment of Mr. Ashok Kumar Sinha as Director

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolutions as an Ordinary Resolutions:

"RESOLVED THAT Shri Ashok Kumar Sinha, who was appointed as an Additional Director of the Company by the Board of Directors and who holds office upto the date of the Annual General Meeting in terms of Section 260 of the Companies Act, 1956 and in respect of whom the company has received a notice under Section 257 of the Companies Act, 1956 proposing his candidature for office of Director, be and is hereby appointed a Director of the Company, liable to retire by rotation".

Re-appointment of Mr. R. K. More as Whole-time Director

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

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 302, 309, 310 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force) the approval of the Company be and is hereby granted for re-appointment of Shri R. K. More as the Whole-time Director to be designated as 'Executive Director' of the Company for a period of 3 (three) years w.e.f. 1st October, 2012 on the terms, conditions and remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Director (hereinafter referred to as the Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary the terms and conditions and/or

remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof.”

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

Increase in Authorised Capital

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

“RESOLVED THAT pursuant to Section 16 and Section 94 of the Companies Act, 1956, and other applicable provisions of the Companies Act, 1956, the Authorized Share Capital of the Company be and is hereby increased from Rs. 60,00,00,000/- (Rupees Sixty Crores) divided into 4,00,00,000 (Four Crores) equity shares of Rs. 10/- each and 2,00,00,000 (Two Crores) Unclassified Shares (with power to the Board to classify and reclassify from time to time such shares into any class of shares) of Rs. 10/- each to Rs. 70,00,00,000 (Rupees Seventy Crores) divided into 5,00,00,000 (Five Crores) equity shares of Rs. 10/- (Rupees Ten) each and 2,00,00,000 (Two Crores) Unclassified Shares (with power to the Board to classify and reclassify from time to time such shares into any class of shares) of Rs. 10/- (Rupees Ten) each and consequently the existing Clause 5 of the Memorandum of Association of the Company be and is hereby altered by deleting the same and substituting in its place and instead thereof, the following as new Clause 5:

5. The Authorized Share Capital of the Company at present is Rs. 70,00,00,000 (Rupees Seventy Crores only)) divided into 5,00,00,000 (Five Crores) equity shares of Rs. 10/- each and 2,00,00,000 (Two Crores) Unclassified Shares (with power to the Board to classify and reclassify from time to time such shares into any class of shares) of Rs. 10/- each with power to increase and reduce the capital and to divide the Shares in capital for the time being into several classes and to attach thereto respectively such preferential, deferred or Special rights, privileges or conditions as may be determined by or in accordance with the Regulation of the Company to vary, modify or abrogate such rights privileges or conditions in such manner as may for the time being be provided by the regulation of the Company.”

Place : Kolkata
Date : 8th November, 2012

By order of the Board
SHREE HANUMAN SUGAR & INDUSTRIES LIMITED

(B. K. NOPANY)
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 12th December to 17th December, 2012 (both days inclusive).
4. The Members are requested to intimate change in their address, if any, quoting their registered Folio No.

5. Members are requested to furnish/update details of their Bank Account to the Company/Registrar & Transfer Agents/Depository Participants to enable the Company to print the same on the dividend warrants/to avail of ECS facility, whatever applicable.
6. The Members are requested to bring their copies of Annual Report to the Meeting, as the same will not be redistributed at the venue of Annual General Meeting.
7. The Members attending the General Meeting are requested to bring enclosed attendance slip, duly filled in.
8. Members, who hold shares in de-materialised form, are requested to bring their client ID and DP-ID number for the purpose of identification and attendance at the meeting.
9. The dividend as recommended by the Board of Directors if declared at this Annual General Meeting will be payable on or after 17th December, 2012.
 - 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 12th December, 2012.
 - 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 17th December, 2012.
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, 2005 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.
13. As required by Securities and Exchange Board of India (SEBI) vide its Circular, the Shareholders are requested to furnish a copy of the PAN Card to the Company/Registrar & Share Transfer Agents while sending shares held in physical form for transfer, transmission, transposition and deletion of name of deceased shareholder(s).

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

Name : **Mr. Subba Rao Peteti**
 Date of Birth : 18th October, 1947
 Qualification : B.Com., Fellow of Institute of Chartered Accountants of India
 Profession : Professor / Practising C.A.
 Expertise : In the field of Banking & Finance Expert in the area of Corporate Governance & Risk Management.
 Other Directorships : 1) Sancia Global Infraprojects Ltd.
 2) Keynote Fincorp Pvt. Ltd.
 3) Vishawonper Cements Ltd.
 Shareholding in the Company : NIL

Name : **Mr. R. K. More**
 Date of Birth : 15th August, 1944
 Qualification : B.Com., L.L.B.
 Profession : Service
 Expertise : Commercial, Finance & Legal
 Other Directorships : Shree Milk & Food Industries Ltd.
 Shruti Spinners Ltd.
 Ginni Securities Ltd.
 Ginni Investment & Services Ltd.
 Ajanta Commercial & Trading Co. Pvt. Ltd.
 CFM Developers Ltd.
 Reform Flour Mills Pvt. Ltd.
 Vishnu Sugar Mills Ltd.
 Mudit Investment & Trading Co. Ltd.
 Mahalakshmi Knitfab Pvt. Ltd.
 Shruti Ltd., Multitech Electronics Ltd., Ginni Flower & Floods Ltd.
 Shareholding in the Company : NIL

Name : **Mr. Ashok Kumar Sinha**
 Date of Birth : 1st March, 1942
 Qualification : M.A. (English), Dip. In Journalism
 Profession : Advisor
 Expertise : Administration & Rural Development
 Other Directorships : N.A.
 Shareholding in the Company : NIL

ANNEXURE TO NOTICE

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

Item Nos. 6: Appointment of Mr. Ashok Kumar Sinha as Director

Mr. Ashok Kumar Sinha was co-opted as an Additional Director in the Board Meeting held on 05.02.2012 and holds office upto the date of Annual General Meeting. The Company has received a notice in writing under section 257 of the Companies Act, 1956 from a member alongwith requisite deposit, signifying his intention to propose the name of Mr. Sinha as a candidate for the office of Director of the Company. Mr. Sinha aged about 70 years has approx 41 years' experience to his credit. The Board considers it desirable that the Company should continue to avail services of Mr. Sinha as a Director of the Company and accordingly recommends this resolution for your approval.

None of the Director except Mr. Ashok Kumar Sinha is concerned or interested in the said resolution.

Item Nos. 7: Re-appointment of Mr. R. K. More as Whole-time Director of the Company

Pursuant to provisions of section 269 of the Companies Act, 1956 and also considering growth plans of the Company, the Board of Directors at its meeting held on 27th August, 2012 re-appointed, subject to approval of members of the Company, Mr. R. K. More as Whole-time Director, to be designated as 'Executive Director' of the Company for a period of 3 (three) years w.e.f. 1st October, 2012, on the remuneration payable to and the terms of appointment of Mr. More are as under:

A. SALARY

Rs. 1, 00,000/- per month.

B. PERQUISITES

Perquisites will be classified as follows:

i. Contribution to Provident Fund, Superannuation and Annuity Fund

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

ii. Gratuity

As per Rules of the Company.

iii. Entertainment, Travelling and other Expenses

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

vi. EXPLANATION

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

C. AMENITIES

i. Conveyance Facilities

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

ii. Mobile, Telephone, Telefax and other Communication facilities

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

D. OVERALL REMUNERATION

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

E. MINIMUM REMUNERATION

In the event of loss or inadequacy of profits in any Financial Year during the currency of tenure of service of the Managing Director, the payment of salary, perquisites and other allowance shall be governed by the limits prescribed under section II of Part II of schedule XIII of Companies Act, 1956 including any Statutory modification or re-enactment hereof as may for the time being in force.

F. OTHER TERMS AND CONDITIONS

- i. The office of the Whole-time Director may be terminated by the Company or the concerned Whole-Time Director by giving the other 3 (three) month's prior notice in writing.
- ii. The terms and conditions set out for appointment and payment of remuneration herein may be altered and varied by the Board as it may, from time to time, deem fit.

Mr. R. K. More aged about 68 years has approx 36 years' experience in the field of Sugar and Legal to his credit. He has been associated with many renowned companies in senior position or as Director. A brief resume of Mr. More, nature of his experience and names of companies in which he hold directorship, as stipulated under Clause 49 of Listing Agreement with the Stock Exchange in India, are provided separately along with the accompanying notice.

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

The Board recommends passing of the resolution set out at Item No. 7 of the accompanying notice.

Mr. R. K. More may be deemed to be concerned or interested in the resolution.

No other Director is interested in this resolution.

Re. Item No. 8: Increase in Authorised Capital

The Company, in order to meet its growth objectives and to strengthen its financial position, may be required to generate long term resources by issuing securities. It is therefore deemed appropriate to increase the Authorised Share Capital of the Company from Rs. 60 crores to Rs. 70 crores and for that purpose, the Memorandum of Association of the Company is proposed to be suitably altered as set out at Item No. 8 of the accompanying Notice.

The provisions of the Companies Act, 1956 require the Company to seek the approval of the Members for increase in the authorized share capital and for alteration of capital clause of the Memorandum of Association of the Company.

The Board of Directors, thererore, recommends the resolution set out at Item No. 8 of the accompanying Notice for the approval of the Members.

None of the Directors of the Company is, in any way, concerned or interested in the said resolution.

Place : Kolkata
Date : 8th November, 2012

By order of the Board
SHREE HANUMAN SUGAR & INDUSTRIES LIMITED

(B. K. NOPANY)
Chairman cum Managing Director

INVITATION TO PARTICIPATE IN GREEN INITIATIVE LAUNCHED BY THE MINISTRY OF CORPORATE AFFAIRS

The Ministry of Corporate Affairs (MCA) has permitted paperless compliances by the Companies, vide its circulars No. 17/2011 and No. 18/2011 dated April 21, 2011 and April 29, 2011 respectively. MCA has clarified that services of documents on Members by e-mail will constitute sufficient compliances with Section 53 of the Companies Act, 1956, provided the Members are given an advance opportunity to register their e-mail address or changes, if any, therein with the Company.

Pursuant thereto, we once again invite those members who have not registered their e-mail address to participate in the Green Initiative by registering their e-mail address for the purpose of service of documents viz., Annual Report, Notice of General Meetings, Notice of Postal Ballot, Intimation of ECS Credits etc. by e-mails.

Shareholders holding shares in Demat form, who have not yet registered their e-mail address are requested to register the same with their respective Depository Participant at the earliest. Shareholders who hold shares in physical form are also requested to register their e-mail address with our registrar & Share Transfer Agent — M/s. Maheswari Datamatics Pvt. Ltd., E-mail ID: mdpl@cal.vsnl.net.in Such registration as per the address mentioned above or at the E-mail ID: esil@nopany.co.in any changes in the E-mail address may also be communicated from time to time.

DIRECTORS' REPORT TO THE MEMBERS

Dear Shareholders,

Your Directors have pleasure in presenting their 82nd Annual Report along with the Audited Accounts of the Company for the financial year ended 30th June, 2012:

FINANCIAL RESULTS

(Rs. in Lacs):

	2011-12	2010-11
Sales & Other Income	2941.89	2493.91
Profit before Interest, Depreciation and Tax	1026.88	1056.76
Less Interest	34.36	44.64
Depreciation	445.60	126.95
Profit/(Loss) before tax	546.92	885.17
Less: Provisions for Tax (Including FBT)	115.00	164.25
Profit/(Loss) after tax	431.92	720.92
Add/Less: Balance brought forward from previous year	1059.60	715.84
Profit available for appropriation	<u>1491.52</u>	<u>1436.76</u>
APPROPRIATIONS:		
Dividend (including Tax)	56.16	56.16
Transfer to General Reserve	1000.00	0.00
Transfer to Special Reserve	0.00	321.00
Balance carried to Balance Sheet	<u>435.36</u>	<u>1059.60</u>

PERFORMANCE:

The Total Income of the Company, which stood at Rs. 2941.89 lacs during the year under review, recorded a rise of 18%, when compared to Rs. 2493.10 lacs during the previous Financial Year 2010-11. Profit after Tax, which stood at Rs. 431.92 lacs during the year 2011-12, was lower by 289 lacs, when compared with Rs. 720.92 lacs during the previous year 2010-11, mainly on account of higher depreciation.

Company's Sugar Mill at Motihari, Bihar, the up-gradation of which was partly completed during Season 2010, could not operate during the entire financial year 2011-12 on account of availability of desired funds for working capital leading to non-viability to run. The Company succeeded in registering completion of construction of residential flats and sale thereof amounting to Rs. 84.64 lacs.

Your Directors are hopeful that the performance of the Company will improve in the coming years after resumption of operations at the Sugar Mill and further expansion of the same. The Management of the Company have been putting its best efforts for raising funds to meet working capital as well as capital expenditure requirements for expansion.

DIVIDEND:

Your directors are pleased to recommend a dividend @ 3% for the financial year 2011-12 i.e., Rs. 0.30 per equity share of Rs. 10/- each, for your approval. The Proposed dividend, if approved at the ensuing Annual General Meeting, would result in appropriation of Rs. 56.16 lacs (including Corporate Dividend Tax of Rs. 8.16 lacs) out of the profits.

COMMENCEMENT OF SUGAR MANUFACTURING ACTIVITIES AND FUTURE PROGRAMMES:

Your Directors are confident about raising of funds for desired working capital as well as capital expenditure

for expansion. With the availability of need-based working capital funds we expect to commence operations at the Sugar Mill during the current season 2012.

The implementation of the expansion programme increasing the capacity of the said Sugar Mill to 4000 TCD together with setting-up of 25 MW captive power plant will also be undertaken upon availability of the desired funds.

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

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

PRESENT CONSTRUCTION ACTIVITIES AND FUTURE PROGRAMMES:

During the year under review, sale of construction rights stood at Rs. 741.15 lacs compared to Rs. 607.49 lacs during the previous financial year 2010-11.

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

DIRECTORS:

Mr. Subbarao Peteti and Mr. R. K. More retire by rotation at the conclusion of ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Mr. K. M. Shah and Mr. Nikhil Merchant resigned from directorship of the Company during w.e.f. 9.12.2011 and 5.2.2012, respectively. The Board put on records its appreciation for the valuable guidance received from them during their directorship.

Pursuant to provisions of 260 of the Companies Act, 1956 and Articles of Association of the Company, Mr. Ashok Kumar Sinha was appointed as Additional Director of the Company with effect from 5th February, 2012. He will hold office upto the date of the ensuing Annual General Meeting. The Company has received notices on writing from members proposing his candidature for the office of Director, liable to retire by rotation.

Considering the growth plans of the Company and experience of Mr. R. K. More, whose term as Executive Director of the Company expires on 30th September, 2012 the Board of Directors of the Company at its meeting held on 27th August, 2012 re-appointed, subject to approval of members of the Company, him as Whole-time Director, to be designed as Executive Director, of the Company for a period of 3 (three) years w.e.f. 1st October, 2012, on the remuneration determined by the Remuneration Committee of the Board.

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

AUDITORS:

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

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

FIXED DEPOSITS:

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

DE-MATERIALISATION OF SHARES:

The Company's equity shares are available for de-materialization on both the depositories, viz., NSDL & CDSL. Shareholders may be aware that SEBI has made trading in your Company's shares mandatory, in de-materialized form. As on 30th June, 2012, 10860154 equity shares representing 67.88% of your Company's Equity Share Capital have been de-materialised.

ISSUE OF EQUITY SHARES IN PURSUANCE OF ARBITRATION AWARD:

As reported in the last Director's Report, the Company, in the matter of a dispute, had received an award from Hon'ble Justice Ajit Sengupta (Retd.), Sole Arbitrator, to the effect, *inter alia*, that your Company is under an obligation to issue and allot 25,00,000 Equity Shares of Rs. 10/- each to the existing holders of Company's 2,00,000 17% secured Non-Convertible Debentures of Rs. 100/- each, at a premium of Rs. 6.05 per share by redemption of the said debentures and in cash for the balance. As you are aware, the necessary permissions from the Debentureholders as well as Shareholders have been already been obtained for such allotments. However, the allotments of equity shares are still pending, as in-principle approval from the Calcutta Stock Exchange Ltd., Kolkata is still awaited.

LISTING AT STOCK EXCHANGE:

The Shares of the Company are listed on The Calcutta Stock Exchange Ltd., Kolkata.

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, 2012, the applicable accounting standards have been followed along with proper explanation relating to material departures
- II. The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and the loss of the company for the year under review.
- III. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets

of the Company and for preventing, and detecting fraud and other irregularities; and
IV. The Directors have prepared the annual accounts on a going concern basis.

PARTICULARS OF EMPLOYEES:

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

ENERGY, TECHNOLOGY & FOREIGN EXCHANGE:

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

EMPLOYEE RELATIONS:

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

INVESTOR RELATIONS:

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

ACKNOWLEDGEMENT:

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

For & on behalf of the Board
For **SHREE HANUMAN SUGAR & INDUSTRIES LIMITED**

Place : Kolkata
Dated : .8th November, 2012

B.K. Nopany
Chairman cum Managing Director

ANNEXURE - A

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE

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

A. CONSERVATION OF ENERGY

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

FORM A

Particular with respect to Conservation of Energy:

	Current Year	Previous Year
A. POWER & FUEL CONSUMPTION		
1. Electricity		
a. Purchased		
- Units (In Million)	Nil	Nil
- Total Amount (Rs. In Million)	Nil	Nil
- Rate per Unit (Rs.)	Nil	Nil
b. Own Generation		
Through Diesel Generator		
- Unit (In Million)	95238	160980
- Per Litre of Diesel (No.)	4.50	4.21
- Rate per Unit (Rs.)	42.00	40.97
c. Through steam turbine/generator (Bagasse)		
- Unit (In Million)	Nil	95497
- Per Litre of fuel oil/gas	Nil	Nil
- Cost/unit	Nil	48.51
2. Coal (specify quality and where used)		
Quantity (tonnes)	N.A.	N.A.
Total cost		
Average rate		
3. Furnace oil		
Quantity (k ltrs.)		
Total amount		
Average rate		
4. Others/internal generation (please give details)		
Quantity		
Total cost		
Rate/unit		

A. Consumption per Unit of Production

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

B. TECHNOLOGY ABSORPTION AND RESEARCH AND DEVELOPMENT**FORM B****Particulars with respect of absorption:****(1) Research and Development:**

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

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

(2) Technology absorption, adaption and innovation:

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

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

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

- better product quality leading to higher realizations.

C. FOREIGN EXCHANGE EARNING AND OUTGO

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

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

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

CORPORATE GOVERNANCE REPORT

I. COMPANY'S PHYLOSOPHY ON CORPORATE GOVERNANCE

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

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

II. BOARD OF DIRECTORS

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

The Board formulates the strategy, regularly reviews the performance of the Company and ensures that the previously agreed objectives are met on a consistent basis. Directors along with a team of professionals manage the day-to-day operations of the Company. Many of eminent professionals are drawn from amongst persons with experience in business, industry and finance. The Board of Directors has the ideal composition with more than half the Directors being non-executive Directors.

A. Composition of Board

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

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. L. K. Tibrawalla Ms. Pratima Srivastava Mr. Subbarao Peteti Mr. Ashok Kumar Sinha

B. Pecuniary Relationship

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

C. Attendance records of Board Meetings

During the year under review, Five Board meetings were held on 27/08/2011, 12/11/2011, 20/12/2011, 05/02/2012, 13/04/2012 and 16/05/2012. 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	6	Yes
Mr. R. K. More	6	Yes
Mr. Subbarao Peteti	2	No
Mr. L. K. Tibrawalla	5	Yes
Ms. Pratima Srivastava	1	No
Mr. K. M. Shah	2	Yes
Mr. Ashok Kumar Sinha	3	No
Mr. Nikhil Merchant	-	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 30.6.2012:

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	5	1	Nil
Mr. R. K. More	Independent & Executive Director	10	Nil	Nil
Mr. Subbarao Peteti	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
Mr. Ashok Kumar Sinha	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

In view of resignation by K. M. Shah, the Board reconstituted the Audit Committee on 05.02.2012

including Mr. A. K. Sinha as Committee Member to fill-up the vacancy. Audit Committee, therefore, comprises three members. Mr. A. K. Sinha and Mr. L. K. Tibrawalla are independent and non executives.

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

During the year under review, the Committee met 4 times on 27.08.2011, 11.11.2011, 13.04.2012, 16.05.2012 and attendance of members at the meetings were as follows:

Name of Member	Status	No. of meetings attended
Mr. A. K. Sinha	Chairman	2
Mr. B. K. Nopany	Member	4
Mr. L. K. Tibrawalla	Member	4
Mr. K. M. Shah*	Member	2

* Resigned on 9.12.2011

V. FPO COMMITTEE

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

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

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

During the year under review, the committee had no meeting.

VI. REMUNERATION COMMITTEE

The Board had constituted a Remuneration Committee on 05.02.2012, comprising of three members, viz., Mr. L. K. Tibrawalla, Ms. Pratima Srivastava and Mr. A. K. Sinha, in view of vacancy caused by resignation of 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, the committee had no meeting.

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

Executive Director	Salary* (Rs.)	Commission (Rs.)	Service Contract
Mr. B. K. Nopany	30,00,000/-	Nil	Re-appointed for 3 years w.e.f. 1 st July, 2011
Mr. R. K. More	12,00,000/-	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, 2012 are given below:

Non-executive Director	Sitting Fee (Rs.)	Commission (Rs.)	Total (Rs.)
Mr. Subbarao Peteti	15,000.00	Nil	15,000.00
Mr. L. K. Tibrawalla	37,500.00	Nil	37,500.00
Ms. Pratima Srivastava	7,500.00	Nil	7,500.00
Mr. Ashok Kumar Sinha	22,500.00	Nil	22,500.00
Mr. K. M. Shah	15,000.00	Nil	15,000.00
Mr. Nikhil Merchant	Nil	Nil	Nil

VII. GENERAL ADMINISTRATION COMMITTEE

The Board had constituted a General Administration Committee on 05.02.2012, comprising of four members, viz., Mr. B. K. Nopany, Mr. L. K. Tibrawalla, Ms. Pratima Srivastava and Mr. A. K. Sinha, Mr. B. K. Nopany is the Chairman of the said Committee. All the members of the General Administration Committee are independent and non executives.

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

The General Administration Committee had met on 20th August, 2011 and all the members were present at the meeting.

VIII. SHARE TRANSFER & SHAREHOLDERS' GRIEVANCE COMMITTEE

The Board also reconstituted a Shareholders' Grievance Committee on 05.02.2012, comprising of three directors under the chairmanship of Mr. A. K. Sinha. 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 had no meeting.

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 2012, 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.

IX. GENERAL BODY MEETINGS

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

Year	Location	Date	Time	Special Resolutions Passed
2010-11	Regd. Office: 3, Pretoria Street, 4 th floor, Kolkata	20.12.2011	11.00 A.M.	1. Re-appointment of Mr. B.K. Nopany as MD 2. Conversion of Debentures into Equity Shares
2009-10	Regd. Office: 3, Pretoria Street, 4 th floor, Kolkata	28.10.2010	11.00 A.M.	N.A.
2008-09	Regd. Office: 3, Pretoria Street, 4 th floor, Kolkata	31.12.2009	11.00 A.M.	N.A.

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

X. DISCLOSURES

A. Basis of related party transaction

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

B. Whistle Blower Policy

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

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

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

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

The Board has prescribed a Code of Conduct ("Code") for all Board members and senior management of the Company. The Code is already displayed in the Company's Website – www.hanumansugar.com. All Board members and senior management personnel have confirmed

compliance with the Code for the year 2011-12. 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 2012; there was no treatment different from that prescribed in an accounting standard that had been followed.

E. Board Disclosures – Risk Management

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

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

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

XI. SUBSIDIARY MOTORING FRAMEWORK

The Company has no subsidiary.

XII. MEANS OF COMMUNICATION

Immediately after the Board of Directors of the Company took note of Results for quarter ended 30th September 2011, 31st December 2011, 31st March 2012 and Audited Annual Accounts, the same were informed to the Calcutta Stock Exchange Ltd, Kolkata and also were published in English newspaper (viz Financial Express in Kolkata) and 'Kalantar' in Bengali in Kolkata editions.

A Management Discussion and Analysis report which forms part of the Annual Report is given by means of a separate annexure and is attached to the Directors' Report.

XIII. GENERAL SHAREHOLDERS INFORMATION

1. Annual General Meeting:

Date	: 17th December, 2012
Day	: Monday
Time	: 11.00 A.M.
Venue	: Regd. Office: 'Chandra Kunj', 3, Pretoria Street, 4 th Floor Kolkata – 700 071

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

Financial Year	July 1, 2012 to June 30, 2013
First Quarter Results	14 th November, 2012
Second Quarter Results	14 February, 2013
Third Quarter Results	15 th May, 2013
Fourth Quarter Results	29 th August, 2013

3. Date of Book closure

12th December, 2012 to 17th day of December, 2012 (both days inclusive)

4. Dividend payment date

On or after 17th December, 2012

5. Listing on Stock Exchanges

The Shares of the Company are listed on The Calcutta Stock Ltd, Kolkata. Listing fees for the year 2012-13 has been paid to the Stock Exchange.

6. Stock Codes

The Calcutta Stock Exchange 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, 2012.

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, 2012

No. of Shares held (Rs. 10/- paid up)	No. of Shareholders	Percentage of Total	No. of Shares	% of Total Shareholding
Upto 500	445	78.7611	110773	0.6923
501 to 1000	59	10.4425	39860	0.2491
1001 to 2000	3	0.5310	4500	0.0281
2001 to 3000	1	0.1770	3000	0.0188
3001 to 4000	1	0.1770	3400	0.0212
5001 to 10000	1	0.1770	9860	0.0616
10001 and above	55	9.7345	15828607	98.9288
TOTAL	565	100.0000	16000000	100.0000

11. Shareholding Pattern 30th June, 2012

Category Code	Category of Shareholder	Number of Shareholders	Total No. of Shares	Number of Shares held in dematerialised form	Total shareholding as percentage of total number of shares
(A)	Shareholding of Promoter and Promoter Group*				
(1)	Indian				
(a)	Individuals/Hindu Undivided Family	8	2815522	2529242	17.60
(b)	Central Government / State Government(s)	-	-	-	-
(c)	Bodies Corporate	4	2154138	1519920	13.46
(d)	Financial Institutions / Banks	-	-	-	-
(e)	Trustee of various Trust	4	805000	805000	5.03
(f)	Individual holding on behalf of Partnership Firm	1	1019000	1019000	6.37
	Sub-Total (A) (1)	17	6793660	5873162	42.46
(2)	Foreign				
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-
(b)	Bodies Corporate	-	-	-	-
(c)	Institutions	-	-	-	-
(d)	Any other (Specify)	-	-	-	-
	Sub-Total (A) (2)	-	-	-	-
	Total Shareholding of Promoters (A)	17	6793660	5873162	42.46
(B)	Public Shareholding³				
(1)	Institutions				
(a)	Mutual Funds/UTI	-	-	-	-
(b)	Financial Institutions / Banks	1	3400	-	0.02
(c)	Central Government / State Government(s)	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-
(e)	Insurance Companies	-	-	-	-
(f)	Foreign Institutional Investors	-	-	-	-
(g)	Foreign Venture	-	-	-	-
(h)	Capital Investors Any other (Specify)	-	-	-	-
	Sub-Total (B) (1)	1	3400	-	0.02

Category Code	Category of Shareholder	Number of Shareholders	Total No. of Shares	Number of Shares held in dematerialised form	Total shareholding as percentage of total number of shares
(2)	Non Institutions				
(a)	Bodies Corporate	17	7779807	4076502	48.62
(b)	Individual Shareholders				
	(I) holding nominal share capital up to Rs.1 lakh	506	156963	7500	0.98
	(II) holding nominal share capital in excess of Rs.1 lakh	24	1266170	902990	7.91
(c)	Any other (Specify) Foreign Company Non-resident Individual				—
	Sub-Total (B) (2)	547	9202940	4986992	57.52
	Total Public Shareholding (B)	548	9206340	4986992	57.54
	TOTAL (A) + (B)	565	16000000	10860154	100.00
(C)	Shares held by Custodians and against which depository receipt have been issued	-	-	-	-
	GRAND TOTAL (A) + (B) + (C)	565	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 2012, 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

By order of the Board
For SHREE HANUMAN SUGAR & INDUSTRIES LIMITED

B. K. Nopany
Chairman cum Managing Director

Place : Kolkata
Dated : 8th November, 2012

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, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.

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

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

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that based on the report given by Investors' Grievance Committee, as on June 30, 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: 32-A, Chittaranjan Avenue,
Kolkata-700 012
Date: 8th November, 2012

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

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

As required under clause 49 of the Listing Agreement with Stock Exchanges, it is hereby confirmed that for the year ended 30th June 2012, 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: 8th November, 2012

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 2012 and to the best of our knowledge and belief:
 - I. These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;
 - II. These statements together, present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b. To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 30th June 2012 are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to the financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d. There has not been any significant change in internal control over financial reporting during the year under reference;
- e. There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and
- f. We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Place: Kolkata

Date: 8th November, 2012

Madhu Tiwari

Chief Financial Officer

B. K. Nopany

Chairman cum Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Company is currently engaged in Manufacturing and Selling of crystal white sugar and trading in Stores items, used by Sugar Industry and Construction. Construction segment includes construction and sale of residential houses and trading of construction rights.

Company's Sugar Mill at Motihari, Bihar, the up-gradation of which was partly completed during the season 2010, could not operate during the entire financial year 2011-12 on account of availability of desired funds for working capital leading to non-viability to run.

Your Directors are confident about raising of funds for desired working capital as well as capital expenditure for expansion. With the availability of need-based working capital funds we expect to commence operations at the Sugar Mill during the current season 2012.

The implementation of the expansion programme increasing the capacity of the said Sugar Mill to 4000 TCD together with setting-up of 25 MW captive power plant will also be undertaken upon availability of the desired funds.

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

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 Indian Sugar Industry is one of the largest in the world. India is the second largest producer after Brazil and the largest consumer of Sugar in the world. In the domestic context, Sugar is the second largest agro based industry supporting over 50 Million farmers along with other parts of rural population indirectly being involved. It is expected about 7.5% of the rural population is involved in this industry.

The Sugar Industry has production cycles related to Cane production. This leads to sharp swings in prices. The crushing period varies from region to region. The crushing begins in October/November and goes on till April/May in all states except in Southern states like Tamil Nadu, Andhra Pradesh etc where it continues till July-August.

Indian Sugar Industry is highly fragmented with private sector, Co-operative etc along with the unorganized players. The unorganized players mainly produce Gur and Khandsari which are less refined forms of Sugar.

The Sugar Industry is highly controlled by both the State and Central Governments. It is a controlled commodity under the Essential Commodities Act, 1955.

The control starts at the price at which the mill purchases the Cane from the farmer. The Government of India has a dual pricing policy in place. The Central Government announces its F&RP (Fair and Remunerative Prices) which is binding across the country. The State Governments are also empowered to fix the Cane price over and above F&RP which is called the SAP (State Advised Price). The other controls include, how much material will be sold by the mill on a monthly basis (now changed to quarterly mechanism), how much exports will be made etc. The other nuance associated with the Sugar industry is

the sale of 10% of the sugar produced by the mill to the Government for the Public distribution system at a price which at the moment is less than 2/3rd of cost of production of Sugar which causes huge losses to the mill which anyways are earning sub-optimal margins.

During the current season the Government of Uttar Pradesh announced the State Advised price for the General variety of Cane at Rs. 240/quintal up from Rs. 205/quintal in the previous season an increase of 17% with no corresponding increase in the final product prices.

The Sugar Production is expected to be roughly 26 Million MT for season 2011-12 up from 24.4 Million tons in the previous season. With consumption expected at about 21.5 Million MT, the closing stock would have been ~ 11 Million MT for the season.

However, the Government intervened and allowed export of 3 Million MT and is expected to allow another 1 Million MT which will lead to a closing stock of about 7 Million MT for this season. (1 Million MT higher than previous season). The export of 3 Million MT till date have allowed the prices to be stable with a slightly upward bias. However, the margins have remained sub-optimal in this business. Lower profitability of this business has led to build up of high Cane arrears in the industry.

The Government has made some forward movement in the policy framework by permitting of exports under OGL and moving to quarterly release mechanism from monthly. The Government has also appointed a committee under the leadership of Mr. C. Rangarajan (Chairman of Prime Minister's Economic Advisory Council) that will submit a report to the Prime Minister on the decontrol of this industry. This report is expected to be submitted by Q2 FY13. We believe that above steps taken are in the right direction, however, a lot more needs to be done so that industry can regain some financial health and viability.

On the International side, the increase in estimates of global sugar production for FY 2011-12 has put downward pressure on global sugar prices.

India was a net exporter for 2011-12 and will remain the same for 2012-13. Expectation of surplus sugar production in the world for 2012-13 is expected to put downward pressure on the prices which in turn will impact the realization from exports from India.

Going Forward. The domestic sugar industry is likely to remain in surplus in 2012-13 with the sugar output likely to outstrip domestic consumption. Given the domestic surplus and falling international price trends which are likely to restrict export volumes no significant change is expected in the price trends that the domestic sugar industry has seen in the last 18 months. In the medium term, the sugar price the international crude oil prices, which will determine the raw sugar: ethanol mix in Brazil, which is the world's largest producer; the movement towards decontrol including removal of levy quota etc and Cane prices for Sugar season 2012-13 in India.

Out Strategy

We would intensify efforts in improving quantity and quality of Cane availability. We are taking all the steps to improve Cane quantity and quality in Sugar season 2012-13.

CONSTRUCTION

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

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

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 GoI 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).

SEGMENTWISE PERFORMANCE

Presently, the Company mainly deals in two segments:

- I. Sugar
- II. Construction

Segment Reporting as per Note No.30 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.

Further, needbased availability of sugarcane, a major raw material for manufacturing sugar is a great concern for sugar industry.

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 Total Income of the Company, which stood at Rs. 2941.89 lacs during the year under review, recorded a rise of 18.00%, when compared to Rs. 2493.10 lacs during the previous Financial Year 2010-11.

Profits

Profit after Tax, which stood at Rs. 431.92 lacs during the year 2011-12, was lower by Rs. 289 lacs, when compared with Rs. 720.92 lacs during the previous year 2010-11, mainly on account of higher depreciation.

Earnings Per Shares (EPS)

The Company recorded an EPS of Rs. 2.70 per equity shares of Rs. 10/- each during 2011-12.

Dividend

The Board has recommended a dividend of Rs. 0.03 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 2011-12.

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 13.00 per cent payout on net profit of the Company as against 7.79 per cent in the previous financial year 2010-11.

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: 8th November, 2012

B. K. Nopany
Chairman cum Managing Director

SHREE HANUMAN SUGAR & INDUSTRIES LIMITED

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

AUDITORS' REPORT

**To the Members of
Shree Hanuman Sugar & Industries Limited**

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

We conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material 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 obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - b) In our opinion, proper books of accounts, as required by law, have been kept by the company so far as appears from our examination of those books;
 - c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account as submitted to us;
 - d) In our opinion the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, subject to Note 7 with regard to the provision for Gratuity not done as prescribed in AS-15;
 - e) On the basis of written representations received from the individual directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 30th June, 2012 from being appointed as a director in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956.

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

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

Chartered Accountants

Reg No. 326264E

Bharat D. Sarawgee

Partner

Membership No. F061505

For **JAINSARAWGEE & CO.**

Chartered Accountant

Reg.No. 306087E

D. K. Sarawgee

Partner

Membership No. 10089

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

Date: 27th August, 2012

**REFERRED TO IN PARAGRAPH - I OF THE AUDITORS' REPORT
TO THE MEMBERS OF SHREE HANUMAN SUGAR & INDUSTRIES LIMITED
FOR THE YEAR ENDED 30TH JUNE, 2012.**

- (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 not taken unsecured loans from companies, firms or other parties listed in the register maintained under Section 301 of the Act, during the year.
- (3) The Company has granted unsecured loan amounting to Rs.2284.60 Lacs, to companies, firms or other parties listed in the Register maintained under Section 301 of the Act, during the year.
- (4) The Company has adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to purchase of trading goods, raw materials including components, plant and machinery, equipment and other assets and also for the sale of goods. We have not come across any major weaknesses in internal control.
- (5) Transactions that are required to be entered into the Register in pursuance of Section 301 of the Act have been so entered.
- (6) The company has not accepted any deposits from the public.
- (7) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (8) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records in respect of sugar u/s 290(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed account and records have been maintained.
- (9) The Company is generally regular in depositing undisputed statutory dues, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues.
- (10) According to the information and explanations given to us, no undisputed amount payable in respect of Income Tax, Wealth Tax, Dividend Tax, Service Tax, Sales Tax, Custom Duty, Excise Duty and Cess were in arrears, as at 30th June, 2012 for a period of more than six months from the date they became payable.
- (11) According to the records of the Company, dues outstanding in respect of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Excise Duty and Cess on account of any dispute are as follows:-

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

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

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

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

Chartered Accountants

Reg No. 326264E

Bharat D. Sarawgee

Partner

Membership No. F061505

For **JAINSARAWGEE & CO.**

Chartered Accountant

Reg.No. 306087E

D. K. Sarawgee

Partner

Membership No. 10089

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

Date: 27th August, 2012

SHREE HANUMAN SUGAR & INDUSTRIES LIMITED

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

BALANCE SHEET AS AT 30TH JUNE, 2012

PARTICULARS	NOTE No.	As at 30.06.2012 Amount Rs.(in lacs)		As at 30.06.2011 Amount Rs.(in lacs)	
I. EQUITY AND LIABILITIES					
1. Shareholder's Funds					
(a) Share Capital	1	1,600		1,600.00	
(b) Reserves and Surplus	2	6,332.89	7,932.89	5,582.13	7,182.13
2. Share Application			401.25		26.00
3. Non-current liabilities					
(a) Long-term borrowings	3		-		200.00
4. Current Liabilities					
(a) Short Term Borrowings		1,811.52		4,305.59	
(b) Trade Payables		550.21		277.48	
(c) Other Current Liabilities		6,171.24		2,239.94	
(d) Provision for Taxation		465.93	8,998.90	342.77	7,165.78
TOTAL :			<u>17,333.04</u>		<u>14,573.91</u>
II. ASSETS					
1. Non-current assets					
(a) Fixed Assets :	5				
(i) Tangible Asset					
Gross Block		12,058.08		9956.54	
Less : Depreciation		2,196.65		1751.06	
Net Block		9,861.43		8205.48	
(ii) Capital Work-in-Progress		1,354.58		1533.40	
(b) Non-current Investments	6	977.47	12,193.48	1671.30	11,410.19
2. Current assets					
(a) Inventories	7	1,204.25		1,192.32	
(b) Trade Receivables	8	209.74		452.89	
(c) Cash and Cash equivalents	9	26.65		113.03	
(d) Short-term loans and advances	10	3,698.92	5,139.56	1,405.48	3,163.72
TOTAL :			<u>17,333.04</u>		<u>14,573.91</u>

Significant accounting policies 16

Notes are integral parts of accounts

As per our report of even date

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

Chartered Accountants,

Reg. No. 326264E

Bharat D. Sarawgee, Partner

Membership No. F061505

32-A, Chittaranjan Avenue

Kolkata-700 012

Dated: 27th August, 2012

For **JAIN SARAWGEE & CO.**

Chartered Accountants,

Reg. No. 306087E

D.K. Sarawgee, Partner

Membership No. 10089

For & on behalf of

B.K. Nopany

Chairman cum Managing Director

R.K. More

Executive Director

L.K. Tibrawalla,

P. Srivastava, Ashok Kr. Sinha

Directors

R.K. Didwania, Company Secretary

SHREE HANUMAN SUGAR & INDUSTRIES LIMITED

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

STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 30.06. 2012

(Rs. in Lacs)

PARTICULARS	NOTE No.	30.06.2012		30.06.2011	
		Rs.	Rs.	Rs.	Rs.
I Revenue from Operations	11	2,866.12		2,492.89	
II Other Income	12	75.77		0.21	
III Total Revenue (I + II)			2,941.89		2,493.10
IV Expenses:					
Cost of Material Consumed			12.55		171.28
Purchases			1,475.95		1356.88
Change in inventories of Finished Goods	13		(11.53)		(711.66)
Stock in Trade & By Products					
Employee Benefit Expenses	14		260.10		290.36
Finance Cost			34.36		44.64
Depreciation			445.60		126.95
Other Expenses	15		177.94		329.48
Total Expense			2,394.97		1,607.93
V Profit before Tax (III-IV)			546.92		885.17
VI Tax Expense:					
Current tax			115.00		164.25
VII Profit for the period (V-VI)			431.92		720.92
Less: Proposed Dividend			48.00		48.00
Less: Provision for Dividend Tax			8.16		8.16
Less: T/F to Special Reserve			-		321.00
Less: T/F to General Reserve		1,000.00	1,056.16	-	377.16
Add: Balance b/f from last year			1,059.60		715.84
Balance carried to Balance Sheet			435.36		1,059.60
VIII Earnings per equity share:					
(1) Basic			2.70		4.51
(2) Diluted			2.70		4.51
IX No. of Shares used in Computing Earning per Share					
(1) Basic			160.00		160.00
(2) Diluted			160.00		160.00
Significant accounting policies	16				
Notes are integral parts of accounts					

As per our report of even date

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

Chartered Accountants,

Reg. No. 326264E

Bharat D. Sarawgee, Partner

Membership No. F061505

32-A, Chittaranjan Avenue

Kolkata-700 012

Dated: 27th August, 2012

For **JAIN SARAWGEE & CO.**

Chartered Accountants,

Reg. No. 306087E

D.K. Sarawgee, Partner

Membership No. 10089

For & on behalf of

B.K. Nopany

Chairman cum Managing Director

R.K. More

Executive Director

L.K. Tibrawalla,

P. Srivastava, Ashok Kr. Sinha

Directors

R.K. Didwania, Company Secretary

SHREE HANUMAN SUGAR & INDUSTRIES LIMITED

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

NOTES TO ACCOUNTS FORMING PART OF BALANCE SHEET

	As on 30.06.2012 (Rs.in lacs)	As on 30.06.2011 (Rs.in lacs)
NOTE 1: SHARE CAPITAL		
(a) Authorised Capital (6,00,00,000 shares of Rs. 10/- each)	6,000.00	6,000.00
(b) Issued, Subscribed and Paid up (1,60,00,000 shares of Rs. 10/- each)	1,600.00	1,600.00
	<u>1,600.00</u>	<u>1,600.00</u>

(c) Reconciliation of Number & Amount of Shares

	As on 30.06.2012		As on 30.06.2011	
	No. of Shares	Amount (Rs.in lacs)	No. of Shares	Amount (Rs.in lacs)
Outstanding at the beginning of the Year	16,000,000.00	1,600.00	16,000,000.00	1,600.00
Add/Less: Issued or Buy Back during the year	-	-	-	-
Balance at the End of the Year	16,000,000.00	1,600.00	16,000,000.00	1,600.00

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

Name of the Shareholders	As on 30.06.2012		As on 30.06.2011	
	No. of Shares Held	% of Share Holding	No. of Shares Held	% of Share Holding
Bimal Kumar Nopany	1,818,642.00	11.37	1,818,642.00	11.37
Shruti Ltd.	1,926,780.00	12.04	1,926,780.00	12.04
Kolhapur Forge Pvt. Ltd.	1,400,000.00	8.75	1,400,000.00	8.75
NP Trading & Investments Pvt. Ltd.	1,367,020.00	8.54	1,367,020.00	8.54
India Die Casting Co. Ltd.	1,114,300.00	6.96	1,114,300.00	6.96
Daulatram Rawatmull Pvt. Ltd.	884,400.00	5.53	884,400.00	5.53
B.K. Nopany, Partner, C/o Nopany & Sons	1,019,000.00	6.37	1,019,000.00	6.37

The Company has one class of equity shares having a par value of Re. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, in the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.

NOTE 2: RESERVES & SURPLUS	As on 30.06.2012 (Rs.in lacs)		As on 30.06.2011 (Rs.in lacs)	
	Revaluation Reserve:			
As per Last Balance Sheet	625.00			625.00
Add: Revaluation during the year	375.00			
Less: Transferred to Special Reserve	(32.00)	968.00		
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	2,000.00			2000.00
Add: T/f from Profit & Loss A/c	1,000.00	3,000.00		
Profit & Loss Account				
Balance brought forward		1059.60	715.84	
Add: Profit after Tax for the Current year		431.92	720.92	
Less: Proposed Dividend		(56.16)	56.16	
Less: T/f to General Reserve	(1,000.00)			
Less: T/f to Special Reserve				
Balance brought forward		435.36	321.00	
Special Reserve:				
As per Last Balance Sheet	983.78		662.78	
Add: Transferred from Revaluation Reserve	32.00	1,015.78	321.00	983.78
TOTAL :		6,332.89		5582.13
(i) General reserve is primarily created to comply with the requirements of Section 205 (2A) of the Companies Act, 1956. This is a free reserve and can be utilised for any general purpose like issue of bonus shares, payment of dividend, buy back of shares etc.				
(ii) The realised surplus from sale of properties have been credited to Special Reserve.				
NOTE 3: LONG TERM BORROWINGS				
200000 17% Unsecured Redeemable (Convertible Debentures of Rs. 100/- each)			-	200.00
TOTAL :			-	200.00
NOTE 4: CURRENT LIABILITIES				
(a) Short Term Borrowings				
From Body Corporates	1,213.61		3,371.10	
From Related Parties	15.85		22.05	
From Others	582.06	1,811.52	912.44	4,305.59
(b) Trade Payables		550.21		277.48
(c) Other Current Liabilities				
Audit Fee Payable	0.33		0.33	
Other Payables	545.91		2,239.61	
Share application	5,625.00	6,171.24	-	2,239.94
(d) Short Term Provisions				
Provision for Taxation	409.77		278.45	
Proposed Dividend	48.00		48.00	
Provision for Dividend Tax	8.16	465.93	16.32	342.77
TOTAL :		8,998.90		7,165.78

SHREE HANUMAN SUGAR & INDUSTRIES LIMITED

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

NOTES FORMING PART OF BALANCE SHEET AS AT 30TH JUNE, 2012

NOTE 5: FIXED ASSET

DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 01.07.2011 (Rs. In Lacs)	Addition/ Revaluation (Rs. In Lacs)	Sales/ Adjustment (Rs. In Lacs)	As at 30.06.2012 (Rs. In Lacs)	Up to 01.07.2011 (Rs. In Lacs)	For the year (Rs. In Lacs)	Up to 30.06.2012 (Rs. In Lacs)	As at 30.06.2012 (Rs. In Lacs)	As at 30.06.2011 (Rs. In Lacs)
A. FIXED ASSETS - OWN:									
Land	681.46	375.00	32.00	1,024.46	-	-	-	1,024.46	681.46
Building	59.04	-	-	59.04	15.54	0.96	16.50	42.54	43.49
Plant & Machinery	8,750.44	1,567.20	-	10,317.64	1,359.92	422.50	1,782.42	8,535.22	7,390.52
Plant & Machinery (Leasehold)	335.00	186.32	-	521.32	272.00	10.47	282.47	238.85	63.00
Furniture & Fixtures	23.34	5.02	-	28.36	21.70	1.48	23.18	5.18	1.64
Vehicles	107.26	-	-	107.26	-	-	-	-	-
TOTAL OF 'A'	9,956.54	2,133.54	32.00	12,058.08	1,751.05	445.60	2,196.65	9,861.43	8,205.48
B. CAPITAL WORK IN PROGRESS:									
Machinery under installation	1,178.62	-	-	1,178.62	-	-	-	1,178.62	1,178.62
Capital Work in Progress	50.40	-	50.40	-	-	-	-	-	50.40
Expenses Pending Allocation	172.28	-	135.92	36.36	-	-	-	36.36	172.28
Preoperative Expenses	132.10	7.50	-	139.60	-	-	-	139.60	132.10
TOTAL OF 'B'	1,533.40	7.50	186.32	1,354.58	-	-	-	1,354.58	1,533.40
GRAND TOTAL : (A+B)	11,489.94	2,141.04	218.32	13,412.66	1,751.05	445.60	2,196.65	11,216.01	9,738.88
PREVIOUS YEAR	7,376.63	3,981.21	-	11,357.85	1,624.11	126.95	1,751.06	9,738.88	5,752.53

Value of Land Standing as on 1.07.2011 a Rs. 681.46 Lacs has been Revalued upward by Rs. 375 Lacs on 30.06.2012, thus, Carrying Amount of Land as on the date of balance sheet, i.e. on 30.06.2011 is Rs. 1024.46 lacs.

	Nominal Value	As on 30.06.12 (Rs.in lacs)	As on 30.06.11 (Rs.in lacs)
NOTE 6: NON CURRENT INVESTMENTS			
Non Trade Investments			
Unquoted:			
N.S.C.			
(Deposited with Central Excise Authority)		0.12	0.12
100 3½% Unclassified Shares (of Bihar State Financial Corporation Ltd.)	100.00	0.10	0.10
140 Equity Shares (of Shree Milk & Food Industries Ltd.)	10.00	-	0.01
11 Equity Shares (of Shubham Holdings Private Ltd.)	100.00	0.01	0.01
175950 Equity Shares (of Shruti Ltd.)	10.00	977.24	977.24
82500 Equity Shares (of Hanuman Industries (India) Pvt Ltd.)	10.00	-	693.83
TOTAL :		977.47	1,671.31
NOTE 7: INVENTORIES			
Closing Stock of Goods Traded			
Finished Goods			
Sugar		-	53.72
Work in Progress (Construction)		236.70	221.20
Stock-in Trade			
Stores & Parts		91.73	91.73
Others			
Molases		10.82	10.82
Construction Right		865.00	815.25
TOTAL :		1,204.25	1,192.32
NOTE 8 : TRADE RECEIVABLES			
Sundry Debtors (Unsecured, Considered good) Outstanding for the Period			
Exceeding Six Months from Due Date		-	-
Other Trade Receivables		209.74	452.89
TOTAL :		209.74	452.89
NOTE 9 : CASH & CASH EQUIVALENTS			
Cash in hand		15.10	17.68
Balance With Scheduled Banks (In Current Accounts)		11.55	95.67
TOTAL :		26.65	113.35
NOTE 10 : SHORT TERM LOANS & ADVANCES			
(Unsecured, Considered Good)			
Loan to Related Party		34.21	-
Other Loans & Advances		3,585.44	1335.05
Due from employees		68.69	59.99
Securities & other Deposits		10.52	10.42
Income Tax Advance & T.D.S.		0.06	0.02
TOTAL :		3,698.92	1405.48

SHREE HANUMAN SUGAR & INDUSTRIES LIMITED

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

NOTES TO ACCOUNTS FORMING PART OF PROFIT & LOSS STATEMENT

	As on 30.06.12 (Rs. in Lacs)	As on 30.06.11 (Rs. in Lacs)
NOTE 11 : REVENUE FROM OPERATIONS		
Sale of Products		
Sugar	56.33	69.21
Stores & Spare Parts	1,984.00	1396.19
Molasses	-	0.41
Flats	84.64	419.59
Profit from Sale of Construction Right	741.15	607.49
TOTAL :	2,866.12	2,492.89
NOTE 12 : OTHER INCOME		
Profit from Sale of Investments	48.68	-
Miscellaneous Income	27.09	0.21
TOTAL :	75.77	0.21
NOTE 13 : CHANGE IN INVENTORIES OF FINISHED GOODS STOCK-IN-TRADE & BY PRODUCTS		
Closing Stock :		
Stores & Parts	-	-
Sugar	-	53.72
Molasses	10.82	10.82
Construction Rights	865.00	815.25
Work in Progress (Construction)	236.70	221.20
	1,112.52	1,100.99
Less: Opening Stock		
Stores & Parts	-	21.56
Construction Rights	53.72	227.50
Molasses	10.82	-
Construction Rights	815.25	-
Work in Progress(construction)	221.20	140.27
	1,100.99	389.33
TOTAL :	11.53	711.66
NOTE 14 : EMPLOYEE BENEFIT EXPENSES		
Salary & Wages	227.36	261.35
Providend Fund	30.40	25.52
Employees Welfare Expenses	2.34	3.49
TOTAL :	260.10	290.36
NOTE 15 : OTHER EXPENSES		
Power & Fuel	43.30	54.25
Rent	7.71	-
Machinery repairs	6.44	0.09
Insurance	0.74	0.96
Rates & Taxes	0.43	2.70
Audit Fees	0.33	0.33
Miscellaneous Expenses	119.00	271.15
TOTAL :	177.94	329.48

SHREE HANUMAN SUGAR & INDUSTRIES LIMITED

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

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

	AMOUNT (Rs. in Lacs)			
	2011-2012		2010-2011	
A. Cash Flow From Operation Activities				
Net Profit Before Tax & Extraordinary Item	546.92		885.17	
Adjustment for :				
Profit on Sale of Investments	(48.68)		—	
Interest Paid	34.36		44.64	
Depreciation	445.60		126.95	
Operating Profit before Working Capital changes	978.20		1,056.76	
Adjustment for :				
Trade & Other Receivable	243.15		325.39	
Other Current Liabilities	3,931.30		—	
Inventories	(11.93)		(802.99)	
Advances	(2,293.44)		(78.98)	
Trade Payable	272.73	3,120.01	2,451.83	2,952.01
Less: Taxes Paid		-		-
Net Cash Generated from Operations		3,120.01		2,952.01
B. Cash Flow From Investment Activities				
Purchase of Fixed Assets	(1,747.72)		(4,113.30)	
Purchase of Investments	-		(1,301.06)	
Sale of Fixed Assets	742.51		-	
Net Cash Generated from Investing Activities		(1,005.21)		(5,414.36)
C. Cash Flow From Financing Activities				
Interest Paid	(34.36)		(44.64)	
Dividend Paid	(48.00)		(48.00)	
Current Borrowings	(2,494.07)		2,624.04	
Share Application	375.25		26.00	
Net Cash Generated from Investing Activities		(2,201.18)		2,557.40
Total Cash Generated During the year (A+B+C)		(86.38)		95.05
Add: Cash Balance at the Beginning of the year		113.03		17.98
Cash Balance at the End of the Year		26.65		113.03

1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow
2. Additions to fixed assets include movement of Capital work-in-progress.
3. Figure in brackets represent cash outflow from respective activities.

As per our report of even date

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

Chartered Accountants,

Reg. No. 326264E

Bharat D. Sarawgee, Partner

Membership No. F061505

32-A, Chittaranjan Avenue

Kolkata-700 012

Dated: 27th August, 2012

For **JAINSARAWGEE & CO.**

Chartered Accountants,

Reg. No. 306087E

D.K. Sarawgee, Partner

Membership No. 10089

For & on behalf of

B.K. Nopany

Chairman cum Managing Director

R.K. More

Executive Director

L.K. Tibrawalla,

P. Srivastava, Ashok Kr. Sinha

Directors

R.K. Didwania, Company Secretary

SHREE HANUMAN SUGAR & INDUSTRIES LIMITED

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

16. SIGNIFICANT ACCOUNTING POLICIES

i) Basis of Preparation of Financial Statement

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

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

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

ii) Use of Estimates

The preparation of the Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenditure during the period.

iii) Fixed Assets and Work in Progress

Fixed Assets are stated at their original cost (net of accumulated depreciation, except Land) adjusted by revaluation of Land.

Expenditure during construction period: Expenditure incurred on projects under implementation are treated as Pre-operative expenses pending allocation to the assets and are shown under "Capital work-in-progress". Capital work-in-progress is stated at the amount expended up to the date of Balance Sheet for the cost of fixed assets that are not yet ready for their intended use.

iv) Depreciation :

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

v) Investments :

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

vi) Inventories :

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

vii) Revenue recognition

a. Sale of goods is recognized at the time of transfer of substantial risk and rewards of ownership

to the buyer for a consideration.

b. All other income are accounted for on accrual basis.

viii) Expenses

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

ix) Taxes on income

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

x) Earnings per share

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

xi) Dues to micro and small scale business enterprises

There are no Micro and Small Enterprises, to whom the Group owes dues, which are outstanding for more than 45 days as at 31st March, 2012. This information as required to be disclosed under the micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Group.

xii) Impairment of assets

Impairment loss, if any, is recognized to the extent, the carrying amount of assets exceed their recoverable amount. Recoverable is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Impairment losses recognized in prior years are reversed when there is an indication that the impairment losses recognized no longer exist or have decreased. Such reversals are recognized as an increase in carrying amount of assets to the extent that it does not exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized in previous years. After impairment, depreciation or amortization on assets is provided on the revised carrying amount of the respective asset over its remaining useful life.

xiii) Contingent Liabilities

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

As per our report of even date

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

Chartered Accountants,

Reg. No. 326264E

Bharat D. Sarawgee, Partner

Membership No. F061505

32-A, Chittaranjan Avenue

Kolkata-700 012

Dated: 27th August, 2012

For **JAINSARAWGEE & CO.**

Chartered Accountants,

Reg. No. 306087E

D.K. Sarawgee, Partner

Membership No. 10089

For & on behalf of

B.K. Nopany

Chairman cum Managing Director

R.K. More

Executive Director

L.K. Tibrawalla,

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Directors

R.K. Didwania, Company Secretary

SHREE HANUMAN SUGAR & INDUSTRIES LIMITED

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

Notes Forming Part of Financial Statements

17. 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 *inter alia* 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.
18. 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.
 19. 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.
 20. Professional Taxes and Trade License Fees are to be accounted for on cash basis.
 21. Balance Confirmation Certificates from Debtors, Creditors and Banks are awaited from the respective parties.
 22. 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.
 23. 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.
 24. Depreciation on fixed assets has been provided on straight-line basis as specified in clause 1(c) of Accounting Policies stated above.
 25. The company has revalued land by Rs. 3.75 crores during the year 2011-2012 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.
 26. Award dated 12th February, 2011 is granted by way of arbitration for conversion to the holders of 17% Unsecured Redeemable Debentures into 25,00,000 equity shares at a premium of Res. 6.05 each.

27. Auditors remuneration	30th June, 2012 (Rs.)	30th June, 2011 (Rs.)
Audit Fee	33,090	33,090
In other Capacity	—	—
	<u>33,090</u>	<u>33,090</u>

28. 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.

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

30. Segment Reporting

The Company has operated in two segments during the year ended on 30th June, 2012 and segment as per AS-17 issued by the ICAI is given below: -

Segment Revenue, Result and Capital employed

Particulars	As at 30/06/2012	As at 30/06/2011
1. Segment Revenue		
Net Sale/Income from each segment (including other operating income and other income)		
(a) Sugar	2040.33	1465.81
(b) Construction	825.79	1027.08
TOTAL REVENUE	<u>2866.12</u>	<u>2492.89</u>
2. Segment Result		
PBIT from each segment		
(a) Sugar	-185.92	13.62
(b) Construction	767.19	916.19
TOTAL		
Less:		
Interest expense	34.36	44.64
Interest income	—	—
Unallocable Expenditure	—	—
TOTAL PBT	<u>546.92</u>	<u>885.17</u>
3. Capital Employed		
Segment Assets – Segment Liabilities		
(a) Sugar	5737.38	5546.68
(b) Construction	1628.76	1036.45
(c) Unallocated Expenditure		
TOTAL	<u>7366.14</u>	<u>6583.13</u>

Segments are identified based on the dominant source and nature of risks and returns and the internal organization and management structure. The accounting policies for segment reporting are in line with the accounting policies of the Company. In addition, the following specific accounting policies have been followed for segment reporting.

- a) Inter segment revenue is accounted for based on the transaction price agreed to between segments which is primarily market led.
- b) Revenue and expenses are identified to segments on the basis of their relationship to the operating activities of the segment.
- c) Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been disclosed as "Unallocable".

31. Related Party Disclosures

a) Names of Related Parties

Associate Companies	:	Nopany Investments Pvt Ltd., Shruti Ltd.,
	:	Eastern Sugar & Industries Ltd.
	:	Nopany & Sons Pvt. 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)

Unsecured loans repaid to	
Nopany & Sons	250.18
Nopany & Sons Pvt. Ltd	334.50
Nopany Investments (P) Ltd.	1250.99
Shruti Limited	572.00
Sri Bimal Kumar Nopany	6.20
Interest paid to	
Nopany Investments Pvt Ltd.	34.36

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

	30.06.2012	30.06.2011
Profit after Tax as per Profit & Loss Account	431.92	720.92
Weighted Average No. of Equity Shares	160.00	160.00
Basic & Diluted Earning per Share	2.70	4.51

33. Cash Flow Statement

Statement notified under the Companies (Accounting Standards) Rules, 2006. Cash Flows are reported using the indirect method, where by profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments

and item of income or expenses associated with investing or financing flows. The cash flows from operating, investing and financing activities of the Company are segregated.

34. Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

35. Figures of Previous Year have been re-arranged and re grouped wherever considered necessary.

As per our report of even date

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

Chartered Accountants,

Reg. No. 326264E

Bharat D. Sarawgee, Partner

Membership No. F061505

32-A, Chittaranjan Avenue

Kolkata-700 012

Dated: 27th August, 2012

For **JAINSARAWGEE & CO.**

Chartered Accountants,

Reg. No. 306087E

D.K. Sarawgee, Partner

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For & on behalf of

B.K. Nopany

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Directors

R.K. Didwania, Company Secretary

M/s SHREE HANUMAN SUGAR & INDUSTRIES LIMITED

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

ATTENDANCE SLIP

Members or their proxies are requested to present this form for admission, duly signed in accordance with their specimen signatures registered with the Company.

DP Id		Client Id	
Regd. Folio No.		No. of Shares	

Name(s) and address of the shareholder in full _____

I/we hereby record my/our presence at the Annual General Meeting of the Company being held on Monday, 17th December, 2012 at 11.00 A.M. at the Registered Office of the Company at "ChandraKunj" 4th Floor, 3 Pretoria Street, Kolkata – 700 071

Please () in the box

MEMBER PROXY

Signature of Shareholder / Proxy

M/s SHREE HANUMAN SUGAR & INDUSTRIES LIMITED

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

FORM OF PROXY

I/We _____ of _____ being a member of the above-named Company, hereby appoint _____ of _____ or failing him, _____ of _____ as my / our Proxy to attend and vote [on a poll]* for me / us and on my / our behalf at the Annual General meeting of the Company, to be held on Monday, 17th December, 2012 at 11.00 A.M. at the Registered Office of the Company at "ChandraKunj" 4th Floor, 3, Pretoria Street, Kolkata – 700 071 or at any adjournment thereof.

Signed this _____ day of _____ 2012

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

Affix
Revenue
Stamp

Notes:

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