



ANNUAL REPORT 2013

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

Ms Shabnam Agarwal

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 83rd Annual General Meeting of the Members of Shree Hanuman Sugar & Industries Limited will be held on Saturday, the 30th Day of November, 2013 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, 2013 together with Statement of Profit & Loss 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. Lakshmikant Tibrawalla, 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 Ms Shabnam Agarwal as Director

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

"RESOLVED THAT Ms. Shabnam Agarwal, 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".

Place : Kolkata

Date : 31st October, 2013

By order of the Board

SHREE HANUMAN SUGAR & INDUSTRIES LIMITED

(B. K. NOPANY)

Chairman cum Managing Director

NOTES:

1. Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 is annexed hereto and form part of this Notice
2. **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.**
3. **Proxies in order to be effective must be received by the Company at least 48 hours before the time of the Meeting.**

4. The Register of Members and Share Transfer Book of the Company will remain closed from 25th November to 30th November, 2013 (both days inclusive).
5. The Members are requested to intimate change in their address, if any, quoting their registered Folio No.
6. 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.
7. 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.
8. The Members attending the General Meeting are requested to bring enclosed attendance slip, duly filled in.
9. 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.
10. The dividend as recommended by the Board of Directors if declared at this Annual General Meeting will be payable on or after 30th November, 2013
 - 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 25th November, 2013.
 - 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 30th November, 2013.
11. 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.
12. 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, 2006 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.
13. 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.
14. 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 shareholders(s).

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

Name : **Ms. Pratima Srivastava**
 Date of Birth : 2nd October, 1956.
 Qualification : Post Graduate in Economics, Business Management and studied finance at New York University.
 Profession : Financial Consultant
 Expertise : In the field of finance with publicity/marketing & sales.
 Other Directorships : i) Jiwnani Finvest Pvt. Ltd.
 ii) OPS Solution Pvt. Ltd.
 iii) Vishvam Exports Ltd.
 iv) Champaran Agri Park Pvt. Ltd.
 Shareholding in the Company : 25,000

Name : **Mr. Lakshmikant Tibrawalla**
 Date of Birth : 3rd August, 1943
 Qualification : B. Com.
 Profession : Business
 Expertise : Commerce & Industry
 Other Directorships : i) Shree Milk & Food Industries Ltd.
 ii) Gunpa Troy Pvt. Ltd.
 iii) Pure Coke Ltd.
 iv) Rock Fort Pvt. Ltd.
 v) Chengmari Tea Co. Ltd.
 vi) Mica Pvt. Ltd.
 vii) Sanskriti Holdings Pvt. Ltd.
 viii) Shree Shyam Coal Co. Ltd.
 ix) International Belting Ltd.
 x) International Conveyors Ltd.
 xi) Zenox Trdg & Mfg Pvt. Ltd.
 xii) Goel Fintrade Pvt. Ltd.
 xiii) Kedco Processors Pvt. Ltd.
 Shareholding in the Company : Nil

Name : **Ms. Shabnam Agarwal**
 Date of Birth : 9th July, 1969
 Qualification : Bachelor in Physiotherapy, Phd
 Profession : Physiotherapist
 Expertise : Administration
 Other Directorships : Super Scans & Systems Pvt. Ltd.
 Shareholding in the Company : 130,000 Equity shares

ANNEXURE TO NOTICE

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

Item Nos. 6: Appointment of Ms. Shabnam Agarwal as Director

Ms. Shabnam Agarwal was co-opted as an Additional Director in the Board Meeting held on 09.09.2013 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 Ms. Shabnam Agarwal is concerned or interested in the said resolution.

Place : Kolkata

Date : 31st October, 2013

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 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: shsil@nopany.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 83rd Annual Report along with the Audited Accounts of the Company for the financial year ended 30th June, 2013:

FINANCIAL RESULTS

	(Rs. in Lacs)	
	2012-13	2011-12
Sales & Other Income	2804.61	2941.89
Profit before Interest, Depreciation and Tax	907.48	1026.88
Less Interest	9.97	34.36
Depreciation	555.93	445.60
Profit/(Loss) before tax	341.59	546.92
Less: Provisions for Tax	3.15	115.00
Profit/(Loss) after tax	338.44	431.92
Add/Less: Balance brought forward from previous year	435.36	1059.60
Profit available for appropriation	773.80	1491.52

APPROPRIATIONS:

Dividend (including Tax)	64.94	56.16
Transfer to General Reserve	—	1000.00
Transfer to Special Reserve	211.48	—
Balance carried to Balance Sheet	497.38	435.36

PERFORMANCE:

Total Income, during the year under review, stood at Rs. 2804.61 lacs as against Rs. 2941.89 lacs in the previous financial year 2011-12. Profit before Interest, Depreciation and Tax stood at 32.36%, showing a marginal fall from 34.91%. Profit after Tax amounting to Rs. 338.44 lacs also showed marginal fall from 14.68% to 12.07%, when compared to Rs. 431.92 lacs in the previous financial year.

During the year under review, production at Company's Sugar Mill at Motihari, Bihar, which was inoperative during the entire financial year 2011-12 as reported previously, stood at 25956 Quintals. However, the Mill could not run at the desired level in the absence of need-based working capital funds as well as some technical break-downs.

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 up-gradation and repairing work

DIVIDEND:

Your directors are pleased to recommend a dividend @ 3% for the financial year 2012-13 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. 64.94 lacs (including Corporate Dividend Tax of Rs. 9.44 lacs) out of the profits.

COMMENCEMENT OF SUGAR MANUFACTURING ACTIVITIES AND FUTURE PROGRAMMES:

As reported in the previous reports, looking into the infrastructure facilities available at the Motihari Mill, your directors are confident that by spending a nominal capital expenditure the benefits of expanded level of production may be availed provided need-based funds for capital expenditure and working capital requirements are made available to the Company.

Initially, 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 is proposed to be undertaken upon availability of the desired funds.

Therefore, continuous efforts are being put to raise funds for the said requirements.

Your directors are confident that these steps will improve performance of the Company significantly in the coming years.

PRESENT CONSTRUCTION ACTIVITIES AND FUTURE PROGRAMMES:

During the year under review, sale of construction rights stood at Rs. 1367.85 lacs compared to Rs. 741.15 lacs during the previous financial year 2011-12.

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. Lakshmikant Tibrawalla and Ms Pratima Srivastava retire by rotation at the conclusion of ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Mr. SubbaRaoPeteti resigned from directorship of the Company during w.e.f. 19.06.2013. 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, MsShabnamAgarwalwas appointed as Additional Director of the Company with effect from 9.9.2013. She 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. Brief resume of the Directors proposed to be re-appointed, as stipulated under clause 49 of the Listing Agreements with the Calcutta Stock Exchange 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.

ISSUE AND ALLOTMENT OF 25,00,000 EQUITY SHARES ON PREFERENTIAL BASIS:

During 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 was paid by way of extinguishment of liability towards the said Debentures aggregating to Rs. 200 lacs and balance by way of payment in cash.

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, 2013, 13598834 equity shares representing 73.51% 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 Ltd., Kolkata.

STATUTORY INFORMATION:

- In view of no employee 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.
- 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.
- 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, 2013, 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.

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 Securities 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.

Place : Kolkata
Date : 31st October, 2013

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

	2012-2013	2011-2012
A. POWER & FUEL CONSUMPTION		
1. Electricity		
a. Purchased		
- Units	Nil	Nil
- Total Amount	Nil	Nil
- Rate/Unit (Rs.)	Nil	Nil
b. Own Generation		
i) Through Diesel Generator		
- Unit	195189	95238
- Units/Litre of Diesel-oil	3.90	4.50
- Cost/Unit (Rs.)	13.59	42.00
ii) Through steam turbine/generator		
- Unit	260610	Nil
- Units/Litre of fuel oil/gas	Not ascertainable as the bagasse which is by-product of the company is being used as fuel.	
- Cost/unit		
2. Coal (specify quality and where used)		
Quantity (tonnes)	N.A.	N.A.
Total cost		
Average cost/tonne		
3. Furnace oil	N.A.	N.A.
Quantity (k ltrs.)		
Total amount		
Average rate		

A. CONSUMPTION PER UNIT OF PRODUCTION

Standards (if any)	2012-2013	2011-2012
Sugar (in Qtls.)	25956	Nil
Electricity	17.56	Nil
Furnace oil	N.A.	N.A.
Coal (specify quality)	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)

	<u>Current Year</u>	<u>Previous Year</u>
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, 2013:

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. Ashok Kumar Sinha

* Mr. Subba Raw Peteti, a Non-executive and Independent Director resigned w.e.f. 19.06.2013

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 on 27/08/2012, 08/11/2012, 12/11/2012, 14/02/2013 and 17/05/2013. 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	5	Yes
Mr. R. K. More	5	Yes
Mr. Subbarao Peteti	4	Yes
Mr. L. K. Tibrawalla	4	Yes
Ms. Pratima Srivastava	5	Yes
Mr. Ashok Kumar Sinha	5	Yes

* Resigned w.e.f. 19.06.2013

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 30.06.2013:

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. L. K. Tibrawalla	Independent & Non-executive	6	N.A.	N.A.
Ms. Pratima Srivastava	Independent & Non-executive	1	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

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 27/08/2012, 08/11/2012, 14/02/2013, 17/05/2013 and attendance of members at the meetings were as follows:

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

V. REMUNERATION COMMITTEE

The Remuneration Committee comprises of three members, viz., Mr. L.K. Tibrawalla, Ms. Pratima Srivastava and Mr. A.K. Sinha. 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, 2013 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

* 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, 2013 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	15,000.00	Nil	15,000.00
Ms. Pratima Srivastava	7,500.00	Nil	7,500.00
Mr. Ashok Kumar Sinha	22,500.00	Nil	22,500.00

VI. GENERAL ADMINISTRATION COMMITTEE

The General Administration Committee comprises 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.

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

VII. SHARE TRANSFER & SHAREHOLDERS' GRIEVANCE COMMITTEE

The Share Transfer & Shareholders' Grievance Committee comprises 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 2013, there are Nil complaints pending with the Company.

The Company has also adopted code of internal procedures and conduct for prevention of insider trading in the shares of the Company, pursuant to Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended. The Board has designated Company Secretary as the Compliance Officer for this purpose.

VIII. GENERAL BODY MEETINGS

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

Year	Location	Date	Time	Special Resolutions Passed
2011-12	Regd. Office: 3, Pretoria Street, 4 th floor, Kolkata	17.12.2012	11.00 A.M.	N.A.
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 Deben- tures into Equity Shares
2009-10	Regd. Office: 3, Pretoria Street, 4 th floor, Kolkata	28.10.2010	11.00 A.M.	N.A.

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

IX. DISCLOSURES

A. Basis of related party transaction

Related parties transactions with them as required under Accounting Standard 18 (AS-18) are furnished under point no.12 to Note No.18 of the Notes to Accounts attached with the financial statement for the year ended 30th June, 2013. There are no pecuniary relationships or transactions with the non-executive independent Directors.

None of the transactions with any related parties were in conflict with the interest of the Company.

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 2012-13. 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 2013; 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., except issue and allotment of 5,00,000 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 was paid by way of extinguishment of liability towards the said Debentures aggregating to Rs. 200 lacs and balance by way of payment in cash.

X. SUBSIDIARY MOTORING FRAMEWORK

The Company has no subsidiary.

XI. MEANS OF COMMUNICATION

Immediately after the Board of Directors of the Company took note of Results for quarter ended 30th September 2012, 31st December 2012, 31st March 2013 and Audited Annual Accounts, the same were informed to the Calcutta Stock Exchange Ltd, Kolkata and are also were published in English newspaper (viz Financial Express in Kolkata) and 'Arthik Lipi' in Bengali in Kolkata editions. A management Discussion and Analysis report which forms part of the Annual Report is given by means of a separate annexure and is attached to the Directors' Report.

XII. GENERAL SHAREHOLDERS INFORMATION

1. Annual General Meeting:

Date : 30th November, 2013
Day : Saturday
Time : 11.00 A.M.
Venue : Regd. Office:
'Chandra Kunj', 3, Pretoria Street, 4th Floor
Kolkata – 700 071

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

Financial Year	July 1, 2013 to June 30, 2014
First Quarter Results	15 th November, 2013
Second Quarter Results	15 th February, 2014
Third Quarter Results	15 th May, 2014
Fourth Quarter Results	29 th August, 2014

3. Date of Book closure

25th November, 2013 to 30th day of November, 2013 (both days inclusive)

4. Dividend payment date

On or after 30th November, 2013

5. Listing on Stock Exchanges

The Shares of the Company are listed on The Calcutta Stock Ltd, Kolkata. Listing fees for the year 2013-14 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, 2013.

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, mdpldc@yahoo.com

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, 2013

No. of Shares held (Rs. 10/- paid up)	No. of Shareholders	Percentage of Total	No. of Shares	% of Total Shareholding
Upto 500	445	79.1816	110773	0.5987
501 to 1000	59	10.4982	39860	0.2155
1001 to 2000	3	0.5338	4500	0.0243
2001 to 3000	1	0.1779	3000	0.0162
3001 to 4000	1	0.1779	3400	0.0184
5001 to 10000	1	0.1779	9860	0.0533
10001 and above	52	9.2527	18328607	99.0736
TOTAL	562	100.0000	18500000	100.0000

11. Shareholding Pattern 30th June, 2013

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	5	3005522	2957922	16.25
(b)	Central Government / State Government(s)	-	-	-	-
(c)	Bodies Corporate	3	3389138	2754920	18.32
(d)	Financial Institutions / Banks	-	-	-	-
(e)	Trustee of various Trust	4	1280000	1280000	6.92
(f)	Individual holding on behalf of Partnership Firm	1	1019000	1019000	5.51
	Sub-Total (A) (1)	13	8693660	8011842	46.99
(2)	Foreign				
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-
(b)	Bodies Corporate				-
(c)	Institutions	-	-	-	-
(d)	Any other (Specify)				-
	Sub-Total (A) (2)	-	-	-	-

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
	Total Shareholding of Promoters (A)	13	8693660	8011842	46.99
(B)	Public Shareholding ³				
(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
(2)	Non Institutions				
(a)	Bodies Corporate	17	8379807	4676502	45.30
(b)	Individual Shareholders: (I) holding nominal share capital up to Rs.1 lakh	506	156963	7500	0.85
	(II) holding nominal share capital in excess of Rs.1 lakh	24	1266170	902990	6.94
(c)	Any other (Specify) Foreign Company Non-resident Individual				- -
	Sub-Total (B) (2)	547	9802940	5586992	52.99
	Total Public Shareholding (B)	548	9806340	5586992	53.01
	TOTAL (A) + (B)	561	18500000	13598834	100.00
(C)	Shares held by Custodians and against which depository receipt have been issued	-	-	-	-
	GRAND TOTAL (A) + (B) + (C)	561	18500000	13598834	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 2013, 13598834 equity shares representing 73.51% 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

Place : Kolkata
Dated : 31st October, 2013

B. K. Nopany
Chairman cum Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
Shree Hanuman Sugar & Industries Ltd.

We have examined the compliance of the conditions of Corporate Governance by **SHREE HANUMAN SUGAR & INDUSTRIES LIMITED** for the year ended on June 30, 2013, 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, 2013 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: 18th September, 2013

For **JAINSARAWGEE & 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 2013, 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: 18th September, 2013

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 2013 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 2013 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: 18th September, 2013

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, trading in Stores items used by Sugar Industry and Construction. Construction mainly includes trading of construction rights.

SUGAR INDUSTRY

Global

International raw sugar prices are at levels not seen in nearly three years with prices less than half the peak set in February 2011. These low prices are expected to stimulate global consumption and trade, with exports forecast 4 percent higher at 59 million tonnes. The global sugar market continues to be in a surplus. The previous year saw a surplus of 10.9 million tonnes, but in 2013-14, the USDA expects lower prices to drive consumption up. Brazil's production is forecast at a record 40.4 million tonnes, up 1.8 million on higher yields as a result of good weather and adequate sugarcane renewal. Record exports are forecast at 29.3 million tonnes despite mills expanding ethanol production to fill a domestic increase in the ethanol content blended with gasoline. The share of the sugarcane crop for sugar is down slightly to 48 percent, as opposed to an even 50/50 sugar to ethanol split the prior year. China is Brazil's top market, though rising exports to the United Arab Emirates, Algeria, Indonesia, Russia and India are expected to continue.

Indian

Production by India, the world's second largest producer and biggest consumer, is pegged at 24.52 million tonnes in the 2012-13 marketing year (October- September) with the annual domestic consumption is about 22 million tonnes. In April 2013, the Government deregulated sugar sales and eliminated the levy on sugar mills, giving the industry more flexibility to respond to market dynamics.

India's sugar production is projected to fall by eight per cent to 23.2 million tonnes in 2013-14 marketing year starting October mainly due to lower output of sugarcane. The expected decline in sugar production can be attributed to lower cane production and higher diversion for alternative sweetener. Following sugar decontrol, the government's reform of marketing controls is expected to provide millers with greater flexibility in managing sales and cash flows leading to timely cane payments. The abolition of levy sugar and release mechanism will provide the industry flexibility to manage inventories and sales timing.

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 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-operatives etc along with the unorganized players. The unorganized players mainly produce Gur and Khandsari which are less refined forms of Sugar.

Our 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 is also engaged in the business of construction and selling of residential houses and trading of construction rights.

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.

SEGMENTWISE PERFORMANCE

Presently, the Company mainly deals in two segments:

- I. Sugar
- II. Construction

Segment Reporting as per point no.11 to note 18 of the Audited Statements of Account.

RISKS & MITIGATIONS

Industry risk

The Company's growth is largely dependent on the growth of the sugar industry.

However, India's low per capita sugar consumption compared with a global trend provides enough room for growth in the sector. Further, since sugar is an essential and preferred sweetener, it seldom faces any slackening demand in the country.

Raw material risk

Rising sugarcane prices and non-availability could adversely affect the Company.

However, Company's Sugar Mill is located in the cane-rich areas of Bihar and its focused cane development team encourages farmers to enhance yield and plantation acreage. The proposed sector de-control in terms of introducing the Fair price mechanism for purchase of raw material will adequately help the ailing industry to recover. Moreover, the proposed revenue-sharing formula by the Rangarajan Committee will ensure cane prices are fixed at 75 percent of the sugar price realisation, strengthening the Industry's global competitiveness.

Cyclical risk

Operating in a cyclical business, weak operational efficiency could affect profitability.

The Company's immediate future plans to invest in its ancillary business, co-generated power by using by-product bagasse and distillery plant, will impart a robust competitive edge to protect fortunes from cyclical risk. Moreover, its infrastructure, which is suitable for 15000 TCD capacity, will enable the Company to run its assets beyond the sugar season.

Regulatory risks

Unfavourable government policies could derail business plans.

The government constituted the Rangarajan Committee to progressively de-control the sugar sector.

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.2804.61 lacs during the year under review, recorded a marginal fall of 4.67%, when compared to Rs. 2941.89 lacs during the previous Financial Year 2011-12.

Profits

Profit after Tax amounting to Rs. 338.44 lacs showed marginal fall from 14.68% to 12.07%, when compared to Rs. 431.92 lacs in the previous financial year

Earnings Per Shares (EPS)

The Company recorded an EPS of Rs. 1.96 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 2012-13.

Dividend Payout

The proposed dividend, if approved at the ensuing Annual General Meeting, would result in appropriation of Rs. 64.94 lacs (including Corporate Dividend Tax of Rs. 9.44 lacs) out of profits. The total appropriation of Dividend of Rs. 64.94 lacs gives 19.18 per cent payout on net profit of the Company as against 13.00 per cent in the previous financial year 2011-12.

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: 31st October, 2013

B. K. Nopany

Chairman cum Managing Director

SHREE HANUMAN SUGAR & INDUSTRIES LIMITED

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

INDEPENDENT AUDITORS' REPORT

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

Report on Financial Statements

1. We have audited the accompanying financial statements of **SHREE HANUMAN SUGAR & INDUSTRIES LIMITED** which comprises of the Balance Sheet as at 30th June, 2013, the statement of Profit & Loss and the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

6. Non compliance of sections 194-A, 192 & 192-J, of Income Tax Act, 1961 with respect to TDS on interest other than interest on securities, salary, & fee for professional & Technical services respectively. The TDS on above have not been deducted and deposited in time.*
7. Non compliance of generally accepted accounting principles in accounting of Gratuity, Leave liabilities towards employees, bonus, Professional Taxes, Trade License Fees, Interest and penalty on delayed

deposit of TDS & income from interest on securities and other deposits as they are accounted for on cash basis.*

* *The possible loss if any, arising out of above which might have consequential effect on the year's Profit & Loss and Net Current Asset position of the Company at the year end, has neither been ascertained nor provided for in these accounts.*

Qualified Opinion

8. *In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:*
- a) *in the case of the Balance Sheet, of the state of affairs of the Company as at 30th June, 2013;*
 - b) *in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and*
 - c) *in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.*

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
10. As required by Section 227(3) of the Act, we report that:
- a) *Except for what have been stated in paragraph 6 & 7 under basis for qualified opinion, 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, *Except for what have been stated in paragraph 6 & 7 under basis for qualified opinion* proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.
 - e) On the basis of the written representations received from the directors as on 30th June, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 30th June, 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

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: Kolkata

Date: 18th September, 2013

Annexure to the Independent Auditors' Report

(Referred to in paragraph 9 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

1. In respect of its fixed assets
 - a) The Company has maintained proper records showing full particulars including quantitative details and situations of fixed assets.
 - b) The fixed assets have been physically verified by the management at the year-end and no material discrepancies have been noticed on such verification.
 - c) No disposal of a substantial part of the fixed assets of the Company has taken place during the reporting period.
2. In respect of its inventories
 - a) The inventories were physically verified during the year by the Management at reasonable intervals.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
3. The Company has neither granted nor taken any loans, secured or unsecured, to / from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
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 inventory and fixed assets and also for the sale of goods. During the course of our audit, we have not observed any major weakness in such internal control system.
5. According to the information & explanation given to us there is no contract or arrangement that's needs to be entered in the register required to be maintained under sec 301 of the Companies Act.
6. The company has not accepted any deposits within the meaning of section 58A, 58AA or any other relevant provisions of Act and the rules framed there under.
7. In our opinion, the internal audit system of the Company is 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 with appropriate authority and no undisputed amount payable in respect of aforesaid dues were in arrears, as at 30th June, 2013 for a period of more than six months from the date they became payable.
10. 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 Cour
Income Tax Act, 1961	Disallowance of interest	192.12	Calcutta High Court
Income Tax Act, 1961	Order u/s 148	123.81	Calcutta High Court
Income Tax Act, 1961	Disallowance of Nomination Charges	34.67	CIT(A)

11. The Company has no accumulated losses and has not incurred any cash loss during the year covered by our audit or in the immediately preceding financial year.
12. The Company has not defaulted in payment of dues to financial institution or banks. The company has not issued any debentures.
13. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
14. 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.
15. 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.
16. The Company has not given any guarantee for loans taken by others from Banks or Financial Institutions during the reporting period.
17. The Company has not raised any term loans, so the provisions are not applicable to the Company.
18. 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.
19. During the year the company has issued 25,00,000 equity shares of Rs. 10 each/- to the holders of 17% secured Non-Convertible debenture of Rs.100 each/- by redemption of the said debentures, at a premium of Rs. 6.05 per share as per arbitration award from Hon'ble Justice Ajit Sengupta (Retd.) dated 12-02-2011.
20. The Company has not raised any moneys by public issue during the year covered by our audit report.
21. 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 year that causes the financial statements materially mis-stated.

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: Kolkata

Date: 18th September, 2013

SHREE HANUMAN SUGAR & INDUSTRIES LIMITED

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

BALANCE SHEET AS AT 30TH JUNE, 2013

PARTICULARS	NOTE No.	As at 30.06.2013 Amount Rs.(in lacs)	As at 30.06.2012 Amount Rs.(in lacs)
I. EQUITY AND LIABILITIES			
1. Shareholder's Funds			
(a) Share Capital	1	1,850.00	1,600.00
(b) Reserves and Surplus	2	6,957.64	6,332.89
		8,807.64	7,932.89
2. Share Application		-	401.25
3. Non-current liabilities			
(a) Long-term borrowings		-	
4. Current Liabilities	3		
(a) Short Term Borrowings		1,182.64	1,811.52
(b) Trade Payables		1,363.02	550.21
(c) Other Current Liabilities		5,831.51	6,171.24
(d) Provision for Taxation		477.86	465.93
		8,855.03	8,998.90
TOTAL :		17,662.67	17,333.04
II. ASSETS			
1. Non-current assets			
(a) Fixed Assets :	4		
(i) Tangible Asset			
Gross Block		12,752.37	12,058.08
Less : Depreciation		2,752.58	2,196.65
Net Block		9,999.79	9,861.43
(ii) Capital Work-in-Progress		1,519.53	1,354.58
		11,519.32	11,216.01
(b) Non-current Investments	5	607.47	977.47
(c) Long-term loans & advances	6	10.11	44.32
2. Current assets			
(a) Inventories	7	1,188.19	1,204.25
(b) Trade Receivables	8	256.86	209.74
(c) Cash and Cash equivalents	9	19.60	26.65
(d) Short-term loans and advances	10	3,974.75	3,575.85
(e) Other Current Assets	11	86.36	78.75
		5,525.77	5,095.24
TOTAL :		17,662.67	17,333.04
Significant accounting policies	19		

The accompanying notes are an Integral parts of financial statements

As per our report of even date

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

Chartered Accountants,

Reg. No. 326264E

Bharat D. Sarawgee, Partner

Membership No. F061505

Kolkata

Dated: 18th September, 2013

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

STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 30.06.2013

(Rs. in Lacs)

PARTICULARS	NOTE No.	30.06.2013		30.06.2012	
		Rs.	Rs.	Rs.	Rs.
I Revenue from Operations	12	2,400.44		2,866.12	
Less: Excise Duty		35.31		—	
Revenue from Operations (Net)		2,365.14		2,866.12	
II Other Income	13	439.47		75.77	
III Total Revenue (I + II)			2,804.61		2,941.89
IV Expenses:					
Cost of Material Consumed	14	727.29		12.55	
Purchases	15	664.17		1,475.95	
Change in inventories of Finished Goods	16	(39.79)		(11.53)	
Stock in Trade & By Products					
Employee Benefit Expenses	17	331.64		260.10	
Other Expenses	18	213.81	1,897.12	177.94	1,915.01
V Profit before Finance cost, Depreciation Exception Item Tax (III-IV)			907.48		1,026.88
VI Finance Cost		9.97		34.36	
VII Depreciation		555.93	565.90	445.60	479.96
VIII Profit before Exceptional Item (V-VI-VII)			341.59		546.92
IX Add/Less: Exceptional Item			—		—
X Profit before Tax (VIII-IX)			341.59		546.92
XI Tax Expense:					
Current tax			3.15		115.00
XII Profit for the period (XI-XI)			338.44		431.92
VIII Earnings per equity share:					
(1) Basic			1.96		2.70
(2) Diluted			1.96		2.70
IX No. of Shares used in Computing Earning per share					
(1) Basic			185.00		160.00
(2) Diluted			185.00		160.00
Significant accounting policies	19				

The accompanying notes are an Integral parts of financial statements

As per our report of even date

For **BHARAT D. SARAWGEE & CO.**
Chartered Accountants,
Reg. No. 326264E
Bharat D. Sarawgee, Partner
Membership No. F061505

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

Kolkata
Dated: 18th September, 2013

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 30.06.2013		As on 30.06.2012	
	No. of Shares	Amount (Rs.in lacs)	No. of Shares	Amount (Rs.in lacs)
NOTE 1: SHARE CAPITAL				
(a) Authorised Capital				
Equity Shares	50,000,000	5,000.00	40,000,000	4,000.00
Unclassified Shares	20,000,000	2,000.00	20,000,000	2,000.00
(Shares of Rs. 10/- each)	70,000,000	7,000.00	60,000,000	6,000.00
(b) Issued, Subscribed and Paid up Equity Shares (Shares of Rs. 10/- each)				
	18,500,000	1,850.00	16,000,000	1,600.00
	18,500,000	1,850.00	16,000,000	1,600.00

(c) Reconciliation of Number of Equity Shares Outstanding

	As on 30.06.2013		As on 30.06.2012	
	No. of Shares	Amount (Rs.in lacs)	No. of Shares	Amount (Rs.in lacs)
Outstanding at the beginning of the Year	16,000,000	1,600.00	16,000,000	1,600.00
Add/Less: Issued or Buy Back during the year	2,500,000	250.00	-	-
Balance at the End of the Year	18,500,000	1,850.00	16,000,000	1,600.00

(d) Equity shares held in excess 5% of the subscribed share capital

Name of the Shareholders	As on 30.06.2013		As on 30.06.2012	
	No. of Shares Held	% of Share Holding	No. of Shares Held	% of Share Holding
Bimal Kumar Nopany	1,866,242	10.09	1,818,642	11.37
Shruti Ltd.	1,926,780	10.42	1,926,780	12.04
Kolhapur Forge Pvt. Ltd.	1,400,000	7.57	1,400,000	8.75
NNP Trading & Investments Pvt. Ltd.	1,967,020	10.63	1,367,020	8.54
India Die Casting Co. Ltd.	1,114,300	6.02	1,114,300	6.96
Nopani Investments Pvt. Ltd.	1,378,140	7.45	143,140	0.89
Daulatram Rawatmull Pvt. Ltd.	884,400	4.78	884,400	5.53
B.K. Nopany, Partner, C/o Nopany & Sons	1,019,000	5.51	1,019,000	6.37

(e) Terms & Rights attached to Equity Shares

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 the their shareholding.

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 30.06.2013 (Rs. in lacs)		As on 30.06.2012 (Rs. in lacs)	
NOTE 2: RESERVES & SURPLUS				
Revaluation Reserve:				
As per Last Balance Sheet	968.00		625.00	
Add: Revaluation during the year	200.00		375.00	
Less: Transferred to Special Reserve	-	1,168.00	(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	
Add: With respect to shares issued during the year	151.25	842.50	-	691.25
Debenture Redemption Reserve :				
As per Last Balance Sheet	200.00		200.00	
Less: Transferred to General Reserve	(200.00)	-	-	200.00
General Reserve:				
As per Last Balance Sheet	3,000.00		2,000.00	
Add: T/f from Debenture Redemption reserve	200.00		-	
Add: T/f from Profit & Loss A/c	-	3,200.00	1,000.00	3,000.00
Profit & Loss Account:				
As per last Balance Sheet	435.36		1059.60	
Add: Profit after Tax for the Current year	338.44		431.92	
Less: Proposed Dividend	(55.50)		(44.00)	
Less: Dividend distribution Tax	(9.44)		(8.16)	
Less: T/f to General Reserve	-		(1,000.00)	
Less: T/f to Special Reserve	(211.48)	497.38	-	435.36
Special Reserve:				
As per Last Balance Sheet	1,015.78		983.78	
Add: Transferred from Revaluation Reserve	-		32.00	
Add: T/f from Statement of Profit & Loss	211.48	1,227.26	-	1,015.78
TOTAL :		6,957.64		6,332.89

- (a) 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.

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 30.06.2013 (Rs. in lacs)		As on 30.06.2012 (Rs. in lacs)	
NOTE 3: CURRENT LIABILITIES				
(a) Short Term Borrowings				
From Body Corporates	87.62		87.62	
From Related Parties	1,089.02		1,717.90	
From Others	6.00	1,182.64	6.00	1,811.52
(b) Trade Payables		1,363.02		550.21
(c) Other Current Liabilities				
Audit Fee Payable	0.33		0.33	
Other Payables	206.18		545.91	
Share application	5,625.00	5,831.51	5,625.00	6,171.24
(d) Short Term Provisions				
Provision for Taxation	412.92		409.77	
Proposed Dividend	55.50		48.00	
Provision for Dividend Tax	9.44	477.86	8.16	465.93
TOTAL :		8,855.03		8,998.90

(e) Disclosure with respect to Share Application

The Company shall make a preferential allotment of 1,25,00,000 Equity shares of Rs. 10 each at such premium in accordance with the SEBI's regulations.

These Equity Shares shall rank in all respects pari passu with the existing Equity Shares of the Company.

The Company has sufficient Authorised Share Capital to cover the Share Capital amount of allotment of shares out of Share Application.

	Nominal Value	As on 30.06.13 (Rs.in lacs)	As on 30.06.12 (Rs.in lacs)
NOTE 5: NON CURRENT INVESTMENTS			
Non Trade Investments			
Unquoted:			
N.S.C.		0.12	0.12
(Deposited with Central Excise Authority)			
Bihar State Financial Corporation Ltd.	100.00	0.10	0.10
(100, 3.5% Unclassified Shares)			
Shubham Holdings Private Ltd.)	100.00	0.01	0.01
(11 Equity Shares of Rs. 100 each, fully paid)			
Shruti Ltd.	10.00	607.24	977.24
(75950 Equity Shares of Rs. 10 each, fully paid)			
(Previous Year 175950 shares)			
TOTAL :		607.47	977.47

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, 2013

NOTE 4: FIXED ASSET

DESCRIPTION	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	As at 01.07.2012 (Rs. In Lacs)	Addition/ Revaluation (Rs. In Lacs)	Sales/ Adjustment (Rs. In Lacs)	As at 30.06.2013 (Rs. In Lacs)	Up to 01.07.2012 (Rs. In Lacs)	For the year (Rs. In Lacs)	Up to 30.06.2013 (Rs. In Lacs)	As at 30.06.2013 (Rs. In Lacs)	As at 30.06.2012 (Rs. In Lacs)
A. FIXED ASSETS - OWN:									
Land	1,024.46	200.00		1,224.46	-	-	-	1,224.46	1,024.46
Building	59.04	-	-	59.04	16.50	0.96	17.46	41.58	42.54
Plant & Machinery	10,317.64	492.56	-	10,810.20	1,782.42	503.14	2,285.56	8,524.64	8,535.22
Plant & Machinery (Leasehold)	521.32	-	-	521.32	282.47	39.81	322.28	199.04	238.85
Furniture & Fixtures	28.36	1.73	-	30.09	23.18	1.83	25.01	5.08	5.18
Vehicles	107.26	-	-	107.26	92.08	10.19	102.27	4.99	15.18
TOTAL OF 'A'	12,058.08	694.29	-	12,752.37	2,196.65	555.93	2,752.58	9,999.79	9,861.43
B. CAPITAL WORK IN PROGRESS:									
Machinery under installation	1,178.62	-	-	1,178.62	-	-	-	1,178.62	1,172.62
Capital Work in Progress	-	-	-	-	-	-	-	-	-
Expenses Pending Allocation	36.36	164.95	-	201.31	-	-	-	201.31	36.36
Preoperative Expenses	139.60	-	-	139.60	-	-	-	139.60	139.60
TOTAL OF 'B'	1,354.58	164.95	-	1,519.53	-	-	-	1,519.53	1,354.58
GRAND TOTAL : (A+B)	13,412.66	859.24	-	14,271.90	2,196.65	555.93	2,752.58	11,519.32	11,216.01
PREVIOUS YEAR	11,489.95	2,141.04	218.32	13,412.66	1,751.05	445.60	2,196.65	11,216.01	9,738.89

1. Plant & Machinery (Leasehold)'s Balances on 30.06.2012 of Rs. 238.85 lacs to be depreciated for a further period of six years starting from 01.07.2012 thus, depreciation per annum from 30.06.2013 will be Rs.39.81 lacs.

2. During the year ended 30.06.2013, upward revaluation in land has been done by Rs. 200 lacs.

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 30.06.13 (Rs. in Lacs)	As on 30.06.12 (Rs. in Lacs)
NOTE 6: LONG-TERM LOANS & ADVANCES		
Advances to Related Parties	-	34.21
Security Deposits	10.11	10.11
TOTAL :	10.11	44.32
NOTE 7: INVENTORIES		
(At lower of cost and net realisable value)		
(As certified by Management)		
Sugar (Manufactured)	119.49	-
Construction Rights	783.80	865.00
Stores & Parts	35.89	91.73
Work in Progress (Construction)	236.70	236.70
Molases-By Product	12.32	10.82
TOTAL :	1,188.19	1,204.25
NOTE 8: TRADE RECEIVABLES		
(Unsecured, Considered good)		
Outstanding for the Period Exceeding Six Months from date they are due for payment	-	-
Others	256.86	209.74
TOTAL :	256.86	209.74
NOTE 9: CASH & CASH EQUIVALENTS		
(As certified by Management)		
Cash in hand	5.62	15.10
Balance With Scheduled Banks (In Current Accounts)	13.97	11.55
TOTAL :	19.60	26.65
NOTE 10: SHORT-TERM LOANS & ADVANCES		
(Unsecured, Considered Good)		
Advances to Other than Related Parties	3,974.75	3,575.85
TOTAL :	3,974.75	3,575.85
NOTE 11: OTHER CURRENT ASSETS		
(Considered Good)		
Advances to Employees	71.30	68.69
With Statutory Authority	15.06	10.06
TOTAL :	86.36	78.75

SHREE HANUMAN SUGAR & INDUSTRIES LIMITED

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

NOTES TO STATEMENT OF PROFIT & LOSS

	As on 30.06.13 (Rs. in Lacs)	As on 30.06.12 (Rs. in Lacs)
NOTE 12 : REVENUE FROM OPERATIONS		
Sale of Products		
Sugar	677.87	56.33
Stores & Spare Parts	309.82	1,984.00
Molasses	44.91	-
Flats	-	84.64
Profit from Sale of Construction Right	1,367.85	741.15
TOTAL :	2,400.44	2,866.12
NOTE 13 : OTHER INCOME		
Profit from Sale of Investments	228.00	48.68
Profit from Sale of Property	211.47	
Miscellaneous Income	-	27.09
TOTAL :	439.47	75.77
NOTE 14 : COST OF MATERIAL CONSUMED		
Cane Consumed	727.29	12.55
TOTAL :	727.29	12.55
NOTE 15 : PURCHASE OF STOCK IN TRADE		
Stores & Spare Parts	155.91	1,475.95
Construction rights	508.26	-
TOTAL :	664.17	1,475.95
NOTE 16 : CHANGE IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE & BY PRODUCTS		
Closing Stock :		
Sugar	119.49	-
Molasses	12.32	10.82
Construction Rights	783.80	865.00
Work in Progress (Construction)	236.70	236.70
	1,152.31	1,112.52
Less: Opening Stock		
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
TOTAL :	39.79	11.53

SHREE HANUMAN SUGAR & INDUSTRIES LIMITED

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

NOTES TO STATEMENT OF PROFIT & LOSS

	As on 30.06.13 (Rs. in Lacs)	As on 30.06.12 (Rs. in Lacs)
NOTE 17 : EMPLOYEE BENEFIT EXPENSES		
Salary & Wages	300.69	227.36
Providend Fund	28.14	30.40
Employees Welfare Expenses	2.81	2.34
TOTAL :	331.64	260.10
NOTE 18 : OTHER EXPENSES		
Insurance Premium	0.90	0.74
Sugar Packing Material	12.44	-
Store Consumption	38.61	12.54
Audit Fees	0.33	0.33
Rent	0.93	7.71
Power & Fuel	26.53	43.30
Building Repairs	2.90	3.31
Machinery repairs	3.20	6.44
Manufacturing Expenses	5.75	-
Retainers Fee	1.35	-
Travelling Expenses	33.98	38.83
Legal Expenses	5.51	1.87
Printing & Stationary	1.52	2.01
Conveyance Charges	6.08	5.53
Telephone Charges	1.34	2.00
Office Maintenance	4.61	9.02
Bank Charges	0.16	-
Advertisement	0.57	0.34
Professional Charges	6.18	4.64
Consultancy Fees	2.95	2.37
Computer Maintenance	0.66	-
Processing Charges	1.33	-
Filling Fees	0.15	-
Certification Charges	0.26	-
Motor Car Expenses	10.38	10.12
Valuation Charges	0.31	-
Sugar Selling Expenses	0.55	-
Miscellaneous Expenses	44.34	26.84
TOTAL :	213.81	177.94

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, 2013

	AMOUNT (Rs. in Lacs)	
	2012-2013	2011-2012
A. Cash Flow From Operation Activities		
Net Profit Before Tax & Extraordinary Item	341.59	546.92
Adjustment for :		
Sale of Property	(211.47)	-
Profit on Sale of Investments	(228.00)	(48.68)
Interest Paid	9.97	34.36
Depreciation	555.93	445.60
Operating Profit before Working Capital changes	468.01	978.20
Adjustment for :		
Trade & Other Receivable	(47.12)	243.15
Current Borrowings	(628.88)	(2,494.07)
Other Current Liabilities	(339.73)	3,931.30
Inventories	16.06	(11.93)
Advances	(406.52)	(2,293.44)
Trade Payable	812.81	272.73
Less: Taxes Paid	-	-
Net Cash Generated from Operations	(125.36)	625.94
B. Cash Flow From Investment Activities		
Purchase of Fixed Assets	(659.24)	(1,747.72)
Purchase of Investments	211.47	-
Sale of Fixed Assets	598.00	742.51
Net Cash Generated from Investing Activities	150.23	(1,005.21)
C. Cash Flow From Financing Activities		
Interest Paid	(9.97)	(34.36)
Dividend Paid	(56.16)	(48.00)
Long Term Advances	34.21	-
Issue of share capital (including Share Premium)	401.25	-
Share Application	(401.25)	375.25
Net Cash Generated from Investing Activities	(31.92)	(292.89)
Total Cash Generated During the year (A+B+C)	(7.05)	(86.38)
Add: Cash Balance at the Beginning of the year	26.65	113.03
Cash Balance at the End of the Year	19.60	26.65

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow
- Additions to fixed assets include movement of Capital work-in-progress.
- 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

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

Kolkata
Dated: 18th September, 2013

SHREE HANUMAN SUGAR & INDUSTRIES LIMITED

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

17. Significant Accounting Policies

i) Basis of Preparation of Financial Statement

The company prepares its accounts on accrual basis following the historical cost convention and on the basis of going concern in compliance with the provisions of Section 211 (3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956.

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 cost less accumulated depreciation and impairment losses determined, if any. The cost comprises the purchase price inclusive of duties (net of CENVAT Credit), taxes, incidental expenses, erection / commissioning expenses and borrowing costs if capitalization criteria are met and directly attributable cost of bringing the assets to its working condition for the intended use.

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 as specified in Schedule XIV to the Companies Act, 1956 (as amended).

Leasehold Plant & Machineries are depreciated over the primary period of lease or their respective useful lives, whichever is shorter.

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.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

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

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

All other income are accounted for on accrual basis.

viii) Expenses

All the expenses are accounted for on accrual basis. Employee 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 the related service is rendered.

ix) Impairment of assets

Impairment loss, if any, is recognized to the extent, the carrying amount of assets exceed their recoverable amount. Recoverable amount 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.

x) Segment reporting

Segments are identified based on the dominant source and nature of risks and returns and the internal organisation and management structure. The accounting policies adopted 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:

Inter segment revenue is accounted for based on the transaction price agreed to between segments which is primarily market led.

Revenue and expenses are identified to segments on the basis of their relationship to the operating activities of the segment. 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 "Un-allocable".

xi) 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 weighted 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.

xii) 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.

xiii) Derivative Instruments

As per the announcement made by the Institute of Chartered Accountants of India, Derivative contracts, other than those covered under AS-11, are marked to market on a portfolio basis, and the net loss after considering the offsetting effect of the underlying hedged item is charged to the statement of profit and loss. Net gains are ignored as a matter of prudence.

xiv) Cash flow statement

Cash flows are reported using the indirect method, whereby 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.

xv) 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 30th June, 2013. 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.

xvi) 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.

xvii) Provisions, contingent liabilities and contingent assets

Provision is recognised in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered probable.

A provision is recognised if, as a result of a past event, the Company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the balance sheet date.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

Re-imbursement expected in respect of expenditure to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

A Contingent Asset is not recognised in the Accounts.

18. Notes Forming Part of Financial Statements

i) Contingent Liabilities

- a. The company has given a guarantee to the Bank of India for cash credit facilities of Rs.250 lacs, Working Capital Term Loan for Rs.650 lacs and guarantee issue facility to the extent of Rs.150 lacs sanctioned to Eastern Sugar & Industries Limited.
- b. The company has mortgaged, by way of deposit of title deeds, all immovable properties pertaining to its sugar division situated at Motihari, Champaran East, Bihar as security interalia for the punctual payment of Lease Rentals, Cost Compensatory and Finance Charges, expenses and other moneys payable by Eastern Sugar & Industries Limited to IDBI in respect of assistance granted under Equipment Lease Finance Scheme and Term Loan aggregating to Rs. 2625 lacs.
- c. The Company had determined lease with The Eastern Sugar & Industries Ltd in the accounting year 2005 – 2006 and as per the terms and conditions of the agreement entered into with the said lessee company, all the fixed assets of the said lessee company will be acquired on deferred payment basis over a number of years by the Company at a value (to be ascertained) on the date of transfer. Such purchases shall be accounted for as and when the assets are acquired and the amount payable for such purchases/acquisition of fixed assets shall be adjusted against loans given to and other claims due from the lessee company. Contingent liability for such amount payable to the said Company for acquisition of its fixed assets has not therefore been provided in the books of the Company.

- ii) During the year the company has issued 25,00,000 equity shares of Rs. 10 each/- to the holders of 17% secured Non-Convertible debenture of Rs.100 each/- by redemption of the said debentures, at a premium of Rs. 6.05 per share as per arbitration award from Hon'ble Justice Ajit Sengupta (Retd.) dated 12-02-2011.
- iii) There is no impairment of assets. The management expects to recover amount higher than the carrying value of fixed assets.
- iv) Deferred Tax has not be recognized in the books.
- v) T.D.S. on interest other than interest on securities, salary & fee for professional & Technical services u/s 194-A, 192 & 192-J respectively, of Income Tax Act, 1961 have not been deducted and deposited in time. Interest and penalty on delayed deposit if any, will be accounted for on cash basis.
- vi) Gratuity, Leave liabilities towards employees, bonus & income from interest on securities and other deposits are being accounted for on cash basis.
- vii) Professional Taxes and Trade License Fees are to be accounted for on cash basis.
- viii) Balance Confirmation Certificates from Debtors, Creditors and Banks are awaited from the respective parties.
- ix) The Company has made an ad hoc provision for gratuity amounting to Rs.14.93 lacs in the year 2012-2013 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.
- x) The company has revalued land by Rs.200 lacs during the year 2012-2013 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.

xi) Segment Reporting

The Company has operated in two segments during the year ended on 30th June, 2013 and segment as per AS-17 issued by the ICAI is given below:

Segment Revenue, Result and Capital employed

Particulars	As at 30/06/2013	As at 30/06/2012
1. Segment Revenue		
Net Sale/Income from each segment (including other operating income and other income)		
(a) Sugar	997.29	2040.33
(b) Construction	<u>1367.85</u>	<u>825.79</u>
TOTAL REVENUE	2365.14	2866.12
2. Segment Result		
PBIT from each segment		
(a) Sugar	(502.84)	(185.92)
(b) Construction	626.40	767.19
Less:		
Interest expense	9.97	34.36
Interest income	—	—
Unallocable Expenditure	<u>(228.00)</u>	<u>—</u>
TOTAL PBT	341.59	546.92

3. Capital Employed		
Segment Assets – Segment Liabilities		
(a) Sugar	5544.01	5737.38
(b) Construction	<u>2095.63</u>	<u>1628.76</u>
TOTAL	7639.64	7366.14

xii) 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) Loans due towards related parties:

Amount (Rs. in lacs) as on

30.06.2013 30.06.2012

Nopany & Sons Pvt. Ltd	376.07	382.07
Eastern Sugar & Industries Limited	52.17	369.72
Nopany Investments (P) Ltd.	64.63	375.93
Shruti Limited	105.95	455.60
Sri Bimal Kumar Nopany	—	15.85

i) Loans Taken

Nopany & Sons	1.75	—
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ii) Remuneration to key managerial personnel

Sri Bimal Kumar Nopany	17.50	
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xiii) Basis for Calculation of Basic and Diluted Earnings per share in terms of Accounting Standard-20 is as under (Rs. in lacs)

	<u>30.06.2013</u>	<u>30.06.2012</u>
Profit after Tax as per Profit & Loss Account	338.44	431.92
Weighted Average No. of Equity Shares	172.50	160.00
Basic & Diluted Earning per Share	1.96	2.70

xiv) Figure's 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

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

Kolkata
Dated: 18th September, 2013

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 Saturday, 30th November, 2013 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 Saturday, 30th November, 2013 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 _____ 2013

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.

