

# Shree Hanuman Sugar & Industries Ltd.



ANNUAL REPORT 2010-2011



# **SHREE HANUMAN SUGAR & INDUSTRIES LIMITED**

## **CHAIRMAN CUM MANAGING DIRECTOR**

Shri Bimal Kumar Nopany

## **DIRECTORS**

Shri Raj Kumar More — *Whole Time Director*

Shri Nikhil Merchant

Shri Subba Rao Peteti

Ms Pratima Srivastava

Shri Lakshmikant Tibrawalla

Shri Krishan Murari Shah

## **COMPANY SECRETARY & COMPLIANCE OFFICER**

Shri Ramesh Kr. Didwania

## **REGISTERED OFFICE**

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

3, Pretoria Street, Kolkata-700 071

Phone: (033) 2282-1169/1170

Fax: (033) 2282-1187/1188

## **REGISTRAR & SHARE TRANSFER AGENT**

M/s. Maheshwari Datamatics Pvt. Ltd.

6, Mangoe Lane

Kolkata 700 001

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

Fax: (033) 2248-4787

## **STATUTORY AUDITORS**

M/s. Jainsarawgee & Co.

Chartered Accountants

&

M/s Bharat D. Sarawgee & Co.

Chartered Accountants

32A, Chittaranjan Avenue,

Trust House (2nd Floor)

Kolkata-700 012

## **BANKERS**

Andhra Bank

Bank of Baroda

Axis Bank

## SHREE HANUMAN SUGAR & INDUSTRIES LIMITED

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

### NOTICE

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

#### ORDINARY BUSINESS:

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

#### SPECIAL BUSINESS:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## NOTES:

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

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

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

### **Item Nos. 6**

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

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

#### **A. SALARY**

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

#### **B. COMMISSION**

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

#### **C. HOUSE**

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

#### **D. PERQUISITES**

Perquisites will be classified as follows:

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

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

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

As per Rules of the Company.

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

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

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

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

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

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

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

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

Managing Director as per Rules of the Company.

**vii. Leave Travel Concession**

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

**viii. EXPLANATION**

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

**E. AMENITIES**

**i. Conveyance Facilities**

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

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

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

**F. OVERALL REMUNERATION**

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

**G. MINIMUM REMUNERATION**

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

**H. FUNCTIONS AND DUTIES**

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

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

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

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

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

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

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

No other Director is interested in this resolution.

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

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

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

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

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

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

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

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

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

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

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



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General Public	1332153	8.33%	1332153	7.20%
Total	16000000	100.00%	18500000	100.00%

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

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

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

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

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

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

**IV. Lock-in :**

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

**V. Pricing of the Issue**

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

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

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

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