

19th
Annual Report
2010-11



RANA SUGARS LIMITED



BOARD OF DIRECTORS

Rana Ranjit Singh	Chairman
Rana Inder Pratap Singh	Managing Director
Shri A.S. Sodhi	Director
Shri S.A.S. Bajwa	Director
Shri Baljit Singh	Director
Rana Veer Pratap Singh	Director
Rana Karan Pratap Singh	Director
Shri Balour Singh	Director (Nominee of PEDDA)
Shri M.P. Singh	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 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 NINETEENTH ANNUAL GENERAL MEETING of the Members of the Company shall be held as scheduled below:-

Day : Friday
 Date : 30th September, 2011
 Time : 3.30 P.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, 2011 and the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri A. S. Sodhi, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri Baljit Singh, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri Balour 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."

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, Rana Inder Pratap Singh whose term as Managing Director has expired on 30th January, 2011 be and is hereby re-appointed as Managing Director of the Company for a further period of 5 years w.e.f. 31st January, 2011."

"RESOLVED FURTHER THAT pursuant to provisions of Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the necessary consents and approvals as may be required under various statutes, approval be and is hereby accorded for the fixation of remuneration of Rana Inder Pratap Singh, Managing Director as per the detail given below:

SALARY: Rs. 75,000/- per month

PERQUISITES: These will be, in addition to salary. Perquisites are classified as follows:

- A (i) Perquisites such as furnished accommodation or House Rent Allowance, provision of gas, electricity, water, furnishings and maintenance in respect of such accommodation, medical re-imbursement for self and family, club fees, leave benefits, leave travel concessions for self and family and personal accident insurance. The monetary value of such perquisites shall be restricted to a maximum of Rs.1,00,000/- per month.
- (ii) Company's contribution to Provident Fund and Superannuation Fund shall not be included in the computation of the ceiling on perquisites referred to in (i) above to the extent these either singly or put together are not taxable under the Income Tax Act as



applicable from time to time. Gratuity payable shall not exceed half a month's salary for each completed year of service. Such gratuity and the encashment of leave at the end of the tenure shall not be included in the computation of the ceiling on perquisites.

- (iii) Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purposes shall be billed by the Company to Rana Inder Pratap Singh or appropriate recoveries made from his salaries as per Income Tax Act, 1961 towards the use of car for personal purposes.

- B. In the event of loss or inadequacy of profits in any financial year during the term of the Managing Director, subject to the necessary approvals, if any, Rana Inder Pratap Singh will be paid the remuneration specified above as minimum remuneration subject to the limits set out in schedule XIII of the Companies Act, 1956 from time to time."

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, Rana Ranjit Singh be and is hereby appointed as whole-time-Director of the Company for a period of 5 years w.e.f. 13th May, 2011."

"RESOLVED THAT pursuant to provisions of Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the necessary consents and approvals as may be required under various statutes, approval, Rana Ranjit Singh, whole-time-Director of the Company shall receive remuneration and perquisites during the period of his continuance in the office of the whole-time-Director w.e.f. 13th May, 2011 as per the detail given here under:

SALARY: Rs. 1,00,000/- per month

PERQUISITES: These will be, in addition to salary. Perquisites are classified as follows:

- A (i) Perquisites such as furnished accommodation or House Rent Allowance, provision of gas, electricity, water, furnishings and maintenance in respect of such accommodation, medical re-imbursement for self and family, club fees, leave benefits, leave travel concessions for self and family and personal accident insurance. The monetary value of such perquisites shall be restricted to a maximum of Rs.1,00,000/- per month.
- (ii) Company's contribution to Provident Fund and Superannuation Fund shall not be included in the computation of the ceiling on perquisites referred to in (i) above to the extent these either singly or put together are not taxable under the Income Tax Act as applicable from time to time. Gratuity payable shall not exceed half a month's salary for each completed year of service. Such gratuity and the encashment of leave at the end of the tenure shall not be included in the computation of the ceiling on perquisites.
- (iii) Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purposes shall be billed by the Company to Rana Ranjit Singh or appropriate recoveries made from his salaries as per Income Tax Act, 1961 towards the use of car for personal purposes.
- B. In the event of loss or inadequacy of profits in any financial year during the term of the whole-time-Director, subject to the necessary approvals, if any, Rana Ranjit Singh will be paid the remuneration specified above as minimum remuneration subject to the limits set out in schedule XIII of the Companies Act, 1956 from time to time."

By order of the Board
for RANA SUGARS LIMITED

Place : Chandigarh

Dated : 3rd September, 2011

(MANMOHAN K. RAINA)
COMPANY SECRETARY



NOTES :

1. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of business under Item No. 6 and 7 is annexed hereto.
2. 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.
3. Members are requested to bring their copy of Annual Report alongwith them at the Meeting.
4. 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.

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

ITEM NO. 6

The tenure of Rana Inder Pratap Singh as Managing Director of the Company has expired. He has managed the affairs of the Company very efficiently and successfully as Managing Director of the Company. The Board of Directors in its meeting held on 27th January, 2011 has re-appointed Rana Inder Pratap Singh as Managing Director of the Company for a further period of 5 years w.e.f. 31st January, 2011 on a total remuneration of Rs. 1,75,000/- per month including all allowances and perquisites as per details given in the notice.

The Directors recommend the resolution for your acceptance.

None of the Directors except Rana Ranjit Singh, Rana Inder Pratap Singh, Rana Veer Pratap Singh and Rana Karan Pratap Singh is in any way concerned or interested in the resolution.

ITEM NO. 7

Due to setting up two sugar mills in the state of Uttar Pradesh and with increased activities of the Company it is desirable to appoint a Whole Time Director to look after the day to day activities of the Company.

The Board of Directors in its meeting held on 13th May, 2011 has appointed Rana Ranjit Singh, Chairman as Whole Time Director of the Company for a period of 5 years w.e.f. 13th May, 2011 on a total remuneration of Rs. 2,00,000/- per month including all allowances and perquisites as per details given in the notice.

The Directors recommend the resolution for your acceptance.

None of the Directors except Rana Ranjit Singh, Rana Inder Pratap Singh, Rana Veer Pratap Singh and Rana Karan Pratap Singh is in any way concerned or interested in the resolution.



DIRECTORS' REPORT

Your Directors have pleasure in presenting the Nineteenth Annual Report together with the Audited Accounts of your Company for the year ended 31st March, 2011.

1. FINANCIAL RESULTS :

(Rs. in lacs)

	Current year ended 31.03.2011 (12 months)	Previous year ended 31.03.2010 (18 Months)
Profit before interest, depreciation & tax	5572.02	15145.41
Less: Financial Expenses	6350.73	8374.48
Depreciation	3167.34	4350.56
Misc. expenses written off	0.28	219.57
Profit/(Loss) before Tax & Prior Period expenses	(3946.33)	2200.80
Prior Period income/(expenses)	8.96	(16.68)
Add: Extra ordinary Income	—	546.65
Profit/(Loss) before Tax	(3937.37)	2730.77
Provision for Tax :		
Current Tax	—	15.50
Deferred Tax	(216.71)	216.71
Wealth Tax & Earlier Year Provision for Tax	1.66	25.00
Add: Earlier Year Provision for Tax W/Back	46.37	25.05
Net Profit/(Loss) after Tax	(3675.95)	2498.61
OPERATIONS:		
Cane Crushed (Qtls)	1,34,77,740	1,61,44,429
Production		
Sugar (Qtls)	13,99,855	18,58,143
Molasses (Qtls)	7,08,063	8,11,814
Electricity (Units)	19,73,98,382	23,35,36,933
Spirit and others (BL)	1,74,55,193	2,26,96,887
Liquor (Cases)	19,71,372	32,06,076

The Company has suffered a loss of Rs.3675.95 lacs during the financial year ended 31st March, 2011 as compared to Net Profit of Rs. 2498.61 lacs during the previous year. The main reasons for the loss this year, are higher purchase price and low sale price of imported raw sugar, higher purchase price of sugarcane as compared to sugar sale prices, increase in financial cost due to higher rate of interest, carrying cost of large sugar stocks and low sale rate of power as compared to last year.

2. DIVIDEND

Due to losses your Directors propose not to recommend any dividend for the year under review.

3. DIRECTORS

There was no change in the Directorship of the Company during the year.

Shri A. S. Sodhi, Shri Baljit Singh and Shri Balour 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, 2011, 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;
- that the directors had prepared the accounts for the financial year ended 31st March, 2011 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.

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 2011-2012 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.

The listing fee for 2011-2012 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 conveys its appreciation to the cane cultivators, customers, suppliers, dealers, agents, Banks and financial institutions, the government agencies and departments for their continued support and cooperation. Your Directors wish to thank the shareholders for their understanding and support to the management.

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 : 3rd September, 2011



Annexure 'A'

ANNEXURE TO THE DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH, 2011

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, 2011.

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 31.03.2011 (12 Months)	Previous Year 31.03.2010 (18 Months)
Purchased		
Buttar Division		
- Unit Purchased	6,96,250	8,81,975
- Total Amount (Rs.)	47,28,770	54,32,090
- Rate Per Unit (Rs.)	6.79	6.16
Shahbad Division		
- Unit Purchased	11,01,840	-
- Total Amount (Rs.)	40,26,159	-
- Rate Per Unit (Rs.)	3.65	-
Own Generation		
Buttar Division		
- Through D.G. Set (Sugar Division)		
Units Generated	94,206	1,46,221
Units Generated per litre of Diesel Oil	3.20	3.17
Cost Per Unit (Rs.)	11.41	10.42
- Through Steam Turbine (Sugar Division)		
Units Generated	12,13,37,770	17,95,14,050
Units Generated per Qtl. of Fuel	60.55	54.04
Cost Per Unit Electricity (Rs.)	2.95	2.71
Belwara Division		
- Through D.G. Set		
Units Generated	7,31,616	7,63,344
Units Generated per litre of Diesel Oil	3.20	3.17
Cost Per Unit (Rs.)	12.15	11.09
- Through Steam Turbine (Sugar Division)		
Units Generated	2,05,75,800	2,34,27,868
Units Generated per Qtl. of Fuel	24.90	26.44
Cost Per Unit Electricity (Rs.)	2.62	3.28
Shahbad Division		
- Through D.G. Set (Sugar Division)		
Units Generated	2,55,613	14,15,498
Units Generated per litre of Diesel Oil	3.00	3.31
Cost Per Unit (Rs.)	13.16	10.52
- Through Steam Turbine (Sugar Division)		
Units Generated	4,85,64,045	2,12,43,264
Units Generated per Qtl. of Fuel	50.14	19.84
Cost Per Unit Electricity (Rs.)	2.30	4.24



Distillery Division

- Through D.G. Set		
Units Generated	3,61,934	5,96,763
Units Generated per litre of Diesel Oil	3.09	3.30
Cost Per Unit (Rs.)	11.71	9.52
- Through Steam Turbine		
Units Generated	69,20,767	93,51,751
Units Generated per Qtl. of Fuel	27.65	38.18
Cost Per Unit Electricity (Rs.)	11.57	8.61

B. Consumption Per Unit of Product

Buttar Division

- Electricity (KW/MT)	302.34	275.86
- Bagasse (MT/MT)	1.92	1.54
- Steam (MT/MT)	4.70	4.20

Belwara Division

- Electricity (KW/MT)	484.43	533.78
- Bagasse (MT/MT)	1.96	1.95
- Steam (MT/MT)	3.80	4.07

Shahbad Division

- Electricity (KW/MT)	439.67	339.96
- Bagasse (MT/MT)	2.76	1.61
- Steam (MT/MT)	6.22	3.26

Distillery Division

- Electricity (KW/KL)	418.94	440.83
- Fuel (Rice Husk) (MT/KL)	1.44	1.09
- Steam (MT/KL)	5.47	4.23

C. Technology Absorption

i) Research & Development

- a) 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.

- b) The Company is trying to improve quality of Cane & ensure development of Cane by providing various facilities to the Cane growers.

- c) Amount incurred on Research & Development (Rs. in lacs)

3.24 4.88

ii) Technology Absorption, Adoption and Innovation

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

- b) Technology Imported

Nil Nil

D. Foreign Exchange Earning & Outgo (Rs. in lacs)

a) Foreign Exchange Earning	25,907.62	1,023.16
b) Foreign Exchange Outgo	14,136.56	5,685.22

For & on behalf of the Board

Place : Chandigarh
Dated : 3rd September, 2011

RANA RANJIT SINGH
CHAIRMAN



REPORT ON CORPORATE GOVERNANCE

a) Company's Philosophy on Code of Governance

The principles of corporate governance introduced by SEBI through Clause 49 of the Listing Agreement are complied in all respects by the Company. The Company is deeply committed to the core value of Corporate Governance concepts. The Company firmly believes that any meaningful policy on the Corporate Governance must provide empowerment to the executive management of the Company and simultaneously create a mechanism of checks and balances which ensures that decision making power vested in executive management are used with care and responsibility to meet shareholder and stakeholders aspirations.

b) Board of Directors

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

During the year under review, nine Board Meetings were held on 12th April, 2010, 5th June, 2010, 19th June, 2010, 13th August, 2010, 13th November, 2010, 27th January, 2011, 14th February, 2011, 26th February, 2011 and 28th March, 2011. 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	—	4	WTD/CH/PP	4
Rana Inder Pratap Singh	Yes	8	MD/PP	6
Rana Veer Pratap Singh	—	6	NED/PP	2
Rana Karan Pratap Singh	—	5	NED/PP	1
Shri A. S. Sodhi	Yes	8	NED	1
Shri S. A. S. Bajwa	Yes	9	NED	1
Shri Baljit Singh	Yes	9	NED	—
Shri Balour Singh	—	—	NED/PEDA	1
Shri M. P. Singh	—	—	NED/PEDA	1

CH – Chairman, MD – Managing Director, WTD – Whole Time Director, PP – Private Promoter, NED – Non Executive Director, PEDA – Punjab Energy Development Agency

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:

1) 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 five 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	4
Shri S. A. S. Bajwa	Member	5
Shri Baljit Singh	Member	5

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 fourteen 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	14
Rana Veer Pratap Singh	Member	14
Shri Baljit Singh	Member	14

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 91103 investors as on 31.03.2011. The Company received 35 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/Whole Time 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 Baljit Singh	Member



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
2009-10	30.06.2010	11.30 a.m.	The Institution of Engineers (India), Madhya Marg, Sector 19-A, Chandigarh	No
2007-08	30.12.2008	3.00 p.m.	-- do --	No
2006-07	29.12.2007	2.00 p.m.	-- do --	No

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 Reconciliation of Share 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 Punjabi Tribune.
- Management Discussion and Analysis Report forms part of this Annual Report and is given separately.

g) General Shareholder's Information

i) 19th Annual General Meeting

Venue : The Institution of Engineers(India)
Madhya Marg, Sector 19-A, Chandigarh
Date : 30th September, 2011

ii) Tentative Financial Calendar

Audited Annual Results (2010-11)	September, 2011
Publication of Audited Results	—
First Quarter Results	August, 2011
Publication of Half Yearly Results	November, 2011
Third Quarter Results	February, 2012
Fourth Quarter Results	May, 2012
Audited Annual Results (2011-12)	September, 2012

iii) Book Closure

The register of members and share transfer books of the Company shall remain closed from 26th September, 2011 to 30th September, 2011 (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
April, 2010	14.80	10.45	14.95	11.85
May, 2010	12.80	10.50	12.80	10.50
June, 2010	14.00	10.73	13.20	10.90
July, 2010	12.50	11.10	12.50	11.10
August, 2010	11.50	10.00	11.35	10.00
September, 2010	11.45	9.60	11.35	9.65
October, 2010	10.07	8.73	10.20	8.50
November, 2010	10.39	7.50	11.00	7.45
December, 2010	8.99	7.00	8.95	6.90
January, 2011	8.80	5.55	8.80	6.00
February, 2011	7.12	5.70	7.20	5.55
March, 2011	6.50	5.50	6.20	5.55

vii) Registrar and Share 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, 2011 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	43499	47.747	53630490	3.492
2.	251 to 500	18597	20.413	79388220	5.170
3.	501 to 1000	13518	14.838	119767540	7.799
4.	1001 to 2000	7257	7.966	118911100	7.743
5.	2001 to 3000	2574	2.825	68459330	4.458
6.	3001 to 4000	1290	1.416	47447810	3.090
7.	4001 to 5000	1320	1.449	63850470	4.158
8.	5001 to 10000	1734	1.903	130319750	8.486
9.	10001 and above	1314	1.443	853903490	55.604
Total		91103	100.000	1535678200	100.000



Details of Shareholding as on 31st March, 2011 was as under :

S.No.	Category	No. of Shares held	% shareholding
1.	Promoters	37316079	24.299
2.	Financial Institutions, Banks and Mutual Funds	430106	0.280
3.	NRIs, Foreign Nationals, OCBs and FII	2210590	1.440
4.	Private Corporate Bodies	21100672	13.740
5.	Indian Public	92510373	60.241
6.	Others	-	-
Total		153567820	100.000

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

xi) Location of Plant

Sugar and Power Unit:

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

- (ii) Village Belwara,
Tehsil & Distt. Moradabad, 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 A.S. Sodhi, is an outside professional Director. He is a retired IAS. He is also Director of Rana Polycot Limited. He has about 40 years of experience in different fields of Industry.
- ii) Shri Baljit Singh, is an outside professional Director. He has worked on various posts with SAIL and IFCL. He has also worked as Managing Director, NITCON. He has about 37 years of experience.
- iii) Shri Balour Singh, is a nominee director of Punjab Energy Development Agency. Presently he is working as Director with Punjab Energy Development Agency.

AUDITORS' CERTIFICATE

ANNEXURE- 'C'

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, 2011, 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 : 3rd September, 2011

S. K. Arora
Partner
Membership 070405
FRN 003897N



ANNEXURE 'D'

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

Sugar

Sugar is the largest agro based industry existing in rural India which directly contributes to rural economic development. India is second largest producer of sugar in the World after Brazil and is largest consumer of the sugar. The sugar production in India is expected to be at 250 lakh tones in 2010-2011 season compared to 189.12 lakh tones in 2009-2010 season. Sugar plants are expected to function at optimum levels in 2011-2012 season also.

The Indian sugar industry is characterized by co-existence of Public Private and Co-operative Sector. About 50 million farmers and their families are supported by sugar industry directly or indirectly. Sugar industry is a seasonal industry and lasts about for 100-180 days in a year. The sugar industry is more or less controlled by Government policies like 10% levy sugar obligation, control on sugarcane price, control on export, monthly release mechanism and maintaining stocks for considerable period etc.

Future Prospects

The Company's profitability has been hit during the financial year 2010-11 on account of higher purchase price and low sale price of imported raw sugar, high sugarcane prices as comparative low sugar selling prices. Sugar prices will be the key factor for determining the profitability of the financial year 2011-12. Agro-Climatic Conditions will play a key role which is totally unpredictable. As in the past, Distillery and Co-generation Power divisions will play a vital support for improving the bottom line in the coming years too. It is expected that the performance of the Company will be far better in the year 2011-12 as compared to 2010-11.

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 13,99,855 quintals of sugar against the production of 18,58,143 quintals of last year (18 months). 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 at subsidized rates.

Power

The Central Electricity Regulatory Commission (CERC) is currently undertaking several positive measures for co-generation. These measures include generic tariff norms for co-generation projects; norms and pricing framework for Renewable Energy Certificates (RECs) and amendment of the provisions of the grid code to ensure smoother off take and transmission of power by utilities. Further State Electricity Regulatory Commissions (SERCs) in some key sugar producing states have also taken proactive measures such as increasing co-generation tariffs, permitting third-party sales, allowing usage of coal in off-season and power off take at preferential rates.

The Government has announced various incentives schemes for sugar Companies to set up co-generation power projects. The Govt. of India has also notified various notable initiatives for acceleration of power co-generation programme. The Company has produced 19,73,98,382 units of power during the year.

Ethanol

The increased quantity wise consumption of ethanol in petroleum products would benefit the industry immensely depending upon the Government policy with regard to price and implementation.

The success of the ethanol blended petrol programme of the Central Government depends on its consistent policy and the support for the same from the State Governments.



Distillery

Due to increased demand of alcohol & its by-products and ready availability of raw material, many Sugar Companies are setting up distillery projects which will result into increasing their profitability.

The Distillery Unit of the Company with a capacity of 60 KL per day is running successfully. During the year, it produced 1,74,55,193 BL of Spirit & others and 19,71,372 cases of Liquor.

Outlook/ Projection

The Company's projection on crushing of Sugarcane for the current year 2011-12 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.

Opportunities and threats

Sugar industry is a seasonal industry. The production of sugar depends upon availability of sugarcane which is affected by weather of the particular place. Further, high domestic sugar consumption, Government's policy for export & import, cane & sugar prices, international crude oil prices which is critical for ethanol mix and availability of raw-sugar in international market are things which affect sugar industry considerably.

Sugar manufacturing companies are taking advantage of making effective utilization of by-products to manufacture value added products like power and alcohol which offer means and ways to limit the impact of price volatility due to sugar cycle and sustain the economic viability for the sugar industry.

The industry is still controlled by the regulators through levy obligation and release mechanism. Owing to the Government regulations, the companies are unable to take timely effective steps to meet the challenges being faced by the industry.

Sugar business is intrinsically cyclical. Market sentiments move disproportionate to demand- supply parity that causes volatile change in product pricing. Cogeneration and Ethanol bring much desired value addition to by-products and help soften the inimical impact of sugar cycles.

Risk and Concern

Sugarcane being the sole raw material for the sugar industry, its availability depends upon good monsoon; competition from other crops and good seed and its varieties. The sugarcane prices fixed by Central Government and State Government will affect the profitability of the sugar industry. The control on molasses by the State Government also affects the sugar industry.

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 control 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 1065 besides few contract labour employed during the season. Relation between management and labour were cordial during the year.



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, 2011, Profit & Loss Account and Cash Flow Statement for the year 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, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 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 XV, 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, 2011.
 - b. In the case of the Profit and Loss Account, of the loss for the year ended 31st March, 2011.
 - c. In the case of Cash Flow Statement of the Cash Flows for the year ended 31st March, 2011.

for Kansal Singla & Associates
Chartered Accountants

S.K. ARORA
PARTNER

Membership No. 070405

FRN 003897N

Place : Chandigarh

Date : 3rd September, 2011



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 year, 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 year 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 not given any loans to the Companies/Parties covered in the register maintained under Section 301 of the Act.
- (b) The company has taken interest free unsecured loans from sixteen 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 year was Rs. 3497.30 Lacs and the year-end balance was Rs. 2936.35 Lacs.

- (c) As explained to us, terms & conditions of such loans are not prejudicial to the interest of the Company.
- (d) No stipulation has been specified for the repayment of these loans.
- (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 and fixed assets and for the 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, Distillery and Industrial Alcohol Industries. 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 depositing, with delay 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. According to the information and explanations given to us, following undisputed statutory dues were



outstanding as at 31st March, 2011 for more than six months from the date they became due:

<i>Name of the statute</i>	<i>Nature of Dues</i>	<i>Amount (Rs. in lacs)</i>	<i>Year to which the amount relates</i>
Income Tax Act	TDS	24.08	31.03.10
Income Tax Act	TDS	20.76	31.03.11
Cess on Sugarcane	Cess	2.50	31.03.10

However, TDS and Cess on Sugar Cane has since been paid.

- (b) The Company has not deposited disputed Purchase tax on Sugar Cane amounting to Rs. 1926.93 lacs as the matter is under appeal with the Hon'ble Supreme Court.
- (x) The accumulated losses of the company as at the end of the financial year is less than 50% of its Net Worth. Further, the company has incurred cash losses amounting to Rs. 778.71 Lacs (PY Nil) during the year ended 31.03.2011.
- (xi) As per the information and explanations given to us, the Company has paid with certain delays, the amounts due to banks and financial institutions. The overdues in respect of interest (Rs. 367.21 Lacs) and installment of Term Loan (Rs. 907.99 Lacs) for the quarter ended 31st March 2011 were paid by the company before 31st May 2011.
- (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 year, the Company has not availed any new term loan 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 funds raised on short term basis have been used for long term investments.
- (xviii) According to the information & explanations given to us, during the year covered by audit the Company has made preferential allotment of 61,00,000 equity shares of Rs. 10 each at a premium of Rs. 1.50 per share to parties covered in the register maintained under Section 301 of the Act and has complied with the guidelines issued by Securities and Exchange Board of India in this regard.
- (xix) According to the information and explanations given to us, during the year covered by our audit report, the Company has not issued any debentures.
- (xx) According to the information and explanations given to us, during the year covered by our audit report, the company has not raised any money by way of public issue.
- (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. ARORA
PARTNER

Membership No. 070405
FRN 003897N

Place : Chandigarh

Date : 3rd September, 2011



BALANCE SHEET AS AT 31ST MARCH, 2011

PARTICULARS	SCHEDULE No.	AS AT 31.03.2011 (Rs. in lacs)	AS AT 31.03.2010 (Rs. in lacs)
I. SOURCES OF FUNDS			
Shareholders' Funds			
a) Share Capital	I	19,463.29	18,853.29
b) Share Application money		956.79	1,180.59
c) Reserve & Surplus	II	10,149.29	11,639.04
Loan Funds	III		
a) Secured Loans		55,431.08	52,316.81
b) Unsecured Loans		5,744.80	6,654.09
Deferred Tax Liability		—	216.71
TOTAL		91,745.25	90,860.53
II. APPLICATION OF FUNDS			
Fixed Assets	IV		
Gross Block		64,046.26	61,962.32
Less : Depreciation		15,102.69	11,969.61
Net Block		48,943.57	49,992.71
Add : Capital Work in Progress		3,408.59	4809.26
Investments	V	129.09	110.00
Current Assets, Loans & Advances	VI		
a) Inventories		38,604.69	32,006.38
b) Sundry Debtors		3,560.67	821.88
c) Cash & Bank Balances		1,853.32	6,104.36
d) Other Current Assets		261.84	1,257.72
e) Loans & Advances		10,220.84	9,913.69
Total Current Assets		54,501.36	50,104.03
Less :			
Current Liabilities & Provisions	VII		
a) Current Liabilities		17,094.20	14,050.73
b) Provisions		105.61	104.74
		17,199.81	14,155.47
Net Current Assets		37,301.55	35,948.56
Misc. Expenditure			
Profit & Loss A/c Debit Balance		1,962.45	—
TOTAL		91,745.25	90,860.53
Significant Accounting Policies and Notes to Accounts	XV		

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 : 3rd September, 2011

S.K. Arora
Partner
Membership No. 070405
FRN 003897N

Manoj Gupta
Chief Financial Officer
Manmohan K. Raina
Company Secretary
Rana Inder Pratap Singh
Managing Director
Rana Ranjit Singh
Chairman



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

PARTICULARS	SCHEDULE No.	YEAR ENDED 31.03.2011 (12 Months) (Rs. in lacs)	PERIOD ENDED 31.03.2010 (18 Months) (Rs. in lacs)
INCOME :			
Sales - Gross	VIII	79,373.53	69,721.25
Less : Excise Duty		1,565.21	1,911.22
Net Sales		77,808.32	67,810.03
Misc. Income	IX	515.46	1,474.62
Increase/(Decrease) in stock		7,231.55	17,067.26
Less : Excise Duty		199.53	499.29
		85,355.80	85,852.62
EXPENDITURE :			
Raw Materials Consumed	X	69,078.59	55,658.93
Manufacturing Expenses	XI	5,659.33	8,398.48
Employment Cost	XII	2,373.63	3,304.65
Administrative Expenses	XIII	1,638.66	2,088.31
Financial Expenses	XIV	6,350.73	8,374.48
Selling Expenses		1,033.57	1,256.84
Depreciation	IV	3,167.34	4,350.56
Misc. Expenses written Off		0.28	219.57
		89,302.13	83,651.82
Profit/(Loss) before Tax & Prior Period Items		(3,946.33)	2,200.80
Prior Period (Expenses)/Income		8.96	(16.68)
Add: Extra Ordinary Income		—	546.65
Profit/(Loss) before Tax		(3,937.37)	2,730.77
Less: Provision for Taxation			
a) Current Tax (MAT)		—	15.50
b) Deferred Tax		(216.71)	216.71
c) Wealth Tax & Earlier Year Provision for Tax		1.66	25.00
		46.37	25.05
Add Earlier Year Provisions W/Back/(W/off)			
Net Profit/(Loss) After Tax		(3,675.95)	2,498.61
Balance brought forward from previous year		1,713.50	242.23
Balance available for Appropriations		(1,962.45)	2,740.84
Transfer to Capital Redemption Reserve		—	1,027.34
Balance carried to Balance Sheet		(1,962.45)	1,713.50
Basic Earning Per Share (Face value Rs. 10/-)			
- Before Extra Ordinary Items		(2.41)	1.95
- After Extra Ordinary Items		(2.41)	2.49
Significant Accounting Policies and Notes to Account	XV		

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. Arora
Partner

Place: CHANDIGARH
Date : 3rd September, 2011

Membership No. 070405
FRN 003897N

Manoj Gupta
Chief Financial Officer

Manmohan K. Raina
Company Secretary

Rana Inder Pratap Singh
Managing Director

Rana Ranjit Singh
Chairman



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2011

		(Rs. in Lacs)
PARTICULARS	31.03.2011 (12 months)	31.03.2010 (18 months)
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT/(LOSS) BEFORE TAX AND AFTER EXTRAORDINARY ITEMS	(3,946.33)	2,747.45
Adjustment For :		
- Depreciation & Non Cash Expenses	3,167.34	4,350.56
- Net Loss/(Profit) on Sale of Fixed Assets	0.13	(62.37)
- Dividend Received	(0.68)	—
- Interest (Net)	6,162.23	8,973.34
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	5,382.69	16,008.98
Adjustment For :		
- (Increase)/Decrease in Trade and Other Receivables	(2,050.05)	(957.74)
- (Increase)/Decrease in Inventories	(6,598.31)	(18,106.74)
- (Decrease)/Increase in Trade Payables	3,044.33	208.51
CASH GENERATED FROM OPERATIONS	(221.34)	(2,846.99)
- Direct Tax Paid/adjusted	44.71	(15.45)
Cash flow after extraordinary items	(176.63)	(2,862.45)
Prior Period Adjustments	8.96	(16.68)
NET CASH (USED)/FROM OPERATING ACTIVITIES	(167.67)	(2,879.13)
B. CASH FLOW FROM INVESTING ACTIVITIES		
- Purchase of Fixed Assets	(792.71)	(2,315.40)
- Sale of Fixed Assets	75.04	200.20
- Purchase of Investments	(19.09)	—
- Dividend Received	0.68	—
- Interest Received	188.50	37.22
NET CASH (USED)/FROM INVESTING ACTIVITIES	(547.58)	(2,077.99)
C. CASH FLOW FROM FINANCING ACTIVITIES		
- Proceeds from Issue of Capital	518.45	7,308.82
- Subsidy Securities Premium	91.50	163.50
- Increase/(Decrease) in long terms borrowings	(3,595.31)	(3,454.55)
- Increase/(Decrease) in Unsecured Loans	(909.28)	294.73
- Increase/(Decrease) in Working Capital borrowings	6,709.58	14,667.28
- Interest Paid	(6,350.73)	(9,010.55)
NET CASH (USED)/FROM FINANCING ACTIVITIES	(3,535.79)	9,969.23
NET CHANGE IN CASH AND CASH EQUIVALENT (A+B+C)	(4,251.04)	5,012.11
CASH AND CASH EQUIVALENTS AT THE BEGINNING	6,104.36	1,092.25
CASH AND CASH EQUIVALENTS AT THE END	1,853.32	6,104.36

Place : Chandigarh
Dated : 3rd September, 2011

Manoj Gupta
Chief Financial Officer

Rana Inder Pratap Singh
Managing Director

Manmohan K. Raina
Company Secretary

Rana Ranjit Singh
Chairman

Auditors' Report

We have verified the cash flow statement of M/s Rana Sugars Limited for the year ended 31st March, 2011. 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 : 3rd September, 2011

S.K. ARORA
Partner
Membership No. 070405
FRN 003897N



Schedules to the Accounts

SHARE CAPITAL

SCHEDULE - I

PARTICULARS	AS AT 31.03.2011 (Rs. in Lacs)	AS AT 31.03.2010 (Rs. in Lacs)
Authorised		
16,00,00,000 (Previous year 15,00,00,000) Equity Shares of Rs. 10/- each	16,000.00	15,000.00
6,00,00,000 (Previous Year 6,00,00,000) 8% Non-Cumulative Redeemable Preference Shares of Rs. 10/- each	6,000.00	6,000.00
	<u>22,000.00</u>	<u>21,000.00</u>
Issued, Subscribed & Paid up		
15,35,67,820 (Previous Year 11,13,49,620) Equity Shares of Rs. 10/-each	15,356.78	11,134.96
Less : Allotment Money-in-arrears	<u>2.83</u>	<u>2.83</u>
	15,353.95	11,132.13
GDR Issue		
NIL (Previous Year 9,02,955 GDR underlying 3,61,18,200 Equity Shares of Rs. 10/- each)	-	3,611.82
Preference Share Capital	4,109.34	4,109.34
8% Non Cumulative Redeemable 4,10,93,424 Preference Shares (Previous Year 4,10,93,424) of Rs. 10/- each	<u>19,463.29</u>	<u>18,853.29</u>

RESERVES & SURPLUS

SCHEDULE - II

PARTICULARS	AS AT 31.03.2011 (Rs. in Lacs)	AS AT 31.03.2010 (Rs. in Lacs)
Capital Reserve		
State Subsidy	75.00	75.00
Capital Redemption Reserve	1,027.34	1,027.34
Capital Reserve (1,15,00,000 Number of warrants forfeited on which Rs. 1.15 per warrant was paid)	132.25	—
MNES Subsidy	430.04	430.04
US Aid	<u>169.64</u>	<u>169.64</u>
	1,834.27	1,702.02
Securities Premium		
- Opening Balance	8,223.52	8,060.02
- Addition during the year	<u>91.50</u>	<u>163.50</u>
	8,315.02	8,223.52
Surplus as per Profit & Loss Account	—	1,713.50
	<u>10,149.29</u>	<u>11,639.04</u>



LOAN FUNDS

SCHEDULE - III

PARTICULARS	AS AT 31.03.2011 (Rs. in Lacs)	AS AT 31.03.2010 (Rs. in Lacs)
I. Secured Loans		
Term Loans		
From Banks		
- for Co-Gen Unit at Amritsar	1,031.33	1,441.74
- for U.P. Sugar Units	21,026.88	22,960.14
- for Distillery Unit	632.00	1,133.09
SDF Term Loan	-	202.08
Excise Term Loan	551.08	1,025.41
	23,241.29	26,762.46
Vehicle Loans	98.22	172.36
Working Capital Loans		
- For Sugar Division at Amritsar	10,557.79	8,555.60
- For Distillery Division at Tarn Taran	878.62	910.91
- For Sugar Division at Moradabad	9,768.17	7,953.17
- For Sugar Division at Rampur	10,886.99	7,962.31
	32,091.57	25,381.99
	55,431.08	52,316.81
II. Unsecured Loans		
- From Directors, Promoters, their Relatives & Others	5,744.80	6,654.09
	61,175.88	58,970.90

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 (Tarn Taran), both present and future and further secured by personal guarantee of Promoters/Directors.
- 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/hypothecation of crystal sugar, 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 (Tarn Taran) are secured by hypothecation of all current assets at Distillery Division (Tarn Taran), 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/hypothecation of crystal sugar, 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 Mysore & Bank of Baroda.
 - Working Capital loans at Sugar Division Rampur (U.P.) are secured by pledge/hypothecation of crystal sugar, 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 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 Tarn Taran.



SCHEDULE - IV (Rs. in Lacs)

Fixed Assets and Capital Work in Progress

Particulars	GROSS BLOCK			DEPRECIATION		NET BLOCK	
	Cost as on 01.04.2010	Additions	Sales/ Adjustments	Cost as on 31.03.2011	For the Year	Up to 31.03.2010	As on 31.03.2011
Land & Site Development	2,246.51	15.10	—	2,261.61	—	—	2,261.61
Building & Civil Works							
- Factory Buildings	4,176.73	56.15	—	4,232.88	140.07	666.24	3,426.57
- Non factory Buildings	1,560.51	233.18	—	1,793.69	25.99	135.09	1,632.61
Plant and Machinery	51,460.49	1,701.43	40.40	53,121.52	2,737.04	10,262.83	40,130.75
Electric Installations	185.99	7.76	—	193.75	11.99	108.95	72.81
Furniture and Fixtures	169.95	9.80	—	179.75	11.04	49.92	118.79
Office Equipments	37.60	2.55	—	40.15	2.49	17.18	20.48
Misc. Fixed Assets	602.09	70.96	—	673.05	40.57	159.79	472.69
Lab Equipments	18.41	—	—	18.41	1.17	3.65	13.59
Vehicles	608.46	86.01	69.02	625.45	57.87	201.31	391.43
Trucks and Tankers	543.24	—	—	543.24	88.06	264.83	190.35
Tractors	20.13	1.14	—	21.27	2.33	2.20	16.74
Computers	332.21	9.28	—	341.49	48.72	97.62	195.15
TOTAL	61,962.32	2,193.36	109.42	64,046.26	3,167.34	11,969.61	48,943.57
Previous Year	56,262.76	6,044.59	345.03	61,962.32	4,350.56	7,787.71	49,992.71
CAPITAL WORK IN PROGRESS							3,408.59
							4,809.26



INVESTMENT

SCHEDULE - V

PARTICULARS	AS AT 31.03.2011 (Rs. in Lacs)	AS AT 31.03.2010 (Rs. in Lacs)
Long Term Investments (Quoted) (at Cost)		
- SBI Magnam Comma Fund (30788.177 units @ Rs. 16.24 per unit)	5.00	5.00
- SBI Contra Dividend (19538.882 units @ Rs. 25.59 per unit)	5.00	5.00
	10.00	10.00
Short Term Investments (Quoted) (at Cost or Market Price which ever is lower)		
- Magnam Insta Cash (459345 units @ Rs. 21.77 per unit having NAV Rs. 21.78 per unit)	100.00	100.00
- SBI PSU Fund Growth (100000 units @ Rs. 10 per unit having NAV Rs. 9.84 per unit)	9.84	-
- SBI CPOF - Series II (92468 units @ Rs. 10 per unit having NAV Rs. 10.07 per unit)	9.25	-
	119.09	100.00
	129.09	110.00

CURRENT ASSETS, LOANS & ADVANCES

SCHEDULE - VI

PARTICULARS	AS AT 31.03.2011 (Rs. in Lacs)	AS AT 31.03.2010 (Rs. in Lacs)
A) Current Assets		
a) Inventories: (As taken, valued and certified by the Management)		
- Stores & Chemicals	2,090.19	2,778.92
- Packing Materials	215.58	160.09
- Finished Goods Sugar Divisions	35,936.98	28,619.81
- Finished Goods Distillery Division	361.94	447.56
	38,604.69	32,006.38
b) Sundry Debtors: (Unsecured and considered Good)		
- Outstanding for more than six month	164.40	145.99
- Others	3,396.27	675.89
	3,560.67	821.88
c) Cash & Bank Balances:		
- Cash in Hand	234.05	102.36
- Balances with Scheduled Banks		
- In Current Accounts	930.23	1,550.41
- In FDR Accounts	565.09	771.95
- Balances with Other Banks		
- In Current Accounts	123.95	3,679.64
	1,853.32	6,104.36
d) Other Current Assets:		
- Interest and Other Receivable	261.84	1,257.72
	44,280.52	40,190.34
B) Loans & Advances		
- Advances recoverable in cash or in kind or for value to be received	8,003.46	7,144.55
- Balance with Excise, Customs etc.	2,101.96	2,713.64
- Payments of Taxes under protest/appeal	70.24	26.95
- Advance payment of Tax (including Tax deducted at source)	45.18	28.55
	10,220.84	9,913.69
	54,501.36	50,104.03



CURRENT LIABILITIES & PROVISIONS

SCHEDULE - VII

PARTICULARS	AS AT 31.03.2011 (Rs. in Lacs)	AS AT 31.03.2010 (Rs. in Lacs)
A) Current Liabilities		
Sundry Creditors:		
- Cane Price Payable	1,907.12	44.39
Trade and Other Creditors		
- Micro & Small Enterprises	31.29	—
- Others	<u>4,584.18</u>	<u>4,343.73</u>
	4,615.47	4,343.73
- Crop Loan from Banks	4,069.64	4,047.36
- Other Liabilities and Payables	6,092.75	5,095.79
- Un-claimed Dividend	14.21	14.23
- Cheque Issued But Not Presented	395.01	476.18
- Interest Accrued and Due	—	29.05
- Total Current Liabilities (A)	<u>17,094.20</u>	<u>14,050.73</u>
B) Provisions		
- Provision for Tax	—	15.50
- Provision for Retirement Benefits	105.61	89.24
- Total Provisions (B)	<u>105.61</u>	<u>104.74</u>
Total Current Liabilities & Provisions (A+B)	<u>17,199.81</u>	<u>14,155.47</u>

SALES

SCHEDULE - VIII

PARTICULARS	YEAR ENDED 31.03.2011 (Rs. in Lacs) (12 months)	PERIOD ENDED 31.03.2010 (Rs. in Lacs) (18 months)
Sugar	62,671.27	45,119.75
Molasses	1,640.24	1,954.87
Bagasse	481.57	1,829.26
Electricity	5,585.53	9,018.11
Liquor	5,154.07	7,438.59
Spirit and Others	<u>3,840.85</u>	<u>4,360.67</u>



MISCELLANEOUS INCOME (NET OF MISCELLANEOUS EXPENSES)

SCHEDULE - IX

PARTICULARS	YEAR ENDED		PERIOD ENDED	
	31.03.2011		31.03.2010	
	(12 months)		(18 months)	
	(Rs. in Lacs)		(Rs. in Lacs)	
Miscellaneous Income				
- Income From Tissue Culture Lab	0.41		0.07	
- Farm Income	0.90		22.36	
- Rent Realised	3.00		5.46	
- Interest Received	188.50		37.22	
- Dividend Received	0.68		—	
- Sundry Credit Balance W/Back	94.59		20.62	
- Scrap Sale	42.28		113.37	
- Carbon Credit Income	132.09		1,023.15	
- Non-lifting Charges Received	—		26.97	
- Other Misc. Income	70.40		167.91	
- Profit on Sale of Assets	3.41		62.37	
		536.26		1,479.50
Miscellaneous Expenses				
- Research and Development Expenses	3.24		4.88	
- Loss on Sale of Stores	14.02		—	
- Loss on Sale of Assets	3.54		—	
		20.80		4.88
		515.46		1,474.62

RAW MATERIALS CONSUMED

SCHEDULE - X

PARTICULARS	YEAR ENDED		PERIOD ENDED	
	31.03.2011		31.03.2010	
	(12 months)		(18 months)	
	(Rs. in Lacs)		(Rs. in Lacs)	
Sugar Division				
- Sugarcane	29,990.13		35,684.99	
- Raw Sugar	28,513.21		9,012.06	
- Others	2,949.22		1,394.69	
Power Division				
- Bagasse / Husk and Other Fuels	3,799.52		3,956.71	
Distillery Division				
- Molasses and Grain	3,826.51		5,610.48	
		69,078.59		55,658.93

MANUFACTURING EXPENSES

SCHEDULE - XI

PARTICULARS	YEAR ENDED		PERIOD ENDED	
	31.03.2011		31.03.2010	
	(12 months)		(18 months)	
	(Rs. in Lacs)		(Rs. in Lacs)	
- Packing Materials		2,257.39		3,014.89
- Power & Fuel		336.25		370.86
- Husk/Bagasse		705.44		1,934.63
- Chemicals		720.80		897.98
- Bio Composting Expenses		44.95		59.97
- Process Stores & Spares		49.75		96.74
- Repairs & Maintenance				
- Plant & Machinery	977.88		1,261.00	
- Electrical	46.75		42.14	
- Building	129.92	1,154.55	127.10	1,430.24
- Handling Expenses		166.46		265.83
- Hire Charges		72.13		110.28
- Oils & Lubricants		52.25		84.07
- Insurance of Plant & Machinery		44.48		73.30
- Royalty		54.88		59.69
		5,659.33		8,398.48



EMPLOYMENT COST

SCHEDULE - XII

PARTICULARS	YEAR ENDED 31.03.2011 (12 months) (Rs. in Lacs)	PERIOD ENDED 31.03.2010 (18 months) (Rs. in Lacs)
Salaries, Wages, Bonus & Other Benefits	2,227.44	3,081.80
Contribution to Provident Fund	99.48	147.65
Workers & Staff Welfare	40.71	53.12
Gratuity	6.00	22.08
	<u>2,373.63</u>	<u>3,304.65</u>

ADMINISTRATIVE EXPENSES

SCHEDULE - XIII

PARTICULARS	YEAR ENDED 31.03.2011 (12 months) (Rs. in Lacs)	PERIOD ENDED 31.03.2010 (18 months) (Rs. in Lacs)
Rent	40.57	46.19
Rates, Taxes and Fees	124.46	165.25
Travelling & Conveyance	242.86	283.36
Travelling and Conveyance (Directors)	55.11	67.32
Telephone Expenses	55.62	103.79
Advertisement & Publicity	99.90	23.35
Printing & Stationary	23.05	48.23
Vehicle Running & Maintenance	237.85	279.56
Repairs & Maintenance (General)	57.36	79.20
Professional & Consultancy Charges	34.37	49.39
Insurance	18.16	32.96
Meeting Expenses	25.23	25.86
Office Expenses	110.31	108.75
Postage & Telegram	2.13	1.92
Listing Fee	6.72	11.69
Electricity & Water Charges	12.61	12.12
Horticulture Expenses	6.54	7.26
Business Promotion & Entertainment	31.28	9.20
Charity & Donation	3.24	4.40
Society Welfare Expenses	9.45	12.09
Inauguration Expenses	10.90	31.74
Legal Expenses	10.73	6.15
Fines & Penalties	8.35	32.98
Auditors' Remuneration	8.93	9.48
Exchange Rate Fluctuations	402.93	636.07
	<u>1,638.66</u>	<u>2,088.31</u>

FINANCIAL EXPENSES

SCHEDULE - XIV

PARTICULARS	YEAR ENDED 31.03.2011 (12 months) (Rs. in Lacs)	PERIOD ENDED 31.03.2010 (18 months) (Rs. in Lacs)
Interest on Term Loans	2,729.77	4,687.54
Interest on Working Capital	3,156.46	3,070.70
Bank Charges & other Financial Expenses	464.50	616.24
	<u>6,350.73</u>	<u>8,374.48</u>



SCHEDULE XV

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FORMING PART OF ACCOUNTS AS AT 31st MARCH, 2011

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 year, 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 Power Corporation Limited (PSPCL), Uttar Pradesh Power Corporation Limited (UPPCL) & merchant power purchasers is accounted for based on the meter reading as per metering equipments of PSPCL and UPPCL 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.

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, and wealth tax. Current income 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 is accounted for in the year in which the assessments are completed.



- i) Income Tax assessments have been completed up to the assessment year 2008-09. There is demand of Rs. 30.91 lacs in respect of the assessment Year 2007-08 and company has filed appeal with the Appellate Authority, which is still pending.
 - ii) Sales Tax assessments have been completed up to assessment year 2004-05 for Punjab units & 2007-08 for Uttar Pradesh units.
 - 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) An amount of Rs. 24.61 lacs (Previous year Rs. 21.36 lacs) has been reduced from Cenvat Receivable on account of disputed excise duty on bagasse and the same has been shown under the head Payments of Taxes under protest/appeal under Loans & Advances. The Company has filed an appeal with the Appellate Authority.
 - d) The company has deposited Rs. 12.36 lacs on account of Excise Duty under protest (Previous year Nil) and the same has been shown under the head Payments of Taxes under protest/appeal under Loans & Advances. The Company has filed an appeal with the Appellate Authority against the order of Commissioner Central Excise.
 - e) The company has deposited Rs. 26.99 lacs on account of Sale tax under protest (Previous year Nil) and the same has been shown under the head Payments of Taxes under protest/appeal under Loans & Advances. The Company has filed an appeal with the Appellate Authority against the order of Deputy Commissioner Sales Tax.
 - f) The company has deposited Rs. 2.50 lacs on account of Excise Duty under protest (Previous year Nil) and the same has been shown under the head Payments of Taxes under protest/appeal under Loans & Advances. The Company has filed an appeal with the Appellate Authority against the order of Commissioner Appeals.
 - g) Bank Guarantees/LC's issued to PEC Limited, MMTC Limited & other companies amounting to Rs. 2780.36 lacs (previous year Rs. 4419.85 lacs) are secured by pledge of FDRs of Rs. 410.67 lacs (previous year Rs. 646.16 lacs) and lien with current account of Rs. 40 lacs & counter guarantees given by the Company.
 - h) The estimated amount of contracts remaining to be executed on capital account is Rs. 238.61 Lacs (Previous Year Rs. 118.90 Lacs).
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 : (Rs. In Lacs)

Particulars	31.03.2011	31.03.2010
Income	19.93	11.12
Expenses	10.97	27.80
 5. Excise duty amounted to Rs. 1338.66 Lacs (Previous year Rs. 1139.13 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 year.
 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. 6.00 Lacs for the year ended 31 March 2011. 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. 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.

(Rs. in Lacs)

Description	White Crystal Sugar		Power Generation		Distillery		Elimination		Total	
Segment Revenue	Cu.Year 31.03.11 (12 Months)	Pr.Year 31.03.10 (18 Months)	Cu.Year 31.03.11 (12 Months)	Pr.Year 31.03.10 (18 Months)	Cu.Year 31.03.11 (12 Months)	Pr.Year 31.03.10 (18 Months)	Cu.Year 31.03.11 (12 Months)	Pr.Year 31.03.10 (18 Months)	Cu.Year 31.03.11 (12 Months)	Pr.Year 31.03.10 (18 Months)
a) External Sales	63250.82	47021.53	5585.53	9018.11	8971.98	11770.40	0.00	0.00	77808.32	67810.03
b) Inter Segment Sales	5046.35	2454.52	6320.02	3577.99	0.00	0.00	11366.37	6032.51	0.00	0.00
Total	68297.17	49476.05	11905.55	12596.10	8971.98	11770.40	11366.37	6032.51	77808.32	67810.03
Segment Result	(118.08)	4668.73	2152.11	6012.79	366.67	524.37	0.00	0.00	2400.72	11205.89
Interest									6350.73	9010.55
Unallocated Corp. Income									3.68	5.46
Unallocated Corp. Expenses									0.00	0.00
Profit before Tax & Prior Period Items	(5762.30)	(3483.33)	1707.26	5642.51	105.03	36.15			(3946.33)	2200.80
Prior Period (Expenses)/ Income	8.94	(17.60)	0.00	4.00	0.02	(3.08)			8.96	(16.68)
Profit before tax	(5753.36)	(3500.93)	1707.26	5646.52	105.05	33.07			(3937.37)	2184.11
Extra Ordinary Income									0.00	546.65
Provision for Current Tax									0.00	15.50
Provision for Deferred Tax									(216.71)	216.71
Wealth tax & Earlier year provision for tax									1.66	25.00
Earlier Year Provision for Tax W/Back /W/Off)									46.37	25.05
Profit After Tax									(3675.95)	2498.60
Segment Assets (Gross)	92377.12	94244.28	14806.97	9403.16	6051.51	6150.54	6252.99	4787.53	106982.61	105010.45
Unallocated Corp. Assets									0.00	5.56
TOTAL ASSETS									106982.61	105016.01
Segment Liability	65302.30	60537.64	4173.41	2448.53	9393.93	8259.41	6252.99	4787.53	72616.67	66458.05
Unallocated Corp. Liability									5759.02	6885.03
TOTAL LIABILITIES									78375.69	73343.08
Capital Expenditure	275.21	1127.20	113.77	938.55	403.73	188.19			792.71	2253.95
Depreciation	2342.28	3649.14	614.14	403.90	210.92	297.53			3167.34	4350.56
Non Cash Expenses									0.28	0.00

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
	31.03.11 (12 Months)	31.03.10 (18 Months)	31.03.11 (12 Months)	31.03.10 (18 Months)	31.03.11 (12 Months)	31.03.10 (18 Months)
a) Carrying Amount of Segment Assets	40619.30	64141.37	66363.31	40869.07	106982.61	105010.45
b) Addition to Fixed Assets & Intangible Assets	582.16	1806.91	210.55	447.04	792.71	2253.95
c) Segmental Revenue from External Customers	54897.28	42537.70	22911.04	25272.33	77808.32	67810.03

8. 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.
8. Kalinga Traders Pvt. Ltd.

b) Key Management Personnel

1. Rana Ranjit Singh
2. Rana Inder Partap Singh
3. Rana Veer Partap Singh
4. Rana Karan Partap Singh

Chairman
Managing Director
Director
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 ¹		Key Management Personnel		Relatives	
		Year ended	Period ended	Year ended	Period ended	Year ended	Period ended
		31.03.11	31.03.10	31.03.11	31.03.10	31.03.11	31.03.10
1	Purchase	0.27	0.70	—	—	—	—
2	Rent Received	3.00	4.50	—	—	—	—
3.	Interest Free Unsecured Loans						
a)	Loans Received	50.00	—	132.61	230.12	214.02	601.12
b)	Loans Repaid	70.01	—	293.75	400.63	447.35	583.88
c)	Outstanding Balances	1988.28	2008.29	19.38	180.52	928.69	1162.02



9. Earning Per Share:

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

	31.03.2011	31.03.2010
a) Weighted average number of shares	152247546	100194106
b) Net Profit/(Loss) after tax available for Equity Share Holders (Rs. in lacs)		
— Before Extra ordinary Items	(3675.95)	1951.95
— After Extra ordinary Items	(3675.95)	2498.60
c) Basic/Diluted Earning per share (Rs.) (Face value Rs. 10)		
— Before Extra ordinary Items	(2.41)	1.95
— After Extra ordinary Items	(2.41)	2.49

10. 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 Liabilities: (Rs. in Lacs)

	As on 31.03.2011	During the Year	As on 31.03.2010
A. Deferred Tax Liabilities			
Difference between carrying amount of fixed assets in the financial statements and the income tax return	19873.41	1760.12	18113.29
- Amount disallowed U/s 145A of Income Tax Act	505.73	378.69	127.04
TOTAL "A"	20379.14	2138.81	18240.33
B. Deferred Tax Assets			
- Expenses debited to Profit & Loss account but disallowed under the Income Tax Act, 1961	2969.76	784.54	2185.22
- Expenses Disallowed U/s 40 (a) (ia)	293.69	(98.35)	392.04
- Unabsorbed Depreciation and business loss	18122.90	3097.40	15025.50
TOTAL "B"	21386.35	3783.59	17602.76
Deferred Tax Liability/(Asset) (A-B)	(1007.21)	(1644.78)	637.57
Tax Impact	(311.23)	(527.94)	216.71

For the year ended 31st March, 2011, the Company has Rs. 527.94 lacs as a Deferred tax asset against which Deferred Tax Liability amounting to Rs. 216.71 lacs as on 31st March, 2010 has been adjusted in the financial statements and the balance amount of Rs. 311.23 lacs i.e., the net Deferred Tax Asset as on 31st March, 2011 has not been recognized as a matter of prudence.



11. Impairment of Assets

As per Accounting Standard -28 "Impairment of Assets" issued by ICAI, the management has reviewed its cash generating units as on 31.03.2011. 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.

12. 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 01.04.2010	Additions during the Year	Paid/ Reversed	Closing Balance as on 31.03.2011
Income Tax	15.50	NIL	15.50	NIL
Deferred Tax	216.71	NIL	216.71	NIL
Retirement Benefit	89.24	38.77	22.40	105.61

13. The Micro and Small Enterprises to whom amount is outstanding as at the year end and requiring disclosure under Schedule VI of the Companies Act, 1956, and the Micro Small and Medium Enterprises Development Act, 2006 are as follows:

Chemicals & Chemicals, Raj Lime Industries and Allied Alloys Product.

The above information has been compiled in respect of parties to the extent to which they could be identified as micro or small enterprises on the basis of intimation received from the "suppliers" regarding their status under the Micro Small and Medium Enterprises Development Act, 2006.

4. Auditors Remuneration

(Rs. in lacs)

	<u>31.03.2011</u>	<u>31.03.2010</u>
Audit Fees	6.62	6.62
Taxation Matters	1.85	2.30
Cost Audit Fees	0.46	0.46

15. 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.

16. Expenditure in foreign currency

(Rs. in Lacs)

Particulars	<u>31.03.2011</u> <u>(12 Months)</u>	<u>31.03.2010</u> <u>(18 Months)</u>
Expenditure in Foreign Currency	26403.56	5958.07
TOTAL	26403.56	5958.07

17. Value of Imports



Capital goods imported Rs. 62.68 Lacs (Previous year NIL)

Raw material imported CIF value Rs. 26296.23 Lacs (Previous year Rs. 8734.34 Lacs)

18. No amount has been transferred to Capital Redemption Reserve as the company has incurred loss during the year.
19. The company has given guarantees against crop loans of Rs. 4069.64 lacs (previous year Rs. 4047.36 lacs) availed by the farmers. The loan given by the company to the farmers is included in Advances recoverable in cash or in kind or for value to be received.
20. During the year ended 31st March 2011, the company forfeited 1,15,00,000 number of warrants due to non payment of balance amount and the amount already paid @ Rs. 1.15 per warrant has been transferred to Capital Reserve.
21. The company has made provision for Purchase tax on sugar cane amounting to Rs. 554.56 lacs (Previous year Rs. 1372.37 lacs). However, the same has not been paid as the matter is under appeal with the Hon'ble Supreme Court.
22. Bank balances include an amount of Rs. 14.21 lacs (Previous year Rs. 14.23 Lacs) for Unclaimed dividend for financial year 2004-05.
23. The figures for the current year are not comparable with the figures of the previous year, as the current year figures are for 12 months while the previous year figures were for 18 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 31.03.2011 (12 months)	As at 31.03.2010 (18 months)
A. Quantitative Data			
I)	Licensed Capacity		
	Sugar (TCD)	15000	15000
	Distillery (KL/per day)	60	60
II)	Installed Capacity		
	Sugar (TCD)	15000	15000
	Distillery (KL/per day)	60	60
III)	Installed Capacity (MW)		
	Electricity	87.50	87.50
IV	Production		
	Sugar (Qtls.)	13,99,855	18,58,143
	BISS (Qtls.)	4,170	10,754
	Molasses (Qtls.)	7,08,063	8,11,814
	Bagasse (Qtls.)	41,95,720	50,23,888
	Electricity (Units)th. Steam Turbine	19,73,98,382	23,35,36,933
	Liquor (Cases)	19,71,372	32,06,076
	Spirit and Others (BL)	1,74,55,193	2,26,96,887
V.	Purchase		
	Sugar (Qtls.)	1,09,720	—
	Raw Sugar (Qtls.)	8,43,226	—
	BISS (Qtls.)	—	8,837
	Bagasse (Qtls.)	2,717	35,630
	Electricity (Units)	44,69,962	1,13,82,685
VI.	Sales/Wastage/Transfer	Qty.	Qty.
		(Rs. in Lacs)	(Rs. in Lacs)
	Sugar (Qtls.)	13,33,394	15,70,402
	Molasses (Qtls.)	5,27,880	4,36,924
	Molasses - Branch Transfer (Qtls.)	1,50,821	1,16,149
	BISS (Qtls.)	6,996	20,433
	Raw Sugar (Qtls)	8,43,226	—
	Bagasse-Internal	35,08,142	41,38,651
	Consumption (Qtls.)	—	—
	Bagasse-Branch Transfer (Qtls.)	40,498	9,768
	Bagasse-Sale (Qtls.)	2,62,614	7,67,280
	Electricity (Units)	12,45,95,954	14,91,85,875
	Electricity - Internal	7,72,72,390	9,57,33,743
	Consumption/ Transmission	—	—
	Loss (Units)	—	—
	Liquor (Cases)	19,44,250	32,08,375
	Spirit and Others (BL)	1,21,66,196	2,19,55,432
	Spirit - Internal	—	—
	Consumption (BL)	57,07,693	—
VII.	Closing Stock		
	Sugar (Qtls.)	11,30,388	9,54,207
	Sugar in Process (Qtls.)	19,000	5,000
	BISS (Qtls.)	410	3,236
	Molasses (Qtls.)	3,16,137	2,86,775
	Molasses in Process (Qtls.)	6,000	1,500
	Bagasse (Qtls.)	5,41,002	1,53,819
	Liquor (Cases)	77,135	50,013
	Liquor in Process (BL)	2,44,430	2,19,609
	Spirit and Others (BL)	5,54,220	9,72,916



VIII. Consumption of Raw Material				
Sugarcane (Qtls.)	1,34,77,740	28,632.58	1,61,44,429	33,297.17
Others (Qtls.)	1,54,552	4,378.23	4,63,464	10,344.69
Husk/Bagasse/Khuddi/Others (Qtls)	9,77,144	3,799.52	16,38,350	3,902.35
Molasses (Qtls.)	2,85,653	1,733.82	107,956	687.29
Grains/Flours (Qtls.)	2,02,290	2,093.29	4,46,604	4,924.99
B. Consumption of Raw Materials and Stores and Spares	(Rs. in Lacs)	%age	(Rs. in Lacs)	% age
a) Raw Material				
Imported	4,378.23	100.00	9,012.06	100.00
Indigenous	36,259.21	100.00	43,938.40	100.00
	<u>40,637.44</u>	<u>100.00</u>	<u>52,950.46</u>	<u>100.00</u>
b) Stores & Spares				
Imported	—	—	—	—
Indigenous	2,783.93	100.00	4,437.08	100.00
	<u>2,783.93</u>	<u>100.00</u>	<u>4,437.08</u>	<u>100.00</u>
c) Packing Material	1,816.47	100.00	3,014.89	100.00
	<u>1,816.47</u>	<u>100.00</u>	<u>3,014.89</u>	<u>100.00</u>
C. Expenditure on Employees:			AS AT	AS AT
			31.03.2011	31.03.2010
			(12 months)	(18 months)
			(Rs. in Lacs)	(Rs. in Lacs)
Break up of expenditure incurred on employees in receipt of remuneration aggregating to Rs. 60,00,000/- per annum or Rs. 5,00,000/- 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			26,296.23	8,734.34
E. Expenditure in foreign Currency			26,403.56	5,958.07
F. Earning in Foreign Exchange			25,907.62	1,023.16
G. FOB Value of Exports			24,454.09	—
H. The Auditors remuneration include payment and provisions as follows (Rs. in Lacs)				
Statutory Audit & Cost Audit Fees			7.08	7.08
Consultation Fees and other matters			1.85	2.30
In terms of our separate report of even date annexed.				
for KANSAL SINGLA & ASSOCIATES			Manoj Gupta	Chief Financial Officer
Chartered Accountants			Manmohan K. Raina	Company Secretary
			Rana Inder Pratap Singh	Managing Director
			Rana Ranjit Singh	Chairman
Place: CHANDIGARH	S.K. Arora	Partner		
Date : 3rd September, 2011	Membership No. 070405			
	FRN 003897N			



Balance Sheet Abstract and Company's General Business Profile

I. Registration Details		
Registration No.	11537	State Code
Balance Sheet Date	31.03.2011	53
II. Capital Raised during the Period (Rs. in lacs)		
Public Issue/Preferential Issue	631.35	Rights Issue
Bonus Issue	Nil	Nil
		Private Placement
		Nil
III. Position of Mobilization and Deployment of Funds (Rs. in lacs)		
Total Liabilities	108945.06	Total Assets
		108945.06
Sources of Funds		
Paid-up Capital & Share Application Money (if any)	20420.08	Reserves & Surplus
		10149.29
Secured Loans	55431.08	Unsecured Loans
		5744.80
Deferred Tax Liability	NIL	Total
		91745.25
Application of Funds		
Net Fixed Assets (including capital work in progress)	52352.16	Investments
		129.09
Net Current Assets	37301.55	Accumulated Losses
		1962.45
IV. Performance of Company (Rs. in lacs)		
Turnover	78323.78	Total Expenditure
		82261.15
Profit/(Loss) Before Tax	(3937.37)	Profit/(Loss) After Tax
		(3675.95)
Earning per share (Rs.) before extra ordinary items	(2.41)	Earning per share (Rs.) after extra ordinary items
		(2.41)
Dividend (Percentage)	0.00%	
V. Generic Names of Two Principal Products/Service of Company (as per monetary terms)		
a. Item Code No (ITC Code)		170111
Product Description		White Crystal Sugar
b. Item Code No. (ITC Code)		220720
Product Description		Industrial Alcohol

In terms of our separate report of even date annexed.

for KANSAL SINGLA & ASSOCIATES
Chartered Accountants

S.K. Arora
Partner

Place: CHANDIGARH
Date : 3rd September, 2011

Membership No. 070405

Manoj Gupta
Chief Financial Officer

Manmohan K. Raina
Company Secretary

Rana Inder Pratap Singh
Managing Director

Rana Ranjit Singh
Chairman

NOTES

RANA SUGARS LIMITED



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
of being a member/members of Rana Sugars Limited
hereby appoint Mr./Mrs./Miss of
or failing him/her, Mr./Mrs./Miss of
as my/our proxy to attend and to vote for me/us and on my/our behalf at the NINETEENTH ANNUAL
GENERAL MEETING of the Company to be held on Friday, the 30th September, 2011 at 3.30 P.M. at the
Institution of Engineers (India), Madhya Marg, Sector 19-A, Chandigarh and at any adjournment thereof.
Signed this day of 2011.
Folio / Client I.D. No.....

Revenue
Stamp

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 NINETEENTH 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 :

BOOK POST
(Printed Matter)

If undelivered, please return to :
RANA SUGARS LIMITED
SCO 49-50, Sector 8-C,
Madhya Marg,
Chandigarh-160 009