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 my 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, talefax 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 Intiative 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	1491.52	1436.76
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	435.36	1059.60

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