

SHREE HANUMAN SUGAR & INDUSTRIES LIMITED

CHAIRMAN CUM MANAGING DIRECTOR

Shri Bimal Kumar Nopany

DIRECTORS

Shri Raj Kumar More-Whole Time Director

Shri Nikhil Merchant

Shri Subba Rao Peteti

Ms Pratima Srivastava

Shri Lakshmikant Tibrawalla

Shri Krishan Murari Shah

COMPANY SECRETARY & COMPLIANCE OFFICER

Shri Ramesh Kr. Didwania

REGISTERED OFFICE

Chandra Kunj' 4th Floor,

3, Pretoria Street, Kolkata-700 071

Phone : (033) 2282-1169/1170

Fax : (033) 2282-1171/1172

REGISTRAR & SHARE TRANSFER AGENT :

M/s. Maheshwari Datamatics Pvt. Ltd.

6, Mangoe Lane

Kolkata 700 001

Phone : (033) 22482248 / 2243 5029

Fax : (033) 2248 4787

STATUTORY AUDITORS

M/s. Jainsarawgee & Co.

Chartered Accountants

32A, Chittaranjan Avenue,

Trust House (2nd Floor)

Kolkata-700 012

BANKERS :

Andhra Bank

Central Bank of India

NOTICE

NOTICE is hereby given that the 80th Annual General Meeting of the Members of **Shree Hanuman Sugar & Industries Limited** will be held on Thursday, the 28th October, 2010 at 11.00 A.M. at the Registered Office of the Company at 'Chandra Kunj', 3, Pretoria Street, 4th Floor, Kolkata 700071 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 30th June, 2010 together with Profit & Loss Account for the year ended on that date, and the reports of the Directors and the Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr. L. K. Tibrawalla, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. K. M. Shah, who retires by rotation and is eligible for re-appointment.
5. To appoint M/s Jainsarawgee & Co. and M/s Bharat D. Sarawgee & Co. as joint Auditors and to fix their remuneration.

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

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

Dated : 28th August, 2010

Chairman cum Managing Director

NOTES:

1. A member entitled to attend and vote at the Meeting is also entitled to appoint one or more proxies to attend and vote instead of himself and the proxy need not be a member of the Company.
2. Proxies in order to be effective must be received by the Company at least 48 hours before the time of the Meeting.
3. The Register of Members and Share Transfer Book of the Company will remain closed from 26th October, 2010 to 28th October, 2010 (both days inclusive).
4. The Members are requested to intimate change in their address, if any, quoting their registered Folio No.
5. Members are requested to furnish/update details of their Bank Account to the Company/Registrar & Transfer Agents/Depository Participants to enable the Company to print the same on the dividend warrants/to avail of ECS facility, whatever applicable.
6. The Members are requested to bring their copies of Annual Report to the Meeting, as the same will not be redistributed at the venue of Annual General Meeting.
7. The Members attending the General Meeting are requested to bring enclosed attendance slip, duly filled in.
8. Members, who hold share in de-materialised form, are requested to bring their client ID and DP-ID number for the purpose of identification and attendance at the meeting.
9. The dividend as recommended by the Board of Directors if declared at this Annual General Meeting will be payable on or after 28th October, 2010 —

- a. To those shareholders whose names appear on the Company's Register of Members after giving effect to all valid transfers in physical form lodged with the Registrar & Transfer Agents (R&T Agents) of the Company on or before 26th October, 2010.
 - b. In respect of shares held in electronic form, to those "deemed members" whose names appear in the statements of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as at the end of the business hours on 28th October, 2010.
10. Consequent upon the introduction of section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form No. 2B in duplicate (which will be made available on request) to the R&T Agents of the Company.
 11. Pursuant to the provisions of section 205A (5) of the Companies Act, 1956, dividends for the financial year ended 31st March, 1995 and thereafter, which remain unclaimed in the unpaid dividend account for a period of seven years from the date of transfer of the same, will be transferred to the Investor Education and Protection Fund established by the Central Government. Shareholders, who have not encashed their dividend warrants(s) so far for the financial year ended 30th June, 2003 or any subsequent financial years, are requested to make their claim to the R&T Agents of the Company. According to the provisions of the Act, no claims shall lie against the said Fund or the Company for the amounts of dividend so transferred nor shall any payment be made in respect of such claims.
 12. As per SEBI directive, shares of all the Companies have to be traded compulsorily in dematerialized form by all investors, the Company has appointed M/s Maheshwari Datamatics Pvt Ltd, 6, Mangoe Lane, 2nd Floor, Kolkata 700001 as common agency to act as Registrars for the purpose of electronic connectivity for effecting dematerialization of shares as well as for transfer of physical shares.

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

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

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

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

Dated : 28TH August, 2010

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

DIRECTORS' REPORT TO THE MEMBERS

Dear Shareholders,

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

FINANCIAL RESULTS:

	2009-10	(Rs. In Lacs) 2008-09
Sales & Other Income	3229.89	1572.10
Profit / (Loss) before Interest, Depreciation and Tax	1176.07	478.49
Less : Interest	42.25	42.80
Depreciation	126.63	131.31
Profit/(Loss) before tax	1007.29	304.38
Less: Provisions for Tax (Including FBT)	75.90	22.48
Profit/(Loss) after tax	931.39	281.90
Add/Less: Balance brought forward from previous year	142.26	16.27
Profit available for appropriation	1073.65	298.17

APPROPRIATIONS

Dividend (including Tax)	56.16	56.16
Transfer to Special Reserve	301.65	99.75
Transfer to General Reserve	—	—
	715.84	142.26

PERFORMANCE :

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

DIVIDEND :

Your directors are pleased to recommend a dividend @ 3% for the financial year 2009-10, i.e., Rs. 0.30 per equity share of Rs. 10/- each, for your approval. The Proposed dividend, if approved at the ensuing Annual General Meeting, would result in appropriation of Rs. 56.16 lacs (including Corporate Dividend Tax of Rs. 8.16 lacs) out of the profits. A higher dividend in spite of sharp jump in the profit has not been considered with the view to plough back the profit for financing future growth activities.

COMMENCEMENT OF SUGAR MANUFACTURING ACTIVITIES AND UNDERTAKING EXPANSION PROGRAMME THEREOF :

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

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

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

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

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

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

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

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

CONSTRUCTION ACTIVITIES :

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

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

FUTURE PROGRAMMES:

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

The Company, through continuous interaction with foreign agencies, agents and prospective buyers along with regular research through internet, will also take initiatives for availing an opportunity to export sugar, subject to prevailing regulatory conditions in the country. In this process, on the basis of research and interaction with foreign buyers/agencies/agents attempts will also be made through in-house research to develop products of foreign standard and global needs. The management is very hopeful to enter the foreign market soon.

DIRECTORS:

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

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

AUDITORS:

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

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

M/s Bharat D. Sarawagee & Co., Chartered Accountants are also proposed to be appointed as Joint Auditors of the Company to hold office until the conclusion of the ensuing Annual General Meeting. Certificate from Auditors has been received to the effect that their appointment, if made, would be within the limit prescribed under section 224(1B) of the Companies Act, 1956.

FIXED DEPOSITS:

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

DE-MATERIALISATION OF SHARES:

The Company's equity shares are available for de-materialization on both the depositories, viz., NSDL & CDSL. Shareholders may be aware that SEBI has made trading in your Company's shares mandatory, in de-materialized form. As on 30th June, 2010, 10860154 equity shares representing 67.88% of your Company's Equity Share Capital have been de-materialised.

LISTING AT STOCK EXCHANGE:

The Shares of the Company are listed on The Calcutta Stock Exchange Association Ltd, Kolkata. The Company has paid annual listing fee to the Exchange for the year 2010-11.

STATUTORY INFORMATION :

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

DIRECTOR'S RESPONSIBILITY STATEMENT

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

- I. In the preparation of the Annual Accounts for the year ended 30th June, 2010, the applicable accounting standards had been followed, along with proper explanation relating to material departures;

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

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
Date : 28TH August, 2010

B. K. Nopany
Chairman cum Managing Director

CORPORATE GOVERNANCE REPORT

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

II. BOARD OF DIRECTORS

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

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

A. Composition of Board

The constitution of the Board as on June 30, 2010:

Executive Chairman

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

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

B. Pecuniary Relationship

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

C. Attendance records of Board Meetings

During the year under review, Ten Board meetings were held on 08/08/09, 29/09/09, 30/10/09, 30/11/09, 01/12/09, 31/12/09, 30/01/10, 11/03/10, 07/05/10 and 28/06/10. The Board members are given appropriate documents and information in advance of each Board meeting.

The attendance record of all the Directors on the Board is as under:-

Director	No. of Board meetings attended	Attendance at last AGM
Mr. B. K. Nopany	10	No
Mr. R. K. More	10	No
Mr. Nikhil Merchant	2	No
Mr. Subbarao Peteti	2	No
Mr. L. K. Tibrawalla	7	Yes
Ms. Pratima Srivastava	1	No
Mr. K. M. Shah	10	No

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

Name of Director	Category of Directorship	No. of other Directorships held in Other Public Companies*	No. of membership in other Companies Committees**	
			Member	Chairman
Mr. B. K. Nopany	Promoter & Executive Chairman	4	1	Nil
Mr. R. K. More	Independent & Executive Director	8	Nil	Nil
Mr. Nikhil Merchant	Independent & Non-executive	3	Nil	Nil
Mr. Subbarao Peteti	Independent & Non-executive	Nil	Nil	Nil
Mr. K. M. Shah	Independent & Non-executive	2	Nil	Nil
Mr. L. K. Tibrawalla	Independent & Non-executive	6	N.A.	N.A.
Ms. Pratima Srivastava	Independent & Non-executive	Nil	Nil	Nil

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

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

III. BOARD PROCEDURES

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

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