

18th
Annual Report
2009-10



RANA SUGARS LIMITED



BOARD OF DIRECTORS

Rana Ranjit Singh
Rana Inder Pratap Singh
Shri A.S. Sodhi
Shri S.A.S. Bajwa
Shri Baljit Singh
Rana Veer Pratap Singh
Rana Karan Pratap Singh
Shri Balour Singh
Shri M.P. Singh

Chairman
Managing Director
Director
Director
Director
Director
Director (Nominee of PEDDA)
Director (Nominee of PEDDA)

COMPANY SECRETARY

Manmohan K. Raina

AUDITORS

Kansal Singla & Associates
Chartered Accountants
SCO 80-81, 4th Floor,
Sector 17-C, Chandigarh-160 017

BANKERS

State Bank of India
Sector 17-B, Chandigarh-160 017

State Bank of Patiala
Sector 8-C, Chandigarh-160 009

Bank of Baroda
Sector 22-B, Chandigarh-160 022

UCO Bank
Sector 17-B, Chandigarh-160 017

State Bank of Bikaner & Jaipur
Sector 17-D, Chandigarh-160 017

State Bank of Hyderabad
Sector 34-A, Chandigarh-160 031

State Bank of Indore
Sector 34-A, Chandigarh-160 031

State Bank of Mysore
New Delhi

REGD. OFFICE

SCO 49-50, Sector 8-C,
Madhya Marg,
Chandigarh-160 009

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NOTICE

Notice is hereby given that the EIGHTEENTH ANNUAL GENERAL MEETING of the Members of the Company shall be held as scheduled below:-

Day : Wednesday
Date : 30th June, 2010
Time : 11.30 A.M.
Place : The Institution of Engineers (India),
Madhya Marg, Sector 19-A,
Chandigarh.

to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Annual Accounts for the financial year ended 31st March, 2010 and the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri S. A. S. Bajwa, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri M. P. Singh, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Rana Karan Pratap Singh, who retires by rotation and being eligible, offers himself for re-appointment.
5. To consider and, if thought fit, to pass the following resolution with or without modification(s) as an Ordinary Resolution:

"RESOLVED THAT M/s. Kansal Singla & Associates, Chartered Accountants, Chandigarh the retiring Auditors be and are hereby re-appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting of the Company and that the Board of Directors be and is hereby authorised to fix their remuneration for the said period."

By order of the Board
for RANA SUGARS LIMITED

Place : Chandigarh
Dated : 5th June, 2010

(MANMOHAN K. RAINA)
COMPANY SECRETARY

NOTES :

- (a) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy in order to be effective must be received by the Company at its Registered Office not less than 48 hours before the meeting.
- (b) Members are requested to bring their copy of Annual Report alongwith them at the Meeting.
- (c) Members desirous of seeking any further information about the accounts and/or operations of the Company are requested to send their queries to the Secretary of the Company atleast seven days in advance of the Meeting so that the information, to the extent practicable, can be made available at the Meeting.
- (d) The Company has extended the current financial year by six months. As such, the current financial year of the Company comprises of a period of 18 months from 1st October, 2008 to 31st March, 2010. The Registrar of Companies, Jalandhar has accorded its approval for the same.



DIRECTORS' REPORT

Your Directors have pleasure in presenting the Eighteenth Annual Report together with the Audited Accounts of your Company for the year ended 31st March, 2010

1. FINANCIAL RESULTS :

	(Rs. in lacs)	
	Current year ended 31.03.2010 (18 Months)	Previous year ended 30.09.2008 (12 Months)
Profit before interest, depreciation & tax	15781.47	1033.90
Less: Financial Expenses	9010.55	4444.97
Depreciation	4350.56	2327.75
Misc. expenses written off	219.57	32.09
Profit/(Loss) before Tax & Prior Period expenses	2200.79	(5770.91)
Prior Period income/(expenses)	(16.68)	(468.20)
Profit/(Loss) before Tax	2184.11	(6239.11)
Provision for Tax :		
Current Tax	15.50	—
Deferred Tax	216.71	1012.56
Fringe Benefit Tax,	25.00	(48.33)
Wealth Tax & Earlier Year Provision for Tax		
Add: Earlier Year Provision for Tax W/Back	25.05	(20.48)
Extra ordinary Income	546.65	1010.00
Net Profit/(Loss) after Tax	2498.60	(4285.36)
OPERATIONS:		
Cane Crushed (Qtls)	1,61,44,429	1,07,31,220
Production (Qtls)		
Sugar (Qtls)	18,58,143	9,32,647
Molasses (Qtls)	8,11,814	4,80,651
Electricity (Units)	23,35,36,933	12,10,47,389
Rectified Spirit (BL)	60,42,971	70,76,346
Extra Neutral Alcohol (BL)	1,52,29,245	88,15,180
Denatured Spirit (BL)	12,95,671	12,55,396
Punjab Medium Liquor (Cases)	30,54,745	14,50,494
Indian Made Foreign Liquor (Cases)	1,51,331	1,38,398

The Company has earned a Net Profit of Rs.2498.60 lacs during the financial year ended 31st March, 2010 as compared to loss of Rs.4285.36 lacs during the previous year ended 30th September, 2008. The main reasons for the earning the profit this year, are high sugar prices and sale of power through out the year. Further, the Company has also done processing of raw-

sugar which it imported from other countries resulting into running the sugar plants through out the year which also earned good profit during the year. UNFCCC has approved approx. 1.50 lacs Certified Emission Reductions (CERs) to the Company. The approximate trading value of these CERs is Rs. 11.50 crores.

2. DIVIDEND

Your Company is passing through a period of transition and consolidation. As such, your Directors propose not to recommend any dividend for the year under review.

3. DIRECTORS

Shri S. K. Duggal resigned from the directorship of the Company during the year.

Shri Balour Singh has been nominated as Director by Punjab Energy Development Agency during the year.

The Board places on record the appreciation of useful contribution made by Shri S. K. Duggal during his tenure.

Shri S. A. S. Bajwa, Shri M. P. Singh and Rana Karan Pratap Singh, Directors retire by rotation and being eligible offer themselves for re-appointment.

4. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibilities Statement, it is hereby confirmed:

- that in the preparation of the annual accounts for the financial year ended 31st March, 2010, the applicable accounting standards had been followed alongwith proper explanation relating to material departures;
- that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that were 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 of the profit or loss of the Company for the year under review;
- that the directors had 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;

- (iv) that the directors had prepared the accounts for the financial year ended 31st March, 2010 on a going concern basis.

5. FIXED DEPOSITS

The Company has not accepted any deposits under Section 58-A of the Companies Act, 1956 during the year under review.

6. AUDITORS

M/s. Kansal Singla & Associates, Chartered Accountants, Chandigarh, Statutory Auditors of the Company, retire at the conclusion of ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The Board recommends their re-appointment.

The explanations/information in respect of the observations of the Auditors in their report are given in Annexure 'E' read with the relevant Audit observations are self explanatory.

7. COST AUDITORS

The Board of Directors has appointed M/s. Khushwinder Kumar & Co., Cost Accountants as the Cost Auditors of the Company for the year 2010-2011 under Section 233 B of the Companies Act, 1956, which has been approved by the Govt. of India.

8. PARTICULARS OF EMPLOYEES

None of the employees is covered under the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

9. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

10. CORPORATE GOVERNANCE

As required under Listing Agreement with Stock Exchanges, a report on the Corporate Governance alongwith Auditors' Certificate on compliance of conditions of Corporate Governance are enclosed as Annexure 'B' & 'C' and report of Management Discussion and Analysis is attached as annexure 'D' and the reports form the part of the Directors' Report.

11. INFORMATION PURSUANT TO LISTING AGREEMENT WITH THE STOCK EXCHANGES

The names and addresses of the Stock Exchanges where the Company's securities are listed, are:

1. Bombay Stock Exchange Limited,
Floor 25, Phiroze Jeejeebhoy Towers,
Dalal Street, MUMBAI - 400 001.
2. National Stock Exchange of India Limited,
"Exchange Plaza",
Bandra-Kurla Complex,
Bandra (E), MUMBAI - 400 051.
3. Luxembourg Stock Exchange
(Societe de la Bourse de Luxembourg S A)
B.P.165
L-2011, Luxembourg

The listing fee for 2010-2011 to all the above Stock Exchanges have been paid in time and there being neither delisting nor suspension of shares from trading during the period under review.

12. ACKNOWLEDGEMENT

The Board of Directors of your Company expresses its gratitude for the continued co-operation and support extended by financial institutions, banks, the government agencies and departments, the customers and suppliers, dealers, agents and shareholders which has been source of strength of the Company.

The Directors also place on record their appreciation for the dedicated and sincere services rendered by the employees at all levels.

For & on behalf of the Board

RANA RANJIT SINGH
CHAIRMAN

Place : Chandigarh
Dated : 5th June, 2010



ANNEXURE TO THE DIRECTORS REPORT FOR THE PERIOD ENDED 31ST MARCH, 2010 (18 MONTHS)

INFORMATION AS PER SECTION 217(1) (e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH, 2010.

1. CONSERVATION OF ENERGY

The Company has installed most modern equipment to save and minimise energy consumption. The Company has installed three Turbo Alternators sets with power generation capacity of 87,500 KW. The entire requirement of power is met through captive generation. The Company has also made stand by arrangement of Diesel Generating Sets.

To achieve maximum conservation of energy, the Company has put up high pressure boilers and matching Turbo alternators and prime movers. The Company has also installed electrical motors of appropriate size and continuous centrifugals in place of batch type centrifugals.

A. Electricity	Current Year 31.03.2010	Previous Year 30.09.2008
Purchased		
Buttar Division		
- Unit Purchased	8,81,975	11,00,972
- Total Amount (Rs.)	54,32,090	48,19,567
- Rate Per Unit (Rs.)	6.16	4.38
Own Generation		
Buttar Division		
- Through D.G. Set		
Units Generated	1,46,221	2,41,594
Units Generated per litre of Diesel Oil	3.17	3.44
Cost Per Unit (Rs.)	10.42	10.43
- Through Steam Turbine (Sugar Division)		
Units Generated	17,95,14,050	9,92,92,624
Units Generated per Qtl. of Fuel	54.04	38.30
Cost Per Unit Electricity (Rs.)	2.71	1.54
Belwara Division		
- Through D.G. Set		
Units Generated	7,63,344	8,29,158
Units Generated per litre of Diesel Oil	3.17	3.04
Cost Per Unit (Rs.)	11.09	11.13
- Through Steam Turbine (Sugar Division)		
Units Generated	2,34,27,868	1,30,44,000
Units Generated per Qtl. of Fuel	26.44	12.34
Cost Per Unit Electricity (Rs.)	3.28	7.03
Shahbad Division		
- Through D.G. Set		
Units Generated	14,15,498	12,64,853
Units Generated per litre of Diesel Oil	3.31	3.69
Cost Per Unit (Rs.)	10.52	9.33
- Through Steam Turbine (Sugar Division)		
Units Generated	2,12,43,264	13,32,346
Units Generated per Qtl. of Fuel	19.84	13.30
Cost Per Unit Electricity (Rs.)	4.24	14.67



Distillery Division

- Through D.G. Set		
Units Generated	5,96,763	8,10,581
Units Generated per litre of Diesel Oil	3.30	3.46
Cost Per Unit (Rs.)	9.52	8.82
- Through Steam Turbine		
Units Generated	93,51,751	73,78,419
Units Generated per Qtl. of Fuel	251.69	416.78
Cost Per Unit Electricity (Rs.)	8.61	8.52

B. Consumption Per Unit of Product

Buttar Division

- Electricity (KW/MT)	275.86	389.49
- Bagasse (MT/MT)	1.54	2.37
- Steam (MT/MT)	4.20	3.70

Belwara Division

- Electricity (KW/MT)	533.78	515.75
- Bagasse (MT/MT)	1.95	2.36
- Steam (MT/MT)	4.07	4.72

Shahbad Division

- Electricity (KW/MT)	339.96	3,466.17
- Bagasse (MT/MT)	1.61	8.21
- Steam (MT/MT)	3.26	2.87

Distillery Division

- Electricity (KL/MT)	440.83	477.58
- Fuel (Rice Husk)/Diesel (KL/MT)	1.09	1.19
- Steam (KL/MT)	4.23	3.15

C. Technology Absorption

i) Research & Development

- Research & Development has continuously been carried out for improvement in quality of sugarcane and to increase the area under the sugarcane crop which will ensure its greater availability resulting into more production & better quality of cane and higher yield there by directly reducing the cost of production.
- The Company is trying to improve quality of Cane & ensure development of Cane by providing various facilities to the Cane growers.
- Amount incurred on Research & Development (Rs. in lacs)

4.88 2.97

ii) Technology Absorption, Adoption and innovation

- Latest technology has been adopted in the plant to maximise production, yield and better quality along with minimum consumption of energy.
- Technology Imported

Nil Nil

D. Foreign Exchange Earning & Outgo

a) Foreign Exchange Earning	1023.16	Nil
b) Foreign Exchange Outgo (Rs. in lacs)	5685.22	2142.74



REPORT ON CORPORATE GOVERNANCE

a) Company's Philosophy on Code of Governance

Your Company strongly believes that good corporate governance has an important role in enhancing shareholder value and management accountability. Company's guiding principles are focused on achieving the best standards of corporate governance and it is committed to attain the highest level of transparency and accountability in its dealings with investors, lenders, employees and all other stakeholders.

b) Board of Directors

The present strength of the Board of Directors is nine, of which eight are Non-Executive Directors and one Managing Director. The Board members include two representative of Punjab Energy Development Agency.

During the year under review, Eighteen Board Meetings were held on 31st October, 2008, 4th December, 2008, 22nd December, 2008, 9th January, 2009, 23rd January, 2009, 31st January, 2009, 20th February, 2009, 31st March, 2009, 30th April, 2009, 31st July, 2009, 22nd September, 2009, 31st October, 2009, 16th January, 2010, 28th January, 2010, 3rd February, 2010, 22nd February, 2010, 26th February, 2010 and 31st March, 2010. The composition of the Board of Directors and their attendance at the Board meetings during the year and at the last Annual General Meeting as also number of other directorships in other companies are as follows:

Name of Director	Attendance at last AGM	No. of Board meetings attended	Category of Director	Other Directorships
Rana Ranjit Singh	—	8	CH/PP	4
Rana Inder Pratap Singh	Yes	16	MD/PP	6
Rana Veer Pratap Singh	Yes	16	NED/PP	3
Shri A. S. Sodhi	Yes	17	NED	1
Shri S. A. S. Bajwa	Yes	18	NED	1
Shri M. P. Singh	-	8	NED/PEDA	1
Shri S.K. Duggal*	—	6	NED	-
Shri Baljit Singh	Yes	18	NED	-
Rana Karan Pratap Singh	-	6	NED/PP	2
Shri Balour Singh**	-	-	NED/PEDA	-

CH-Chairman, MD-Managing Director, P-Promoter, NED-Non Executive Director, IN-Institutional Nominee

* resigned from the directorship of the Company.

*** appointed Director during the year.

c) Committees of the Board

The Board had constituted four Committees, which are - (a) Audit Committee (b) Share Transfer Committee (c) Shareholders/Investors Grievance Committee (d) Remuneration Committee:

I) Audit Committee

i) Terms of reference

The Board has defined the scope of Audit Committee to cover all areas provided for under section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement of Stock Exchanges.

ii) Composition

The Audit Committee comprises of four Non-Executive Directors and Company Secretary is the Secretary of the Committee. The Committee met seven times during the year and the attendance of members at the meetings was as follows:

RANA SUGARS LIMITED



<u>Name of the Member</u>	<u>Status</u>	<u>No. of meetings attended</u>
Shri A. S. Sodhi	Chairman	7
Shri S. A. S. Bajwa	Member	7
Shri Baljit Singh	Member	7
Shri S. K. Duggal*	Member	3

*ceased to be member during the year.

II) Share Transfer Committee

i) Term of reference

The Committee has been formed to approve the matters relating to transfer, transmission and issue of duplicate share certificates etc.

ii) Composition

The Committee comprises of three Non-Executive Directors as its members. The Committee met sixteen times during the year and the attendance of members at the meetings was as follows:

<u>Name of the Member</u>	<u>Status</u>	<u>No. of meetings attended</u>
Shri A. S. Sodhi	Chairman	16
Rana Veer Pratap Singh	Member	16
Shri S. K. Duggal*	Member	3
Shri Baljit Singh**	Member	11

*ceased to be member during the year.

**appointed as member during the year.

III) Shareholders/Investors Grievance Committee

i) Term of reference

The Committee has been formed to review and for redressal of investors' grievances regarding allotment of securities, issue of duplicate certificates, dematerialisation of shares etc. and other allied matters.

ii) Composition

The present composition of the Shareholders/ Investors Grievance Committee is as under:

<u>Name of the Member</u>	<u>Status</u>
Shri A. S. Sodhi	Chairman
Shri S. A. S. Bajwa	Member
Rana Veer Pratap Singh	Member

In accordance with Clause 49(VI)(D) of the Listing Agreement with Stock Exchanges the Board has authorised Shri Manmohan K. Raina, Company Secretary as Compliance Officer of the Company.

iii) Investors' Complaints received and resolved during the year

The Company had 72961 investors as on 31.03.2010. The Company received 41 letters/ complaints from the investors and all the letters/ complaints received were attended/ resolved.

IV) Remuneration Committee

i) Term of reference

The Remuneration Committee, inter alia, recommends to the Board the remuneration package of the Managing Director.

ii) Composition

The present composition of the Remuneration Committee is as under:

<u>Name of the Member</u>	<u>Status</u>
Shri A. S. Sodhi	Chairman
Shri S. A. S. Bajwa	Member
Shri S. K. Duggal*	Member
Shri Baljit Singh**	Member

*ceased to be member during the year.

**appointed as member during the year.



d) General Body Meetings

The last three Annual General Meetings of the Company were held as under:

Financial year	Date	Time	Location	Special Resolution passed
2007-2008	31.12.2008	3.00 p.m.	The Institution of Engineers (India), Madhya Marg, Sector 19-A, Chandigarh	No
2006-2007	29.12.2007	2.00 p.m.	-- do --	No
2005-2006	30.10.2006	3.00 p.m.	-- do --	Yes

e) Disclosures

- There are no materially significant transactions with the related parties viz. promoters, directors or the management, their subsidiaries or relatives, etc. that may have a potential conflict with the interest of the Company at large.
- No penalties or strictures have been imposed on the Company by the Stock-Exchanges or SEBI or any matter related to capital markets for non-compliance by the Company.

f) Means of Communication

- The quarterly, half-yearly and annual audited financial results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board. In addition, the Stock Exchanges are notified of any important developments that may materially affect the working of the Company. Disclosures with regard to shareholding pattern, change in major shareholding, quarterly secretarial capital audit report etc. are also sent to the Stock Exchanges as required under various Regulations. The results are normally published in Indian Express/Financial Express and Dainik Tribune/ Punjabi Tribune.
- Management Discussion and Analysis Report forms part of this Annual Report and is given separately.

g) General Shareholder's Information

i) 18th Annual General Meeting

Venue : The Institution of Engineers(India)
Madhya Marg, Sector 19-A, Chandigarh
Date : 30th June, 2010

ii) Tentative Financial Calendar

Audited Annual Results (2008-10)	June, 2010
Publication of Audited Results	—
First Quarter Results	July, 2010
Publication of Half Yearly Results	October, 2010
Third Quarter Results	January, 2011
Fourth Quarter Results	April, 2011
Audited Annual Results (2010-11)	September, 2011

iii) Book Closure

The register of members and share transfer books of the Company shall remain closed from 26th June, 2010 to 30th June, 2010 (both days inclusive).

iv) Listing on Stock Exchanges and Stock Codes

The names of the stock exchanges at which the equity shares of the Company are listed and the respective stock codes are as under:

S.No.	Name of the Stock Exchange	Stock Code
1.	Bombay Stock Exchange Limited	507490
2.	National Stock Exchange of India Limited	RANASUG



v) Demat ISIN number : INE625B01014

vi) Market price data

(Amount in Rs.)

Month	Bombay Stock Exchange		National Stock Exchange	
	High	Low	High	Low
October, 2008	11.70	7.00	11.70	7.10
November, 2008	8.74	6.73	8.75	6.65
December, 2008	8.99	6.81	9.10	6.85
January, 2009	9.75	7.50	9.90	7.55
February, 2009	8.58	7.20	8.50	7.10
March, 2009	7.50	6.57	7.50	6.55
April, 2009	10.66	7.00	10.75	7.05
May, 2009	12.64	9.12	12.80	9.10
June, 2009	15.84	11.59	16.20	11.50
July, 2009	13.40	10.04	13.30	10.00
August, 2009	18.11	11.75	18.20	11.95
September, 2009	17.05	13.50	17.20	13.50
October, 2009	14.60	12.45	14.55	12.40
November, 2009	13.70	11.77	13.90	11.80
December, 2009	13.50	12.03	13.70	11.70
January, 2010	17.24	13.15	17.40	13.00
February, 2010	14.95	11.95	14.65	11.90
March, 2010	14.18	10.50	13.75	10.50

vii) **Registrar and Transfer Agent**

M/s. Alankit Assignments Limited,
205-208, Anarkali Market,
Jhandewalan Extension,
New Delhi-110 055.

viii) **Share Transfer System**

The Share Transfer Committee of the Company usually meets every fortnight to approve the transfer, transmission and issue of duplicate share certificates etc. The shares of the Company are traded in dematerialized form only.

Presently the share transfers, which are received in physical form, are processed and the share certificates returned within a period of 30 days from the date of receipt, subject to documents being valid and complete in all respects.

ix) **Distribution of Shareholding**

The distribution of shareholding as on March 31, 2010 was as follows:

S.No.	No. of Equity shares held	No. of share holders	Percentage of total shareholders	No. of shares held	Percentage of total shares
1.	1 to 250	40512	55.525	4971501	3.371
2.	251 to 500	15174	20.797	6404175	4.343
3.	501 to 1000	9120	12.500	7966543	5.402
4.	1001 to 2000	4152	5.691	6716809	4.555
5.	2001 to 3000	1373	1.882	3613219	2.450
6.	3001 to 4000	622	0.853	2279333	1.546
7.	4001 to 5000	629	0.862	3032211	2.056
8.	5001 to 10000	771	1.057	5759283	3.905
9.	10001 and above	608	0.833	106724746	72.372
Total		72961	100.000	147467820	100.000



Details of Shareholding as on 31st March, 2010 was as under :

S.No.	Category	No. of Shares held	% shareholding
1.	Promoters	34637323	23.488
2.	Financial Institutions, Banks and Mutual Funds	42346	0.029
3.	NRLs, Foreign Nationals, OCBs and FII's	11751496	7.969
4.	Private Corporate Bodies	17870872	12.118
5.	Indian Public	47047583	31.904
6.	Others - GDRs	36118200	24.492
Total		147467820	100.000

x) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity.

- a) GDRs - 902955 underlying 36118200 equity shares
- b) Warrants - 17600000 convertible into 17600000 equity shares

xi) **Location of Plant**

Sugar and Power Unit:

- i) Village Buttar Seviyan, Tehsil Baba Bakala, District Amritsar, Punjab
- ii) Village Belwara, Tehsil & Distt. Moradabad, U.P.
- iii) Village Karim Ganj, Tehsil Shahabad, Distt. Rampur, U.P.

Distillery Unit:

Village Lauhka, Tehsil Patti, District Tarn Taran, Punjab

xii) **Address for Correspondence**

Rana Sugars Limited
SCO 49-50, Sector 8-C
Chandigarh - 160 009
Tel: 0172-2773422, 2540007, 2779565 & 2549217

h) **Re-appointment of Directors**

Three Non-Executive Directors are due for retirement by rotation at this Annual General Meeting who are eligible for re-appointment. Brief particulars of these Directors are given below :

- i) Shri S. A. S. Bajwa aged about 72 years is an outside professional Director. He is an advocate in Punjab & Haryana High Court. He has worked as Addl. Managing Director, MARKFED, Managing Director, Punjab State Co-operative Bank and Joint Registrar, Co-operative Societies.
- ii) Shri M. P. Singh, aged about 43 years is nominee Director of Punjab Energy Development Agency. Presently, he is working as Joint Director with Punjab Energy Development Agency.
- iii) Rana Karan Pratap Singh, aged about 27 years is a promoter director. He has done MBA. He has about 4 years of experience in industry.

ANNEXURE- 'C'

AUDITORS' CERTIFICATE

To

The Members of Rana Sugars Limited

We have examined the compliance of conditions of Corporate Governance by Rana Sugars Limited for the year ended on 31st March, 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For KANSAL SINGLA & ASSOCIATES
Chartered Accountants

Place : Chandigarh
Dated : 5th June, 2010

S. K. Kansal
Partner
Membership No. 80632
FRN 003897N



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management of Rana Sugars Limited is pleased to present its Analysis Report covering segment wise performance and outlook.

Sugarcane and sugar production in India typically follow a 6 to 8 year cycle, wherein 3 to 4 years of higher production are followed by 2 to 3 years of lower production. After two consecutive years of declining sugar production (2007-08 and 2008-09), production resurged in 2009-10, and is set to gain strongly in the upcoming 2010-11.

India is the largest producers of the sugar in the world after Brazil. About 5 Crores farmers and their families are supported by sugar Industry directly or indirectly. India contributes about 17% of the world production of sugar and is the largest consumer of sugar.

Future Prospects

Sugar

The Sugar production of the world is likely to be 157-60 million tonnes during 2009-10 against the consumption of 166.585 million tonnes.

The sugar production in India for 2011 may touch 25 million tonnes over the expected 17 million tones this year due to increased planting of sugarcane.

The Company has a crushing capacity of 15000 TCD of its three units, one in Punjab and two in Uttar Pradesh. During the year the Company has produced 18,58,143 quintals of sugar against the production of 9,32,647 quintals of last year. The Company provides various incentives to its cane growing farmers like crop loans from banks and supply of cane seeds, insecticides and other agricultural inputs to the growers at subsidized rates.

Power

Brazil and India are the largest producer of sugar in the world, hence bagasses based co-generation of power need to be promoted. There are around 500 operating sugar factories which have installed capacity to co-generate surplus power which is around 2000 MW after meeting its own requirement of power for captive use. The Government has made various incentives schemes for sugar Companies to set up co-generation power projects.

The Govt. of India is implementing the Co-generation programme in Sugar Mills. With established potential of more than 5000 MW, so far a capacity of 537 MW has been commissioned and 536 MW is under installation. The Govt. of India has also notified various notable initiatives for acceleration of power co-generation programme.

With increased power co-generation capacity, the Company has signed Memorandum of Understanding with Tata Power Trading Co. Limited for sale of power upto 40 MW per day during off season. The Company has produced 23,35,36,933 units of electricity during the year.

Ethanol

Ethanol is used as an automotive fuel by itself and can be mixed with gasoline to form what has been called "gasohol". Fuel Ethanol the most common blends contain 10% ethanol and 85% ethanol mixed with gasoline. Over 1 billion gallons of ethanol are blended with gasoline every year in the United States. Because the ethanol molecule contains oxygen, it allows the engine to more completely combust the fuel, resulting in fewer emissions. Since ethanol is produced from plants that harness the power of the sun, ethanol is also considered a renewable fuel. Therefore, ethanol has many advantages as an automotive fuel.

India imports nearly 70% of its annual crude petroleum requirement, which is approximately 110 million tonnes. The petroleum industry now looks very committed to the use of ethanol as fuel, as it is expected to benefit sugarcane farmers as well as the oil industry in the long run.

Distillery

The production of alcohol and its by-products is likely to increase in future due to increase demand of alcohol and its by-products and availability of raw material. Many sugar Companies are setting up distillery projects in the Country.



The Distillery Unit of the Company with a capacity of 60 KL per day is running successfully. During the year, it produced 60,42,971 BL Rectified Spirit, 1,52,29,245 BL Extra Neutral Alcohol, 12,95,671 BL Denatured Spirit, 30,54,745 cases of Punjab Medium Liquor and 1,51,331 cases of Indian Made Foreign Liquor.

Outlook/ Projection

The Company's projection on crushing of Sugarcane for the current year 2010-11 is the highest possible. The Company has been taking all out efforts to encourage & motivate the farmers to cultivate the crop of sugarcane by providing various incentives.

Risk and Concern

Sugar is a cyclical industry. In India sugar production follows a three five year cycle. Low production has led to rapid increase of sugar prices during the last season. In the coming season, more sugarcane availability is likely to result for higher sugar production.

In spite of various incentives, the Government still largely controls the sugar industry, particularly the pricing of sugarcane, release of sugar stocks and allocation of cane growing area. This policy has in turn affected the economics of sugar production.

Internal Control System & their adequacy

The Company has adequate system of internal relating to purchase of stores, raw materials including components, plant and machinery, equipment and other assets and for the sale of goods commensurate with the size and nature of business of the Company. Policies and procedures have been laid down to provide reasonable assurance that assets are safeguarded from risks of unauthorized use/ disposition and transactions are recorded and reported with propriety, accuracy and speed.

Material Development in HRD/IR

The strength of the Company has always been the involvement of its employees, team orientation, their high integrity abiding loyalty and deep commitment. The underlying rule of Company's policy towards human resource development is that competent and motivated manpower is the most important factor in achieving business goals. The policies in this regard are evolved and pursued to achieve this objective. The Company has a total manpower of 1368 besides few contract labour employed during the season. Relation between management and labour were cordial during the year.

ANNEXURE 'E'

Replies to Audit Observations on Annual Report for the period ended 31st March, 2010

(IX)(a)(b) of Annexure

- The amount of TDS of Rs. 3.86 lacs has been deposited with the concerned authorities.
- The amount of TDS of Rs. 0.22 lacs has been deposited with the concerned authorities.
- The amount of WCT of Rs. 0.31 lacs has been deposited with the concerned authorities.
- The amount of WCT of Rs. 0.08 lacs has been deposited with the concerned authorities.
- The amount of Rs. 5.61 lacs on account of Cess on Sugarcane is being deposited.

(xi) of Annexure

The amount of Rs. 243.55 lacs on account of interest on term loans and Rs. 525.43 lacs on account of principal amount is being deposited with the concerned Banks. The amount of Rs. 202.08 lacs on account of principal amount will be deposited soon.



AUDITORS' REPORT

The Members of
Rana Sugars Limited
Chandigarh.

Dear Members,

1. We have audited the attached Balance Sheet of Rana Sugars Limited as at 31st March, 2010, Profit & Loss Account and Cash Flow Statement for the period ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order (Amendment), 2004 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 (the Act), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in Annexure referred to in paragraph 3 above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - (iii) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (iv) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act.
 - (v) On the basis of the written representations received from the directors, as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2010 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Act.
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with Significant Accounting Policies and Notes on Accounts in Schedule XIV, 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 31st March 2010.
 - b. In the case of the Profit and Loss Account, of the profit for the period ended 31st March 2010.
 - c. In the case of Cash Flow Statement of the Cash Flows for the period ended 31st March 2010.

for Kansal Singla & Associates
Chartered Accountants

S.K. KANSAL
PARTNER

Membership No. 80632

FRN 003897N

Place : Chandigarh
Date : 5th June, 2010



Annexure Referred to in paragraph 3 of our report of even date.

(i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) All the assets have been physically verified by the management during the period. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its fixed assets. No material discrepancies were noticed on such verification.

(c) During the period, the Company has not disposed off major part of the plant and machinery affecting the going concern status of the company.

(ii) (a) The inventory has been physically verified during the period by the management. In our opinion, the frequency of verification is reasonable.

(b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

(c) The Company is maintaining proper records of inventory. As explained to us, no material discrepancies were noticed on physical verification. However minor discrepancies noticed on verification were properly accounted/ adjusted.

(iii) (a) The company has taken interest free loans from parties as covered in the register maintained under section 301 of the Act, pursuant to stipulation imposed by banks/financial institutions at the time of sanction of loans.

The maximum balance outstanding during the period was Rs. 4065.73 Lacs and the year-end balance was Rs. 3350.83 Lacs.

(b) As explained to us, terms & conditions of such loans are not prejudicial to the interest of the Company.

(c) No stipulation has been specified for the repayment of these loans.

(d) The Company has not given any loans to the Companies/Parties covered in the register maintained under section 301 of the Act.

(iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.

(v) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Act, have been so entered.

(vi) In our opinion and according to the information and explanations given to us, the Company has not accepted the Deposits covered as per the provisions of sections 58A and 58AA of the Act and the Companies (Acceptance of Deposits) Rules, 1975.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) According to the information and explanations given to us, the Central Government has prescribed the maintenance of cost records under section 209 (1) (d) of the Act, for the Sugar division & Distillery division. We have broadly reviewed these accounts and records maintained by the Company and we are of the opinion that, prima-facie, the prescribed accounts and records have been made and maintained.

(ix) (a) The company is generally regular in depositing with appropriate authorities undisputed statutory dues including, investor education protection fund, employees' state insurance, income tax, wealth tax, custom duty, and other material statutory dues applicable to it *except for TDS, WCT and Cess on sugar cane*.

(b) According to the information and explanations given to us, undisputed statutory dues outstanding as at 31st



March, 2010 for a period of more than six months from the date they became due:

Name of the statute	Nature of Dues	Amount (Rs. in lacs)	Financial Year to which the amount relates
Income Tax Act	TDS	3.86	Year ended 31.03.09
Income Tax Act	TDS	0.22	Year ended 31.03.10
Work Contract Tax Act	WCT	0.31	Year ended 31.03.08
Work Contract Tax Act	WCT	0.08	Year ended 31.03.09
Cess on Sugarcane	Cess	5.61	Year ended 31.03.09

- (x) The Company has incurred cash losses amounting to Nil (PY 2869.28 Lacs)) during the period from 01.10.2008 to 31.03.2010 covered by our audit.
- (xi) *As per the information and explanations given to us, the Company has defaulted in repayment of interest on term loans amounting to Rs 243.55 Lacs for the month of March 2010. Further the company has also defaulted in the repayment of the principal amounting to Rs. 525.43 Lacs and Rs 202.08 Lacs which was due for payment in March 2010 and January 2009 respectively.*
- (xii) In our opinion and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi mutual benefit fund/ society.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments.
- (xv) In our opinion, and according to the information and explanations given to us, the Company has given guarantees for loans taken for farmers from banks. In our opinion and according to the information and

explanations given to us, the terms and conditions thereof are not prima facie prejudicial to the interest of the Company.

- (xvi) During the period, the Company has availed no term loans from banks/ financial institutions.
- (xvii) 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 short term funds have been used for long term purposes.
- (xviii) According to the information & explanations given to us, During the period covered by audit the Company has made preferential allotment of 1,09,00,000 equity shares face value of Rs. 10 each at a premium of Rs. 1.5 per share to parties covered in the register maintained under section 301 of the Act.
- (xix) According to the information and explanations given to us, during the period covered by our audit report, the Company has not issued any debentures.
- (xx) According to the information and explanations given to us, during the period covered by our audit report, the company has issued 1498755 Global Depository Receipts underlying 59950200 equity shares @ Rs. 10 each .
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For Kansal Singla & Associates
Chartered Accountants

S.K. KANSAL
PARTNER

Membership No. 80632
FRN 003897N

Place : Chandigarh
Date : 5th June, 2010

RANA SUGARS LIMITED



BALANCE SHEET AS AT 31ST MARCH, 2010

PARTICULARS	SCHEDULE No.	AS AT 31.03.2010 (Rs.)	AS AT 30.09.2008 (Rs.)
I. SOURCES OF FUNDS			
1) Shareholders' Funds			
a) Share Capital	I	1,88,53,28,940	1,17,68,26,940
b) Share Application money		11,80,59,260	9,56,79,260
c) Reserve & Surplus	II	1,16,39,03,913	89,76,93,563
2) Loan Funds	III		
a) Secured Loans		5,23,16,81,000	4,11,04,07,639
b) Unsecured Loans		66,54,08,809	5,89,70,89,809
Deferred Tax Liability		2,16,71,000	63,59,35,965
TOTAL		9,08,60,52,922	6,91,65,43,367
II. APPLICATION OF FUNDS			
Fixed Assets	IV		
Gross Block		6,19,62,31,713	5,62,62,76,081
Less : Depreciation		1,19,69,60,857	77,87,70,757
Net Block		4,99,92,70,856	4,84,75,05,324
Add : Capital Work in Progress		48,09,26,116	84,99,89,990
Current Assets, Loans & Advances	V		
a) Investment in Mutual Funds		1,10,00,000	—
b) Inventories		3,20,06,38,188	1,38,99,64,182
c) Sundry Debtors		8,21,88,086	11,11,05,148
d) Cash & Bank Balances		61,04,36,081	10,92,25,308
e) Other Current Assets		12,57,71,997	3,40,85,898
f) Loans & Advances		99,13,69,183	96,93,64,472
Total Current Assets		5,02,14,03,535	2,61,37,45,008
Less :			
Current Liabilities & Provisions	VI		
a) Current Liabilities		1,40,50,73,119	1,38,33,03,277
b) Provisions		1,04,74,466	1,13,93,678
Total		1,41,55,47,585	1,39,46,96,955
Net Current Assets		3,60,58,55,950	1,21,90,48,053
TOTAL		9,08,60,52,922	6,91,65,43,367
Significant Accounting Policies and Notes on Accounts	XIV		

The Schedules referred to above and notes attached form an integral part of the Balance Sheet.

In terms of our separate report of even date annexed.
for KANSAL SINGLA & ASSOCIATES
Chartered Accountants

Place: CHANDIGARH
Date : 5th June, 2010

S.K. Kansal
Partner
Membership No. 80632
FRN 003897N

D.B.S. Gill
General Manager (Accounts)
Manoj Gupta
Chief Financial Officer
Manmohan K. Raina
Company Secretary
Rana Inder Pratap Singh
Managing Director
Rana Ranjit Singh
Chairman

RANA SUGARS LIMITED



PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2010

PARTICULARS	SCHEDULE No.	PERIOD ENDED 31.03.2010 (18 Months) (Rs.)	PERIOD ENDED 30.09.2008 (12 Months) (Rs.)
INCOME :			
Sales - Gross	VII	6,97,21,24,754	2,10,14,14,679
Less : Excise Duty		19,11,21,697	9,56,07,792
Net Sales		6,78,10,03,057	2,00,58,06,887
Profit/(Loss) on Sale of Asset		62,37,258	8,85,231
Misc. Income/(Expenditure)	VIII	13,87,41,630	(4,22,71,454)
Increase/(Decrease) in stock		1,70,67,26,815	61,91,29,794
Less : Excise Duty		4,99,29,425	6,39,83,232
		8,58,27,79,335	2,51,95,67,226
EXPENDITURE :			
Raw Materials Consumed	IX	5,56,58,92,766	1,64,40,27,356
Manufacturing Expenses	X	83,98,48,412	44,74,77,770
Employment Cost	XI	33,04,64,787	18,13,58,806
Administrative Expenses	XII	14,52,23,757	7,78,87,271
Financial Expenses	XIII	90,10,55,447	44,44,97,279
Selling Expenses		12,32,01,280	6,54,26,961
Depreciation	IV	43,50,56,347	23,27,74,850
Misc. Expenses written Off		2,19,56,965	32,08,527
		8,36,26,99,761	3,09,66,58,820
Profit/(Loss) before Tax & Prior Period Items		22,00,79,574	(57,70,91,594)
Prior Period (Expenses)/Income		(16,68,213)	(4,68,19,554)
Profit/(Loss) before Tax		21,84,11,361	(62,39,11,148)
Less: Provision for Taxes			
a) Current Tax (MAT)		15,50,000	
b) Deferred Tax		2,16,71,000	10,12,56,000
c) Fringe Benefit Tax, Wealth Tax & Earlier Year Provision for Tax		25,00,326	(48,33,395)
		2,57,21,326	9,64,22,605
Add Earlier Year Provision for Tax W/Back/(W/off)		25,04,970	(20,48,401)
Add : Extra Ordinary Income		5,46,65,345	10,10,00,000
Net Profit/(Loss) After Tax		24,98,60,350	(42,85,36,944)
Balance brought forward from previous year		2,42,23,469	20,61,97,413
Balance transferred from General Reserve		—	24,65,63,000
Balance available for Appropriations		27,40,83,819	2,42,23,469
Transfer to Capital Redemption Reserve		10,27,33,560	—
Balance carried to Balance Sheet		17,13,50,259	2,42,23,469
Basic Earning Per Share (Face value Rs. 10/-)			
- Before Extra Ordinary Items		1.95	(6.91)
- After Extra Ordinary Items		2.49	(5.59)
Significant Accounting Policies and Notes on Account	XIV		

The Schedules referred to above and notes attached form an integral part of the Profit & Loss Account.

In terms of our separate report of even date annexed.

for KANSAL SINGLA & ASSOCIATES
Chartered Accountants

S.K. Kansal
Partner

Place: CHANDIGARH
Date : 5th June, 2010

Membership No. 80632
FRN 003897N

D.B.S. Gill

General Manager (Accounts)

Manoj Gupta

Chief Financial Officer

Manmohan K. Raina

Company Secretary

Rana Inder Pratap Singh

Managing Director

Rana Ranjit Singh

Chairman

RANA SUGARS LIMITED



Schedules to the Accounts

SHARE CAPITAL

SCHEDULE - I

PARTICULARS	AS AT 31.03.2010 (Rs.)	AS AT 30.09.2008 (Rs.)
Authorised		
15,00,00,000 (Previous year 10,00,00,000) Equity Shares of Rs. 10/- each	1,50,00,00,000	1,00,00,00,000
6,00,00,000 (Previous Year 6,00,00,000) 8% Non-Cumulative Redeemable Preference Shares of Rs. 10/- each	60,00,00,000	60,00,00,000
	<u>2,10,00,00,000</u>	<u>1,60,00,00,000</u>
Issued, Subscribed & Paid up		
11,13,49,620 (Previous Year 7,66,17,620) Equity Shares of Rs. 10/-each	1,11,34,96,200	76,61,76,200
Less : Allotment Money-in-arrears	<u>2,83,500</u>	<u>2,83,500</u>
	1,11,32,12,700	76,58,92,700
Global Depository Receipts		
9,02,955 (Previous Year Nil) GDR underlying 3,61,18,200 Equity Shares of Rs. 10/- each	36,11,82,000	—
Preference Share Capital		
8% Non Cumulative Redeemable 4,10,93,424 Preference Shares (Previous Year 4,10,93,424) of Rs. 10/- each	41,09,34,240	41,09,34,240
	<u>1,88,53,28,940</u>	<u>1,17,68,26,940</u>

RESERVES & SURPLUS

SCHEDULE - II

PARTICULARS	AS AT 31.03.2010 (Rs.)	AS AT 30.09.2008 (Rs.)
CAPITAL RESERVE		
State Subsidy	75,00,000	75,00,000
Capital Redemption Reserve	10,27,33,560	—
MNES Subsidy	4,30,04,000	4,30,04,000
US AID	<u>1,69,63,834</u>	<u>1,69,63,834</u>
	17,02,01,394	6,74,67,834
SECURITIES PREMIUM		
- Opening Balance	80,60,02,260	80,60,02,260
- Addition during the year	<u>1,63,50,000</u>	<u>—</u>
	82,23,52,260	80,60,02,260
GENERAL RESERVE		
- Opening Balance	—	24,65,63,000
- Transferred from Profit & Loss Account	<u>—</u>	<u>(24,65,63,000)</u>
	—	—
Surplus as per Profit & Loss Account	17,13,50,259	2,42,23,469
	<u>1,16,39,03,913</u>	<u>89,76,93,563</u>

RANA SUGARS LIMITED



LOAN FUNDS

SCHEDULE - III

PARTICULARS	AS AT 31.03.2010 (Rs.)	AS AT 30.09.2008 (Rs.)
I. Secured Loans		
Term Loans		
From Banks		
- for Co-Gen at Amritsar	14,41,73,867	21,06,21,026
- for U.P. Plants	2,29,60,14,576	2,46,58,94,105
- for Distillery Plant	11,33,08,736	19,16,45,013
SDF Term Loan	2,02,07,635	3,41,16,000
Excise Term Loan	10,25,40,887	10,32,49,950
Vehicle Loans	1,72,36,686	3,34,11,296
Working Capital Loans		
- For Sugar Division at Amritsar	85,55,59,679	67,24,94,618
- For Distillery Division at Amritsar	9,10,91,094	9,38,84,405
- For Sugar Division at Moradabad	79,53,16,986	29,25,04,529
- For Sugar Division at Rampur	79,62,30,854	1,25,86,697
	2,53,81,98,613	1,07,14,70,249
II. Unsecured Loans		
- From Directors, Promoters, their Relatives & Others	66,54,08,809	63,59,35,965
Total	5,89,70,89,809	4,74,63,43,604

Notes :

- Term Loans from Banks are secured by way of First Pari passu charge over all the fixed assets of the company including Sugar & Power Divisions at Amritsar, Moradabad & Rampur and Distillery Division (Amritsar), both present and future and further secured by personal guarantee of Promoters/Directors.
- Term Loan from Sugar Development Fund is secured by way of exclusive second charge on the entire fixed assets of the Company.
- Excise Term Loan from Banks is secured by pari-passu residual charges i.e. 4th charge on the fixed assets of the Company and is further secured by personal guarantee of Promoters/Directors.
- Working Capital Loans
 - Working Capital loans at Sugar Division (Amritsar) are secured by pledge of crystal sugar and gunny bags, and hypothecation of all other current assets at Sugar Division (Amritsar), in favour of State Bank of India, State Bank of Patiala, Bank of Baroda and UCO Bank on pari-passu basis.
 - Working Capital loans at Distillery Division (Amritsar) are secured by hypothecation of all current assets at Distillery Division (Amritsar), in favour of State Bank of India and UCO Bank on pari-passu basis.
 - Working Capital loans at Sugar Division Moradabad (U.P.) are secured by pledge of crystal sugar and gunny bags, and hypothecation of all other current assets at Sugar Division at Moradabad, in favour of State Bank of India, State Bank of Patiala, State Bank of Bikaner & Jaipur, State Bank of Hyderabad, State Bank of Indore, State Bank of Mysore & Bank of Baroda.
 - Working Capital loans at Sugar Division Rampur (U.P.) are secured by pledge of crystal sugar and gunny bags, and hypothecation of all other current assets at Sugar Division at Rampur, in favour of State Bank of India, State Bank of Patiala, State Bank of Bikaner & Jaipur, State Bank of Hyderabad, State Bank of Indore, State Bank of Mysore & Bank of Baroda.
 - The working capital at all units is further secured by personal guarantee of promoters/directors and third pari-passu charge on the entire fixed assets of the company including sugar & power units at Amritsar, Moradabad, Rampur and Distillery unit at Amritsar.



SCHEDULE - IV

Fixed Assets and Capital Work in Progress (Sugar Division), Buttar Seviyan (Amritsar)

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	Cost as on 01.10.2008	Additions	Sales/ Adjustments	Cost as on 31.03.2010	Up to 30.09.2008	for the period 01.10.08 to 31.03.10	As on 31.03.2010	As on 30.09.2008	
Land & Site Development	6,20,77,511	6,12,220	—	6,26,89,731	—	—	6,26,89,731	6,20,77,511	
Amritsar Building & Civil Works	7,12,59,499	28,38,767	—	7,40,98,266	3,20,09,367	36,88,268	3,84,00,631	3,92,50,132	
- Factory Buildings	5,91,29,581	1,70,68,782	—	7,61,98,363	88,86,877	17,24,104	8,50,85,240	5,02,42,704	
- Non factory Buildings	91,71,70,708	3,46,72,007	2,08,96,848	93,09,45,867	35,30,93,001	7,29,98,671	52,01,12,187	56,40,77,707	
Plant & Machinery	1,31,11,524	3,14,362	1,03,356	1,33,22,530	91,74,779	9,85,249	31,79,338	39,36,745	
Electric Installations	75,98,336	21,28,372	1,990	97,24,718	31,20,845	8,37,432	57,67,531	44,77,492	
Furniture & Fixtures	27,58,299	25,794	—	27,84,093	12,85,406	2,62,675	15,48,081	12,36,012	
Office Equipments	1,76,82,366	18,11,242	—	1,94,93,608	82,71,390	17,92,853	1,00,64,243	94,29,365	
Misc. Fixed Assets	3,88,33,788	56,20,295	29,62,001	4,14,92,082	1,14,53,163	57,56,242	2,58,73,005	2,73,80,825	
Vehicles	3,95,97,993	1,47,25,900	—	5,43,23,893	1,40,61,400	1,24,21,506	2,64,82,906	2,55,36,593	
Trucks & Tankers	78,12,355	24,77,293	—	1,02,89,648	49,06,122	17,37,938	36,45,588	29,06,232	
Computers	1,23,70,31,960	8,22,95,034	2,39,64,195	1,29,53,62,799	44,62,62,350	10,22,04,938	1,68,65,246	79,07,69,610	
TOTAL	95,77,48,489	28,76,34,830	83,51,359	1,23,70,31,960	38,92,13,011	6,11,02,089	40,52,749	56,85,35,478	
Previous Year							2,93,15,726	4,35,94,868	
CAPITAL WORK IN PROGRESS									

SCHEDULE - IV

Fixed Assets and Capital Work in Progress (Power Division), Amritsar

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	Cost as on 01.10.2008	Additions	Sales/ Adjustments	Cost as on 31.03.2010	Up to 30.09.2008	for the year 31.03.2010	As on 31.03.2010	As on 30.09.2008	
Land & Site Development	8,01,340	—	—	8,01,340	—	—	8,01,340	801,340	
Building & Civil Works	1,86,80,207	1,15,30,963	—	3,02,11,170	22,56,334	9,73,492	2,79,54,836	1,64,23,873	
- Factory Buildings	16,66,344	38,13,514	—	54,79,858	1,75,532	45,922	52,58,404	14,90,812	
- Non factory Buildings	48,63,44,259	8,86,76,161	—	57,50,20,420	12,56,96,962	3,91,81,618	41,01,41,840	36,06,47,297	
Plant & Machinery	3,772	63,000	—	66,772	617	690	65,465	3,155	
Electrical Equipments	3,862	—	—	3,862	1,526	367	1,969	2,336	
Furniture & Fixtures	18,74,896	7,94,957	—	26,69,853	1,84,516	1,87,615	22,97,722	16,90,380	
Misc. Fixed Assets	50,93,74,680	10,48,78,595	—	61,42,53,275	12,83,15,487	4,03,89,704	44,55,48,084	38,10,59,193	
TOTAL	36,94,58,520	14,10,15,144	10,96,984	50,93,74,680	10,33,38,059	2,53,13,491	38,10,59,193	26,61,20,451	
Previous Year							1,72,95,776	2,83,18,988	
CAPITAL WORK IN PROGRESS									



Fixed Assets and Capital Work in Progress - Distillery Division, Amritsar										SCHEDULE - IV	
Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	Cost as on	Additions	Sales/ Adjustments	Cost as on	Up to 30.09.2008	for the period 01.10.08 to 31.03.10	Sales/ Adjustments	Up to 31.03.2010	As on 31.03.2010	As on 30.09.2008	
	01.10.2008			31.03.2010							
Land & Site Development	3,12,65,008	—	—	3,12,65,008	—	—	—	—	3,12,65,008	3,12,65,008	
Building & Civil Works											
- Factory Building	6,81,71,583	56,63,299	—	7,38,34,882	44,54,432	35,05,018	—	79,59,450	6,58,75,432	6,37,17,151	
- Non Factory Building	1,79,68,117	58,17,687	—	2,37,85,804	4,84,168	5,08,417	—	9,92,585	2,27,93,219	1,74,83,949	
Plant & Machinery	29,65,13,062	1,37,59,818	—	31,02,72,880	3,53,33,883	2,38,31,394	—	5,91,65,277	25,11,07,603	26,11,79,179	
Furniture & Fixtures	14,36,570	8,33,687	—	22,70,257	1,62,435	1,39,976	—	3,02,411	19,67,846	12,74,135	
Office Equipments	5,88,659	13,910	—	6,02,569	56,869	56,622	—	1,13,491	4,89,078	5,31,790	
Vehicles	37,77,920	9,98,433	—	47,76,353	5,64,879	5,62,094	—	11,26,973	36,49,380	32,13,041	
Computers	13,91,242	2,49,779	—	16,41,021	3,88,533	3,69,594	—	7,56,127	8,82,894	10,02,709	
Misc. Fixed Assets	55,03,976	1,33,972	—	56,37,948	6,59,964	5,24,362	—	11,84,326	44,53,622	48,44,012	
Lab Equipments	15,79,067	2,61,600	—	18,40,667	2,14,437	1,50,309	—	3,64,746	14,75,921	13,64,630	
Tractors	3,92,000	16,20,999	—	20,12,999	1,14,543	1,04,965	—	2,19,508	17,93,491	2,77,457	
TOTAL	42,85,87,204	2,93,53,184	—	45,79,40,388	4,24,34,143	2,97,52,751	—	7,21,86,894	38,57,53,494	38,61,53,061	
Previous Year	38,50,26,275	4,36,95,929	1,35,000	42,85,87,204	2,39,70,978	1,84,81,366	18,201	4,24,34,143	38,61,53,061	36,10,55,297	
CAPITAL WORK IN PROGRESS										1,29,78,866	2,35,12,699

RANA SUGARS LIMITED



CURRENT ASSETS, LOANS & ADVANCES

SCHEDULE - V

PARTICULARS	AS AT 31.03.2010 (Rs.)	AS AT 30.09.2008 (Rs.)
A) Current Assets		
a) Current Investment		
- Investment in Mutual Funds	1,10,00,000	—
b) Inventories:		
- Stores & Chemicals	27,78,92,292	17,24,86,138
- Packing Materials	1,60,09,341	1,74,68,301
- Finished Goods Sugar Divisions	2,86,19,81,206	1,18,30,13,173
- Finished Goods Distillery Division	4,47,55,349	1,69,96,570
	3,20,06,38,188	1,38,99,64,182
c) Sundry Debtors: (Unsecured and considered Good)		
- Outstanding for more than six month	1,45,99,350	3,76,18,921
- Others	6,75,88,736	8,21,88,086
		7,34,86,227
d) Cash & Bank Balances:		
- Cash in Hand	1,02,35,623	96,09,440
- Cheques & Drafts in Hand	33,74,577	6,44,07,053
- Balances with Scheduled Banks		
- In Current Accounts	15,18,59,274	2,03,01,678
- In FDR Accounts	7,71,95,165	1,49,07,137
- Balances with Other Banks		
- In Current Accounts	3,49,53,110	—
- In GDR A/c	33,28,18,332	—
	61,04,36,081	10,92,25,308
e) Other Current Assets:		
- Buffer Stock Claim Receivable	50,46,291	2,42,34,551
- Other Current Assets	—	32,48,104
- Interest Receivable	1,84,10,094	66,03,243
- Carbon Credit Receivable	10,23,15,612	—
	12,57,71,997	3,40,85,898
	4,03,00,34,352	1,64,43,80,536
B) Loans & Advances		
- Security Deposits	58,44,976	99,08,809
- Pre- Paid Expenses	64,72,126	66,64,059
- CENVAT Recoverable	24,97,89,455	31,86,42,691
- VAT Recoverable	56,621	1,21,01,858
- Entry Tax Recoverable	—	74,775
- Bank Charges Recoverable	2,69,538	—
- Purchase Tax (PLA Account)	7,39,730	92,149
- Service Tax Receivable	1,55,18,142	1,08,59,203
- Excise Duty deposit (Under Protest)	23,17,170	2,09,810
- Education Cess Recoverable	51,93,879	75,01,751
- Income Tax Recoverable	4,00,484	—
- Advance Taxes	17,00,099	26,50,611
- Tax Deducted at Source	7,54,207	4,74,440
- Entry Tax Deposited Under Protest	3,78,085	3,78,085
- Advances for Raw Material	16,57,84,181	5,73,20,254
- Advances for Expenses	6,52,64,923	6,16,22,617
- Crop & other Advances	47,08,19,507	48,08,63,360
- Excise Duty (PLA)	66,060	—
Total Loans & Advances	99,13,69,183	96,93,64,472
	5,02,14,03,535	2,61,37,45,008

RANA SUGARS LIMITED



CURRENT LIABILITIES & PROVISIONS

SCHEDULE - VI

PARTICULARS	AS AT 31.03.2010 (Rs.)	AS AT 30.09.2008 (Rs.)
A) Current Liabilities		
- Sundry Creditors:		
- Cane Price Payable	44,39,081	2,44,53,540
- For Capital Goods		
- Micro & Small Enterprises	15,30,74,290	24,91,30,016
- Others		
- For Expenses		36,20,587
- Micro & Small Enterprises		25,53,07,591
- Others	28,12,98,792	43,71,46,373
- Crop Loan from Banks	40,47,35,530	2,89,40,731
- Advance from Customers	13,08,19,745	4,96,55,311
- Expenses Payable	7,73,64,515	11,04,68,310
- Taxes & Duties Payable	28,09,59,281	89,90,481
- Security deposits from Agents and Contractors	1,07,14,213	1,09,63,937
- Interest Accrued but not due		14,24,963
- Un-Claimed Dividend	14,23,463	3,26,30,295
- Cheque Issued But Not Presented	4,76,17,961	17,31,69,290
- Other Liabilities	97,21,006	10,22,439
- Interest Accrued and Due	29,05,242	
- Total Current Liabilities (A)	1,40,50,73,119	1,38,33,03,277
B) Provisions		
- Provision for Tax	15,50,000	
- Provision for Retirement Benefits	89,24,466	77,23,885
- Provision for F.B.T		36,69,793
- Total Provisions (B)	1,04,74,466	1,13,93,678
Total Current Liabilities & Provisions (A+B)	1,41,55,47,585	1,39,46,96,955

SALES

SCHEDULE - VII

PARTICULARS	PERIOD ENDED 31.03.2010 (18 MONHTS) (Rs.)	PERIOD ENDED 30.09.2008 (12 MONTHS) (Rs.)
Sugar Buttar Division		
- Sugar	2,21,81,08,582	96,70,48,946
- Molasses	3,84,47,414	
Sugar Belwara Division		
- Sugar	1,17,63,10,432	9,40,25,419
- Molasses	9,25,46,843	6,61,64,498
- Bagasse	15,26,54,311	43,15,295
Sugar Shahbad Division		
- Sugar	1,11,75,56,371	
- Molasses	6,44,92,526	
- Bagasse	3,02,71,248	
Power Buttar Division		
- Electricity	90,18,10,809	28,87,54,701
Distillery Division		
- Rectified Spirit	6,60,42,159	7,30,25,319
- Extra Neutral Spirit	33,64,71,837	23,40,70,482
- Denatured Spirit	3,16,08,017	3,24,62,772
- Punjab Medium Liquor (PML)	66,32,95,245	27,80,15,558
- Indian Made Foreign Liquor (IMFL)	8,05,64,147	6,35,31,689
- Fusel Oil	19,44,813	
	6,97,21,24,754	2,10,14,14,679

RANA SUGARS LIMITED



MISCELLANEOUS INCOME

SCHEDULE - VIII

PARTICULARS	PERIOD ENDED 31.03.2010 (18 MONTHS) (Rs.)	PERIOD ENDED 30.09.2008 (12 MONTHS) (Rs.)
Miscellaneous Income		
- Income From Tissue Culture Lab	7,068	—
- Farm Income	22,35,735	10,56,141
- Rent Realised	5,46,000	4,13,617
- Interest Received	37,21,549	15,19,594
- Income from Transport	—	7,22,288
- Sundry Credit Balance W/Back	22,84,379	—
- Scrap Sale	1,13,36,782	62,84,640
- Carbon Credit Income	10,23,15,612	—
- Bottling Income	45,39,930	41,52,690
- Non-lifting Charges Received	26,96,895	12,89,211
- Interest Subsidy on Buffer Stock	—	2,42,34,551
- Other Misc. Income	1,22,50,932	86,42,404
- Freight Charges Recovered	—	21,46,245
	14,19,34,882	5,04,61,381
Less: Miscellaneous Expenses		
- Sundry Debit Balance Written Off	2,22,236	9,49,526
- Research and Development Expenses	4,87,590	2,97,265
- Carbon Credit Income Reversed	—	9,14,86,044
- Transportation Expenses	24,83,426	—
	31,93,252	9,27,32,835
	13,87,41,630	(4,22,71,454)

RAW MATERIALS CONSUMED

SCHEDULE - IX

Sugar Division, Buttar			
- Sugarcane	1,27,60,47,681	1,01,18,45,705	
- Cess on Sugarcane	33,11,939	38,44,571	
- Purchase Tax on Sugarcae	13,72,37,167	—	
- Misc. Expenses & Incentives on Sugarcane	9,50,216	83,973	
- Cane Development Expenses	47,64,585	4,22,940	
- Raw Sugar Consumed	39,61,39,511	—	
- Biss	62,06,963	1,82,46,58,062	1,01,61,97,189
Sugar Division, Belwara			
- Sugar Cane	1,09,48,03,582	32,07,28,271	
- Society Commission on Sugar Cane	1,81,44,889	70,96,270	
- Purchase Tax on Sugar Cane	1,07,10,950	58,27,601	
- Misc. Expenses/Incentives on Sugar Cane	60,00,707	52,66,128	
- Transportation Charges on Sugar Cane	1,40,30,182	1,60,08,520	
- Cane Development Expenses	1,88,86,963	22,86,274	
- Others	72,30,844	1,16,98,08,117	35,72,13,064
Sugar Division, Shahbad			
- Sugarcane	88,23,06,626	1,43,50,114	
- Society Commission on Sugar Cane	1,47,39,566	3,17,712	
- Purchase Tax on Sugarcane	83,41,129	2,60,911	
- Misc. Expenses/Incentive on Sugarcae	4,80,000	—	
- Transportation Charges on Sugar Cane	6,25,28,558	2,59,129	
- Cane Development Expenses	1,52,14,043	2,55,093	
- Raw Sugar Consumed	50,50,66,447	—	
- Others	12,60,31,315	1,61,47,07,684	1,54,42,959
Power Division, Buttar			
- Husk/Khuddi/Other Fuels	37,50,99,476	1,49,84,232	
- Bagasse	2,05,71,884	39,56,71,360	1,76,93,994
Distillery Division			
- Molasses	6,87,28,983	7,55,36,727	
- Grain	49,23,18,560	16,05,51,423	
- Spirit	—	56,10,47,543	23,74,80,150
		5,56,58,92,766	1,64,40,27,356

RANA SUGARS LIMITED



PARTICULARS	PERIOD ENDED	
	31.03.2010	30.09.2008
	(18 MONTHS)	(12 MONTHS)
	(Rs.)	(Rs.)
MANUFACTURING EXPENSES		
		SCHEDULE - X
- Packing Materials	30,14,88,949	16,70,31,528
- Power & Fuel	3,70,86,216	2,89,93,029
- Husk/Bagasse	19,34,62,769	6,93,26,174
- Chemicals	8,97,97,707	4,89,60,186
- Bio Composting Expenses	59,97,125	36,07,397
- Process Stores & Spares	96,74,408	94,21,592
- Repairs & Maintenance		
- Plant & Machinery	12,61,00,371	8,17,52,457
- Electrical	42,14,009	21,16,569
- Building	1,27,10,172	89,15,132
- Handling Expenses	14,30,24,552	9,27,84,158
- Hire Charges	2,65,82,624	1,11,20,753
- Oils & Lubricants	1,10,27,956	37,71,931
- Insurance of Plant & Machinery	84,07,144	44,83,608
- Royalty	73,30,427	51,01,678
	59,68,535	28,75,736
	83,98,48,412	44,74,77,770
EMPLOYMENT COST		
		SCHEDULE - XI
Salaries, Wages, Bonus & Other Benefits	30,81,79,839	16,79,15,471
Contribution to Provident Fund	1,47,64,629	79,56,262
Workers & Staff Welfare	53,11,842	39,53,623
Gratuity	22,08,477	15,33,450
	33,04,64,787	18,13,58,806
ADMINISTRATIVE EXPENSES		
		SCHEDULE - XII
Rent	46,18,534	31,44,993
Rates, Taxes, Fees and other interest	1,65,25,295	43,98,132
Travelling & Conveyance		
- Directors	67,31,927	62,96,405
- Others	2,83,35,625	1,48,41,839
Telephone Expenses	1,03,79,198	59,02,025
Advertisement & Publicity	23,34,670	8,75,858
Printing & Stationary	48,22,747	23,19,418
Vehicle Running & Maintenance	2,79,56,236	1,30,44,726
Repairs & Maintenance (General)	79,20,319	60,76,188
Professional & Consultancy Charges	46,62,979	61,38,297
Insurance	32,95,780	21,62,182
Meeting Expenses	25,86,191	12,89,586
Office Expenses	1,08,74,553	56,22,555
Postage & Telegram	1,91,684	1,48,052
Listing Fee	11,68,953	6,38,679
Electricity & Water Charges	12,12,254	10,46,496
Horticulture Expenses	7,26,416	4,49,856
Business Promotion & Entertainment	9,19,530	66,357
Charity & Donation	4,40,287	1,59,600
Society Welfare Expenses	12,08,753	7,35,810
Inauguration Expenses	31,74,428	9,46,995
Legal Expenses	6,15,197	3,08,829
Fines & Penalties	32,98,358	24,193
Auditors' Remuneration	12,23,843	12,50,200
	14,52,23,757	7,78,87,271
FINANCIAL EXPENSES		
		SCHEDULE - XIII
Interest on Term Loans	46,87,53,967	27,88,38,000
Interest on Working Capital	30,70,70,355	12,39,45,757
Bank Charges & other Financial Expenses	6,16,24,149	4,17,13,522
Exchange Rate Fluctuation	6,36,06,976	
	90,10,55,447	44,44,97,279



SCHEDULE XIV

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FORMING PART OF ACCOUNTS AS AT 31st MARCH, 2010

A. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

The company maintains its accounts on accrual basis following the historical cost conventions in accordance with Generally Accepted Accounting Principles (GAAP) and in compliance with the Accounting Standards referred to in section 211(3C) and other requirements of the Companies Act, 1956.

The preparation of the financial statements in conformity with GAAP requires that the management of the company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Examples of such estimates include the useful life of fixed assets and intangible assets, provisions for doubtful debts/advances, future obligations in respect of retirement benefit plans, etc. Actual results could differ from these estimates.

2. Revenue Recognition

Revenue is recognized based on the nature of activity when consideration can be reasonably measured and there exists reasonable certainty of its recovery.

- (a) Revenue from sale of goods is recognized when the substantial risks and rewards of ownership are transferred to the buyer under the terms of the contract.
- (b) Sale of power to Punjab State Electricity Board (PSEB) & merchant power purchasers is accounted for based on the meter reading as per metering equipments of PSEB installed at the Power Grid.
- (c) Other income is accounted for on accrual basis as and when the right to receive arises.

3. Inventories

Inventories except molasses and bagasse being by-products, are valued at lower of cost and net realizable value. The by-products are valued at net realizable value. Cost of inventories is determined using Weighted Average Cost method. In respect of finished goods and work in process appropriate overheads are considered.

4. Fixed Assets

Fixed assets are stated at cost, net of Excise Duty, less accumulated depreciation and impairment loss, if any. All costs directly related to the acquisition and installation of fixed assets are capitalized and added to the respective assets. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

5. Depreciation

Depreciation is provided on all the fixed assets using the straight-line method in accordance with and in the manner specified in Schedule XIV to the Companies Act, 1956.

6. Foreign Currency Transactions

Transactions denominated in foreign currency are normally recorded at the exchange rates prevailing at the time of the transactions. Monetary items denominated in foreign currencies at the year end are translated at the year end exchange rates. Any income or expenses on account of exchange difference either on settlement or on translation is recognized in the Profit & Loss Account except in respect of borrowings in foreign currencies, which is adjusted to the cost of the fixed assets.

7. Expenditure on new projects & substantial expansions

Expenditure directly relating to construction/substantial expansion activity is capitalized. Indirect expenditure incurred during construction period is capitalized as part of the indirect construction cost to the extent to which the expenditure is indirectly related to construction or is incidental thereto.



Income earned during the construction period is deducted from the total of the indirect expenditure.

As regards indirect expenditure on expansion, only that portion is capitalized which represents the marginal increase in such expenditure involved as a result of capital expansion. Both direct and indirect expenditure are capitalized only if they increase the value of the asset beyond its original standard of performance.

8. Impairment of Assets

At each balance sheet date, the carrying amounts of fixed assets are reviewed by the management to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss (recoverable amount is the higher of an assets net selling price or value in use). In assessing the value in use, the estimated future cash flows expected from the continuing use of the assets and from its disposal are discounted to their present value using a pre discounted rate that reflects the current market assessment of time value of money and risks specific to the asset.

Reversal of impairment loss is recognized immediately as income in the Profit and Loss Account.

9. Government Grants and Subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

When grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis with the related cost, which it is intended to compensate. Where grant/subsidy relates to an asset, its value is deducted in arriving at the carrying amount of the related asset against which grant/subsidy has been received and further where the grant/subsidy is in the nature of promoters contribution the amount of grant/subsidy is accounted for as a capital reserve.

10. Investments

Investments that are readily realizable and intended to be held for less than one year are classified as current investments. Current investments are carried at lower of cost or market value, whereas long term investments are carried at historical cost. The provision for diminution in the value of investment other than temporary is provided for.

11. Miscellaneous Expenditure

Preliminary expenses and cost incurred in raising funds are written off to the profit and loss account in the year in which the same are incurred

12. Employees Benefits

- The liability on account of gratuity is provided in accordance with LIC's Group Gratuity Scheme.
- Provision for Leave encashment liability is made on Actuarial valuation certificate basis.
- Provident Fund: Contribution to provident fund is made in accordance with the provisions of the Employees Provident Fund Act, 1952.

13. Tax Expenses

Tax expenses comprises of current and deferred income tax, fringe benefit tax and wealth tax. Current income tax and fringe benefits tax is calculated at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized. If the company has carry forward of unabsorbed depreciation and tax losses, deferred tax assets are recognized only if there is virtual



certainty supported by convincing evidence that such deferred tax assets can be realized against further taxable profits. Unrecognized deferred tax assets of earlier years are re-assessed and recognized to the extent that it has become reasonably certain that further taxable income will be available against which such deferred tax assets can be realized.

14. Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividend & taxes) by the weighted average number of equity shares outstanding during the year. Equity shares that are partly paid up are treated as a fraction of an equity share to the extent they are entitled to participate in dividends. The weighted average numbers of equity shares outstanding during the year are adjusted for events such as bonus issue, bonus element in a right issue to the existing shareholders, share split and consolidation of shares.

For the purpose of calculating diluted EPS, the net profit or loss attributable to equity share holders and weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

15. Segment Reporting

a) Segment accounting policies are in line with the accounting policies of the company. In addition, the following specific accounting policies have been followed for segment reporting.

- (1) Segment revenue includes sales and other income directly identifiable with/allocable to the segment including inter segment sales.
- (2) Expenses that are directly identifiable with/allocable to segment are considered for determining the segment result. Expenses which relate to the company as a whole and not allocable to segment are included under Un-allocable corporate expenditure.
- (3) Income which relates to the company as a whole and not allocable to segments is included in un-allocable corporate income.
- (4) Segment assets and liabilities include those directly identifiable with the respective segments. Un-allocable corporate assets and liabilities represent the assets and liabilities that relate to company as a whole and not allocable to any segment. Un-allocable assets mainly comprise corporate head office assets, investments and tax deposited with the Income Tax Authorities. Un-allocable liabilities include mainly Unsecured Loans and Tax Payable to Income Tax authorities.

b) Inter Segment transfer pricing

Segment revenue resulting from transactions with other business segments is accounted on the basis of market price.

16. Provisions & Contingent liabilities

A provision is recognized when an enterprise has

- (1) A present obligation as a result of past events.
- (2) It is probable that an outflow of resources will be required to settle the obligation.
- (3) In respect of which a reliable estimate can be made.

The provisions are determined based on the best estimates required to fulfill the obligation on the balance sheet date. The provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A Contingent liability is

- (1) a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise; or
- (2) a present obligation that arises from past events but is not recognized.

The Contingent liabilities are not recognized but are disclosed in the notes. The Contingent Assets are



neither recognized nor disclosed in financial statements.

17. Cash and Cash equivalents

Cash and cash equivalents in the balance sheet comprises cash at bank, cash in hand & short term investments.

B. NOTES TO ACCOUNTS

1. Contingent Liabilities:

- a) Liabilities in respect of Income Tax and Sales Tax have been accounted for on the basis of respective returns filed with the relevant authorities. Additional demand, if any, arising at the time of assessments will be accounted for in the year in which the assessments are completed.
 - i) Income Tax assessments have been completed up to the assessment year 2007-08.
 - ii) Sales Tax assessments have been completed up to assessment year 2004-05 for Punjab units & 2007-08 for Uttar Pradesh units.

There is no demand pending in respect of the completed assessments.

- b) The Company has deposited Rs. 3.78 Lacs (Previous Year 3.78 Lacs) under protest in respect of Entry Tax on Sugar which has not been provided for.
 - c) Bank Guarantees/LC's issued to PEC Limited, MMTC Limited & other companies amounting to Rs. 4419.85 lacs (previous year Rs. 491.90 lacs) are secured by pledge of FDRs of Rs.646.16 lacs (previous year Rs. 131.65 lacs) and lien with current account of Rs.40 lacs & counter guarantees given by the Company.
 - d) The estimated amount of contracts remaining to be executed on capital account is Rs. 118.90 Lacs (Previous Year: - 1430.07 Lacs).
 - e) The company has debited Cenvat Receivable on account of excise duty under protest on Bagasse amounting to Rs. 21.36 Lacs (Previous year Nil).
 - f) The company has given guarantees against crop loans of Rs. 4047.36 lacs (previous year 4371.46 lacs) availed by the farmers. The loan given by the company to the farmers is included in crop & other advances.
2. Balances of Debtors, Creditors, Advances and Cane growers are subject to their respective confirmation and reconciliation.
 3. In the opinion of the Board of Directors, all the Current Assets, Loans and Advances, if realised in the ordinary course of business, have a value at least equal to the amount at which these are stated in the Balance Sheet.
 4. **Prior period expenses**
 Prior period income/expenses include the followings :

	31.03.2010	30.09.2008
Income	11.12	9.17
Expense	27.80	477.37
 5. As required by Accounting Standard 2 " Valuation of Inventories" issued by The Institute of Chartered Accountants of India (ICAI) read with Accounting Standard Interpretation 14, the Excise duty amounted to Rs. 1139.13 Lacs (Previous year Rs. 639.83 Lacs) has been added in the closing stock and the same has been shown as excise duty payable. However this has no effect on the Profit/Loss for the period.
 6. As required by Accounting Standard (AS) 15 "Employee Benefits" issued by ICAI, the Company has taken the policy for gratuity with LIC's Group Gratuity Scheme and paid annual premium of Rs. 21.74 Lacs as determined by the LIC for the period ended 31 March 2010. The following are the actuarial assumptions taken based on which the premium has been determined:

- Discounting factor	8.00%
- Salary Increase	7.00%



As required by Accounting Standard (AS) 15 "Employee Benefits" issued by ICAI, the Company has made provision for leave encashment as per the Actuarial valuation certificate.

7. As required by AS-16 "Borrowing Costs" issued by ICAI, the Borrowing Cost capitalized in the current year is Rs. Nil (Previous Year Rs.1633.74 Lacs).

8. Segment Reporting

Primary Segment

Based on the guiding principles given in the Accounting Standard 17 "Segment Reporting" issued by ICAI, the Company's segments are White Crystal Sugar, Power Generation and Distillery.

Revenue and expenses have been accounted for on the basis of their relationship to the operating activities of the respective segment.

a) Segment Identification

Business segments have been identified on the basis of the nature of products/services, the risk return profile of individual businesses, the organizational structure and the internal reporting system of the company.

Description	(Rs. in Lacs)									
	White Crystal Sugar		Power Generation		Distillery		Elimination		Total	
Segment Revenue	Cu.Year 31.03.10 (18 Months)	Pr.Year 30.09.08 (12 Months)	Cu.Year 31.03.10 (18 Months)	Pr.Year 30.09.08 (12 Months)	Cu.Year 31.03.10 (18 Months)	Pr.Year 30.09.08 (12 Months)	Cu.Year 31.03.10 (18 Months)	Pr.Year 30.09.08 (12 Months)	Cu.Year 31.03.10 (18 Months)	Pr.Year 30.09.08 (12 Months)
a) External Sales	47021.53	10359.46	9018.11	3150.96	11770.40	6811.06	0.00	0.00	67810.03	20321.48
b) Inter Segment Sales	2454.52	3286.05	3577.99	2192.30	0.00	0.00	6032.51	5478.35	0.00	0.00
Total	49476.05	13645.51	12596.10	5343.26	11770.40	6811.06	6032.51	5478.35	67810.03	20321.48
Segment Result	4668.73	(2066.93)	6012.79	1195.34	524.37	(458.49)	0.00	0.00	11205.89	(1330.08)
Interest									9010.55	4444.97
Unallocated Corp. Income									5.46	4.14
Unallocated Corp. Expenses									0.00	0.00
Profit before Tax & Prior Period Items	(3483.33)	(5891.23)	5642.51	956.66	36.15	(840.49)			2200.80	(5770.92)
Prior Period (Expenses)/ Income	(17.60)	(23.84)	4.00	(0.08)	(3.08)	(444.27)			(16.68)	(468.20)
Profit before tax	(3500.93)	(5915.07)	5646.52	956.58	33.07	(1284.76)			2184.11	(6239.11)
Extra Ordinary Income									546.65	1010.00
Provision for Current Tax									15.50	0.00
Provision for Deferred Tax									216.71	1012.56
Fringe Benefit Tax, Wealth tax & Earlier year provision for tax									25.00	(48.33)
Earlier Year Provision for Tax W/Back /(W/Off)									25.05	(20.48)
Profit After Tax									2498.60	(4285.37)
Segment Assets (Gross)	94244.28	74290.10	9403.16	8111.51	6150.54	5783.01	4787.53	5112.65	105010.45	83071.96
Unallocated Corp. Assets									5.56	40.45
TOTAL ASSETS									105016.01	83112.40
Segment Liability	60537.64	47628.32	2448.53	4184.90	8259.41	8336.23	4787.53	5112.65	66458.05	55036.79
Unallocated Corp. Liability									6885.03	6373.61
TOTAL LIABILITIES									73343.08	61410.40
Capital Expenditure	1127.20	497.79	938.55	2395.87	188.19	144.41			2253.95	3038.08
Depreciation	3649.14	1815.31	403.90	327.63	297.53	184.81			4350.56	2327.75
Non Cash Expenses									0.00	32.09

Geographical segments have been identified on the basis of the location of the assets of the Company. Company operates in two Geographical areas in India i.e., Punjab and Uttar Pradesh.



GEOGRAPHICAL SEGMENTS

(Rs. In lacs)

Description	Punjab		U.P.		Total	
	Cu.Year	Pr.Year	Cu.Year	Pr.Year	Cu.Year	Pr.Year
	31.03.10 (18 Months)	30.09.08 (12 Months)	31.03.10 (18 Months)	30.09.08 (12 Months)	31.03.10 (18 Months)	30.09.08 (12 Months)
a) Carrying Amount of Segment Assets	64141.37	32574.14	40869.07	50497.81	105010.45	83071.95
b) Addition to Fixed Assets & Intangible Assets	1806.91	324.00	447.04	2714.07	2253.95	3038.07
c) Segmental Revenue from External Customers	42537.70	18859.01	25272.33	1462.47	67810.03	20321.48

9. Related Party Disclosures :

Disclosures as required by the Accounting Standard -18 "Related Party Disclosures" issued by the ICAI are given below:

A. Relationship

a) Associate Companies

1. Rana Polycot Limited.
2. RSL Distilleries Pvt. Ltd.
3. Rana Informatics Pvt. Ltd.
4. Rana Leathers Pvt. Ltd.
5. R.G.S.Traders Pvt. Ltd.
6. Rana Infrastructures Pvt. Limited
7. Rana Power Ltd.

b) Key Management Personnel

- | | |
|----------------------------|-------------------|
| 1. Rana Ranjit Singh | Chairman |
| 2. Rana Inder Partap Singh | Managing Director |
| 3. Rana Veer Partap Singh | Director |
| 4. Rana Karan Partap Singh | Director |

c) Relatives of Key Management Personnel

1. Rana Gurjeet Singh
2. Mrs. Rajbans Kaur
3. Rana Preet Inder Singh
4. Mrs. Sukhjinder Kaur

B. Transactions with related Parties

(Rs. in Lacs)

S.No.	Nature of Transactions	Associate Companies'		Key Management Personnel		Relatives	
		Period ended	Period ended	Period ended	Period ended	Period ended	Period ended
		31.03.10	30.09.08	31.03.10	30.09.08	31.03.10	30.09.08
1	Purchase	0.70	0.34	—	—	—	—
2	Rent Received	4.50	3.00	—	—	—	—
3	Loans Received	—	384.00	230.12	429.74	601.12	752.15
4	Loans Repaid	—	260.33	400.63	134.41	583.88	55.30

— The Company entered into a joint venture for the development of a real estate project with one of its Associates company and earned a profit of Rs. 546.65 lacs (previous year Rs. 1010 lacs), which has been shown as an extra ordinary item in the Profit & Loss Account.



C. Outstanding Balances (Rs. In lacs)	31.03.2010	30.09.2008
— Interest Free unsecured loans from Directors	180.52 Lacs	351.03 Lacs
— Interest Free Unsecured Loan from Relatives of Directors	1162.02 Lacs	1144.78 Lacs
— Interest Free Unsecured Loan from associate Concerns	2008.29 Lacs	2008.29 Lacs

10. Earning Per Share:

As per Accounting Standard -20 "Earning Per Share" issued by ICAI, the EPS has been calculated as follows :

	31.03.2010	30.09.2008
a) Weighted average number of shares	100194106	76617620
b) Net Profit after tax available for Equity Share Holders (Rs. in lacs)		
— Before Extra ordinary Items	1951.95	(5295.37)
— After Extra ordinary Items	2498.60	(4285.37)
c) Basic/Diluted Earning per share (Rs.) (Face value Rs. 10)		
— Before Extra ordinary Items	1.95	(6.91)
— After Extra ordinary Items	2.49	(5.59)

11. Deferred Tax Liability

Deferred tax assets and liabilities are being offset as they relate to taxes on income levied by the same governing taxation laws.

Major components of Deferred Tax Assets and Deferred Tax Liabilities:

(Rs. in Lacs)

	As on 31.03.2010	During the Period	As on 30.09.2008
A. Deferred Tax Liabilities			
Difference between carrying amount of fixed assets in the financial statements and the income tax return	18113.29	5567.04	12546.25
TOTAL "A"	18113.29	5567.04	12546.25
B. Deferred Tax Assets			
- Expenses debited to Profit & loss account but disallowed of the Income Tax Act, 1961	2185.22	1897.83	287.39
- Amount disallowed U/s 145 A of Income Tax Act	(127.04)	(461.81)	334.77
- Expenses Disallowed U/s 40 (a) (ia)	392.04	175.21	216.83
- Unabsorbed Depreciation and business loss	15025.50	2614.53	12410.97
TOTAL "B"	17475.72	4225.76	13249.96
Deferred Tax Liability/(Asset) (A-B)	637.57	1341.27	(703.70)
Tax Impact	216.71	455.90	(239.19)
Net Deferred Tax Liability	216.71		

For the period ended 31st March, 2010, the Company has Deferred tax liability amounting to Rs.455.90 Lacs, out of which Deferred Tax Asset of Rs. 239.19 Lacs which was not recognized earlier as a matter of prudence has been adjusted. Hence, Net Deferred Tax Liability amounting to Rs.216.71 Lacs has been charged to Profit & Loss Account.



12. Impairment of Assets

As per Accounting Standard -28 "Impairment of Assets" issued by ICAI, the management has reviewed its cash generating units as on 31.03.2010. No indication has been found by the management to suggest that the recoverable amount of Asset is less than the carrying amount. Hence no impairment loss on asset has been recognized.

13. The Movement of Provisions as required by Accounting Standard (AS-29) "Provisions, Contingent liabilities and Contingent Assets" issued by ICAI are as follows: (Rs. in Lacs)

Particulars	Opening Balance as on 01.10.2008	Additions during the period	Deductions/ Reversed	Closing Balance as on 31.03.2010
Income Tax	NIL	15.50	NIL	15.50
Deferred Tax	NIL	261.71	NIL	216.71
Fringe Benefit Tax	36.70	12.11	48.81	NIL
Retirement Benefit	77.24	50.24	38.24	89.24

14. There are no Micro and Small Enterprises, to whom the company owes dues, which are outstanding for more than 45 days as at 31 March, 2010. 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 company.

15. Auditors Remuneration

	31.03.2010	30.09.2008
Audit Fees	661800	561800
Tax Audit Fees	275750	280900
Taxation Matters	230000	361000
Cost Audit Fees	46500	46500

16. Expenditure on employees

There was no employee employed for full or part of the year who was getting remuneration in excess of the limits specified in Section 217 (2A) of the Companies Act, 1956.

17. Expenditure in foreign currency

Particulars	31.03.2010 (18 Months)	30.09.2008 (12 Months)
Expenditure in Foreign Currency	5958.07	25.11
TOTAL	5958.07	25.11

18. In Preference to the companies Act, 1956 the company has not provided for Dividend on non-cumulative Preference shares in lieu of the Stipulation imposed in the Capital Debt Restructuring Package.



19. The company has entered into contracts for import of 85000 MT of raw sugar at an average price of US\$ 538.53. The company is of the opinion that there will be no loss on processing the same.

20. Value of Imports

Capital goods imported NIL (Previous year 2117.62 Lacs)

Raw material imported CIF value Rs. 8734.34 Lacs (Previous year NIL)

21. Bank balances include an amount of Rs.14.23 Lacs (Previous Year 14.25 Lacs) for unclaimed dividend for financial year 2004-05.

22. During the period, Carbon Credit Income amounting to be Rs. 1023.15 lacs has been booked on accrual basis.

23. In case of Profit & Loss Account, the figures for the current period are not comparable with the figures of the previous year, as the current period figures are for 18 months while the previous year figures were for 12 months.

24. Previous year figures have been recasted / regrouped / rearranged wherever necessary to make them comparable with that of current year.



ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPH 3 & 4 OF PART II OF SCHEDULE VI OF THE COMPANIES ACT, 1956

		As at 31.03.2010 (18 months)	As at 30.09.2008 (12 months)
A. Quantitative Data			
I)	Licenced Capacity		
	Sugar (TCD) Buttar	5000	5000
	Sugar (TCD) Belwara	5000	5000
	Sugar (TCD) Shahbad	5000	5000
	Distillery (KL/per day)	60	60
II)	Installed Capacity		
	Sugar (TCD) Buttar	5000	5000
	Sugar (TCD) Belwara	5000	5000
	Sugar (TCD) Shahbad	5000	5000
	Distillery (KL/per day)	60	60
III)	Installed Capacity (MW)		
	Electricity - Sugar Buttar	46	46
	Electricity - Sugar Belwara	20	20
	Electricity - Sugar Shahbad	20	20
	Electricity - Distillery	1.5	1.5
IV)	Production		
	Sugar (Qtls.)		
	- Buttar Sugar Div.	7,38,414	6,57,864
	- Belwara Sugar Div.	4,53,208	2,67,290
	- Shahbad Sugar Div.	6,66,521	7,493
		18,58,143	9,32,647
	BISS (Qtls.)		
	- Buttar Sugar Div.	5,695	1,356
	- Belwara Sugar Div.	1,900	1,700
	- Shahbad Sugar Div.	3,159	2,522
		10,754	5,578
	Molasses (Qtls.)		
	- Buttar Sugar Div.	2,78,180	3,12,460
	- Belwara Sugar Div.	3,04,300	1,61,190
	- Shahbad Sugar Div.	2,29,334	7,001
		8,11,814	4,80,651
	Bagasse (Qtls.)		
	- Buttar Sugar Div.	18,93,147	24,59,200
	- Belwara Sugar Div.	16,73,881	10,41,349
	- Shahbad Sugar Div.	14,56,860	51,841
		50,23,888	35,52,390
	Electricity (Units) Th. Steam Turbine		
	- Buttar Power Div.	17,95,14,050	9,92,92,624
	- Belwara Power Div.	2,34,27,868	1,30,44,000
	- Shahbad Sugar Div.	2,12,43,264	13,32,346
	- Distillery Div.	93,51,751	73,78,419
		23,35,36,933	12,10,47,389
	Liquor/Spirit		
	- Rectified Spirit (BL)	60,42,971	70,76,346
	- Extra Neutral Alcohol (BL)	1,52,29,245	88,15,180
	- Denatured Spirit (BL)	12,95,671	12,55,396
	- Punjab Medium Liquor (PML)	30,54,745	14,50,494
	- Indian Made Foreign Liquor (IMFL)	1,51,331	1,38,398
	- Fusel Oil (Ltr.)	1,29,000	4,000
V.)	Purchase		
	BISS (Qtls.)		
	- Buttar Sugar Div.	8,837	—
	Bagasse (Qtls.)		
	- Shahbad Sugar Div.	35,368	46,032
	- Belwara Sugar Div.	262	13,366
	Extra Neutral Alcohol (BL)		
	- Distillery Div.	—	48,000
	Electricity (Units)		
	- Buttar Power Div.	1,13,82,685	57,81,587
VI.)	Sales/Wastage/Transfer		
	Sugar		
	- Buttar Sugar Div.	8,09,387	5,64,062
	- Belwara Sugar Div.	4,07,017	61,565
	- Shahbad Sugar Div.	3,53,998	9,671.12
		11,75.56	949.22

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Molasses				
- Buttar Sugar Div.	1,61,566	1,033.77	3,14,561	1,432.03
- Belwara Sugar Div.	2,31,246	925.47	1,58,038	661.64
- Shahbad Sugar Div.	1,60,261	644.93	—	—
BISS				
- Buttar Sugar Div.	14,238	—	1494	—
- Belwara Sugar Div.	2,100	—	3525	8.97
- Shahbad Sugar Div.	4,095	—	—	—
Bagasse-Internal Consumption (Qtls.)				
- Buttar Sugar Div.	18,93,147	1,893.15	24,59,132	1,844.35
- Belwara Sugar Div.	8,94,406	2,057.13	9,67,501	1,161.00
- Shahbad Sugar Div.	13,51,098	3,107.52	97,873	117.45
Bagasse-Branch Transfer (Qtls.)				
- Buttar Sugar Div.	—	—	68	0.07
- Belwara Sugar Div.	9,768	19.24	45,311	54.37
- Shahbad Sugar Div.	—	—	—	—
Bagasse-Sale (Qtls.)				
- Buttar Sugar Div.	—	—	—	—
- Belwara Sugar Div.	6,41,150	1,526.54	41,904	43.15
- Shahbad Sugar Div.	1,26,130	302.71	—	—
Electricity (Units)				
- Buttar Power Div.	14,91,85,875	9,018.11	7,43,86,920	3150.96
Electricity - Internal Consumption/Transmission Loss (Units)				
- Buttar Div.	4,17,10,860	—	3,06,87,291	—
- Belwara Div.	2,34,27,868	—	1,30,44,000	—
- Shahbad Sugar Div.	2,12,43,264	—	13,32,346	—
- Distillery Div.	93,51,751	—	73,78,419	—
Liquor/Spirit				
- Rectified Spirit (BL)	61,97,156	660.42	69,81,534	730.25
- Extra Neutral Alcohol (BL)	1,43,75,826	3,364.72	91,45,329	2,340.70
- Denatured Spirit (BL)	12,60,450	316.08	12,58,082	324.63
- Punjab Medium Liquor (PML)	30,57,068	6,632.95	14,67,589	2,780.16
- Indian Made	—	—	—	—
- Foreign Liquor (IMFL)	1,51,307	805.64	1,35,689	635.32
- Fusel Oil (LTR)	1,22,000	19.45	—	—
VII. Closing Stock				
Sugar				
- Buttar Sugar Div.	3,46,516	9,591.89	4,17,489	7,227.69
- Belwara Sugar Div.	2,87,675	8,105.57	2,41,484	4,261.50
- Shahbad Sugar Div.	3,20,016	9,104.87	7,493	132.21
Sugar in Process				
- Buttar Sugar Div.	—	—	—	—
- Belwara Sugar Div.	5,000	122.40	—	—
- Shahbad Sugar Div.	—	—	—	—
BISS				
- Buttar Sugar Div.	1,650	41.34	1,356	21.35
- Belwara Sugar Div.	—	—	200	3.20
- Shahbad Sugar Div.	1,586	39.22	2,522	40.37
Molasses				
- Buttar Sugar Div.	1,34,495	574.63	17,881	85.34
- Belwara Sugar Div.	76,206	325.59	3,152	15.04
- Shahbad Sugar Div.	76,074	325.03	7,001	33.41
Molasses in Process				
- Buttar Sugar Div.	—	—	—	—
- Belwara Sugar Div.	1,500	4.73	—	—
- Shahbad Sugar Div.	—	—	—	—
Bagasse				
- Buttar Sugar Div.	—	—	—	—
- Belwara Sugar Div.	1,38,819	347.05	10,000	10.00
- Shahbad Sugar Div.	15,000	37.50	—	—
Liquor/Spirit				
- Spirit in Process	—	—	6,000	1.47
- Liquor in Process (BL)	2,19,609	27.34	40,708	7.33
- Rectified Spirit (BL)	—	—	1,54,185	43.67
- Extra Neutral Alcohol (BL)	8,71,969	300.77	18,550	5.45
- Denatured Spirit (BL)	89,947	21.28	54,726	17.01
- Punjab Medium Liquor (PML)	41,191	67.08	43,514	66.59
- Indian Made Foreign Liquor (IMFL)	8,822	29.35	8,798	28.20
- Fusel Oil (Ltr.)	11,000	1.73	4,000	0.26

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VIII. Consumption of Raw Material				
Sugarcane				
- Buttar Sugar Div.	66,23,876	12,760.48	76,89,140	10,118.46
- Belwara Sugar Div.	53,50,600	10,948.04	29,11,890	3,207.28
- Shahbad Sugar Div.	41,69,953	8,823.07	1,30,190	143.50
Others				
- Buttar Sugar Div.	1,82,557	3,961.40	—	—
- Belwara Sugar Div.	3,500	72.31	—	—
- Shahbad Sugar Div.	2,77,407	6,310.98	—	—
Husk/Bagasse/Khuddi				
(Power Division) (Qtls.)	16,38,350	3,902.35	8,54,814	202.88
Molasses (Distillery Division)	2,24,105	1,246.86	4,75,470	755.37
Grains/Flours (Distillery Div.)	4,46,604	4,924.99	1,88,105	1,605.51
B. Consumption of Raw Material	(Rs. in Lacs)	%age	(Rs. in Lacs)	%age
Stores and Spares				
a) Raw Material				
Imported	9,012.06	100.00	—	—
Indigenous	43,938.40	100.00	16033.01	100.00
	52,950.46	100.00	16033.01	100.00
b) Stores & Spares				
Imported	—	—	—	—
Indigenous	4,437.08	100.00	2,483.93	100.00
	4,437.08	100.00	2,483.93	100.00
c) Packing Material				
	3,014.89	100.00	1,670.32	100.00
	3,014.89	100.00	1,670.32	100.00
C. Expenditure on Employees:				
			AS AT	AS AT
			31.03.2010	30.09.2008
			(18 months)	(12 months)
			(Rs. in Lacs)	(Rs. in Lacs)
Break up of expenditure incurred on employees in receipt of remuneration aggregating to Rs. 24,00,000/- per annum or Rs. 2,00,000/- or more per month				
i) Employed for full year			—	—
- Number of employees			—	—
- Salaries & Allowances			—	—
ii) Employed for the part of the year			—	—
- Number of employees			—	—
- Salaries & Allowances			—	—
D. CIF Value of imports				
Raw Materials			8,734.34	—
E. Expenditure in foreign Currency			5,958.07	2,142.74
F. Earning in Foreign Exchange			—	—
G. The Auditors remuneration include payment and provisions as follows (Rs. in Lacs)				
Statutory Audit & Cost Audit Fees			7.08	6.08
Consultation Fees and other matters			2.30	3.61
In terms of our separate report of even date annexed.				
			D.B.S. Gill	
			General Manager (Accounts)	
			Manoj Gupta	
			Chief Financial Officer	
			Manmohan K. Raina	
			Company Secretary	
			Rana Inder Pratap Singh	
			Managing Director	
			Rana Ranjit Singh	
			Chairman	
Place: CHANDIGARH	S.K. Kansal			
Date : 5th June, 2010	Partner			
	Membership No. 80632			
	FRN 003897N			



Balance Sheet Abstract and Company's General Business Profile

I. Registration Details		
Registration No.	11537	State Code
Balance Sheet Date	31.03.2010	53
II. Capital Raised during the Period (Rs. in lacs)		
Public Issue/Preferential Issue	7472.32	Rights Issue
Bonus Issue	Nil	Nil
Private Placement		Nil
III. Position of Mobilization and Deployment of Funds (Rs. in lacs)		
Total Liabilities	105016.01	Total Assets
		105016.01
Sources of Funds		
Paid-up Capital & Share Application Money (if any)	20033.88	Reserves & Surplus
Secured Loans	52316.81	11639.04
Deferred Tax Liability	216.71	Unsecured Loans
		6654.09
		Total
		90860.53
Application of Funds		
Net Fixed Assets (including capital work in progress)	54801.97	Misc. Expenditure to the extent not written off or adjusted
Net Current Assets	36058.56	Nil
		Investments
		Nil
IV. Performance of Company (Rs. in lacs)		
Turnover	69259.82	Total Expenditure
Profit/(Loss) Before Tax	2730.77	67075.71
Earning per share (Rs.) before extra ordinary items	1.95	Profit/(Loss) After Tax
		2498.60
Dividend (Percentage)	0.00%	Earning per share (Rs.) after extra ordinary items
		2.49
V. Generic Names of Three Principal Products/Service of Company (as per monetary terms)		
a. Item Code No (ITC Code)		17011109
Product Description		White Crystal Sugar
b. Item Code No (ITC Code)		27160000
Product Description		Electricity
c. Item Code No (ITC Code)		17031000
Product Description		Molasses
d. Item Code No. (ITC Code)		22072000
Product Description		Denatured Spirit

In terms of our separate report of even date annexed.

for KANSAL SINGLA & ASSOCIATES
Chartered Accountants

Place: CHANDIGARH
Date : 5th June, 2010

S.K. Kansal
Partner
Membership No. 80632
FRN 003897N

D.B.S. Gill

General Manager (Accounts)

Manoj Gupta

Chief Financial Officer

Manmohan K. Raina

Company Secretary

Rana Inder Pratap Singh

Managing Director

Rana Ranjit Singh

Chairman

RANA SUGARS LIMITED



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2010

(Rs. in Lacs)

PARTICULARS	31.03.2010 (18 months)	30.09.2008 (12 months)
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	2,747.45	(4,760.92)
Adjustment For :		
- Depreciation & Non Cash Expenses	4,350.56	2,359.83
- Profit on sale of fixed assets	(62.37)	(8.85)
- Interest (Net)	8,973.34	4,429.78
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	16,008.98	2,019.84
Adjustment For :		
- (Increase)/Decrease in Trade and Other Receivables	(957.74)	(124.23)
- (Increase)/Decrease in Inventories	(18,106.74)	(7,085.39)
- (Decrease)/Increase in Trade Payables	208.51	4,474.75
CASH GENERATED FROM OPERATIONS	(2,846.99)	(715.04)
- Direct Tax Paid	(15.45)	(167.18)
Cash flow after extraordinary items	(2,862.45)	(882.22)
Prior Period Adjustments	(16.68)	(468.20)
NET CASH USED IN OPERATING ACTIVITIES	(2,879.13)	(1,350.41)
B. CASH FLOW FROM INVESTING ACTIVITIES		
- Purchase of Fixed Assets	(2,315.40)	(3,038.08)
- Sale of Fixed Assets	200.20	60.64
- Interest Received	37.22	15.20
NET CASH USED IN INVESTING ACTIVITIES	(2,077.99)	(2,962.24)
C. CASH FLOW FROM FINANCING ACTIVITIES		
- Proceeds from Issue of Capital	7,308.82	—
- Subsidy/Securities Premium	163.50	—
- Increase/(Decrease) in long terms borrowings	(3,454.55)	1,830.60
- Increase/(Decrease) in Unsecured Loans	294.73	2,586.77
- Increase/(Decrease) in Working Capital borrowings	14,667.28	4,960.94
- Interest Paid	(9,010.55)	(4,444.97)
NET CASH FROM FINANCING ACTIVITIES	9,969.23	4,933.34
NET CHANGE IN CASH AND CASH EQUIVALENT (A+B+C)	5,012.11	620.67
CASH AND CASH EQUIVALENTS AT THE BEGINNING	1,092.25	471.58
CASH AND CASH EQUIVALENTS AT THE END	6,104.36	1,092.25

D.B.S. Gill
General Manager (Accounts)

Manoj Gupta
Chief Financial Officer

Manmohan K. Raina
Company Secretary

Place : Chandigarh
Dated : 5th June, 2010

Rana Inder Pratap Singh
Managing Director

Rana Ranjit Singh
Chairman

Auditors' Report

We have verified the attached cash flow statement of M/s Rana Sugars Limited for the year ended 31st March, 2010. The statement has been prepared by the Company in accordance with the requirements of listing agreement and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of even date to the members of the Company.

For KANSAL SINGLA & ASSOCIATES
Chartered Accountants

Place : Chandigarh
Dated : 5th June, 2010

S.K. KANSAL
Partner
Membership No. 80632
FRN 003897N



RANA SUGARS LIMITED

Regd. Office : SCO 49-50, Sector 8-C,
Madhya Marg, CHANDIGARH-160 009

(In case the Member is unable to be present in person at the meeting this form may be used)

PROXY FORM

I/We
ofbeing a member/members of Rana Sugars Limited
hereby appoint Mr./Mrs./Missof
or failing him/her, Mr./Mrs./Missof
as my/our proxy to attend and to vote for me/us and on my/our behalf at the EIGHTEENTH ANNUAL
GENERAL MEETING of the Company to be held on Wednesday, the 30th June, 2010 at 11.30 A.M. at the
Institution of Engineers (India), Madhya Marg, Sector 19-A, Chandigarh and at any adjournment thereof.

Signed thisday of2010.

Folio / Client I.D. No.



Signature

NOTE :

1. The proxy must be deposited at the Regd. Office of the Company at SCO 49-50, Sector 8-C, Madhya Marg, Chandigarh, atleast 48 hours before the time for holding the Meeting.
2. A proxy need not be a member of the Company.

RANA SUGARS LIMITED

Regd. Office : SCO 49-50, Sector 8-C, Madhya Marg, CHANDIGARH-160 009

ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall

Name of the attending Member (IN BLOCK LETTERS)

Folio/Client I.D. No.

No. of Shares

Name of the Proxy (IN BLOCK LETTERS)

[To be filled in if the Proxy attends instead of the Member(s)]

I hereby record my presence at the EIGHTEENTH ANNUAL GENERAL MEETING at the Institution of Engineers (India), Madhya Marg, Sector 19-A, Chandigarh.

Member's/Proxy's Signature

(To be signed at the time of handing over this slip)

NOTE : The copy of the Annual Report may please be brought to the Meeting Hall.

For Office Use :



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If undelivered, please return to :

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SCO-49-50, Sector 8-C,

Madhya Marg,

Chandigarh-160 009