

22nd  
Annual Report  
2013-14



RANA SUGARS LIMITED

# 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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# RANA SUGARS LIMITED



## RANA SUGARS LIMITED

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

Tel: 0172-2540007, 2549217, 2541904, 2779565, 2773422 Fax: 0172-2546809

Email: info@ranagroup.com ; Website: www.ranasugars.com

CIN: L15322CH1991PLC011537

### NOTICE

Notice is hereby given that the 22nd Annual General Meeting of Rana Sugars Limited will be held on Tuesday, the 30th day of September, 2014 at 3.00 P.M. at 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 Accounts of the Company for the financial year ended 31st March, 2014 and the reports of the Board of Directors' and Auditors' thereon.
2. To appoint a Director in place of Shri M. P. Singh (holding DIN 00074915), who is liable to retire by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Rana Veer Pratap Singh (holding DIN 00076808), who is liable to retire by rotation and being eligible offers himself for reappointment.
4. To appoint M/s. Kansal Singla & Associates, Chartered Accountants, Chandigarh (ICAI Registration No. 003897N) as statutory auditors of the Company to hold office from the conclusion of this annual general meeting until the conclusion of the next annual general meeting of the Company and to authorize the Board to fix their remuneration."

#### SPECIAL BUSINESS :

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :  
"RESOLVED THAT pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV of the Act, as amended from time to time, Shri A. S. Sodhi (holding DIN 00085934), a non-executive Director of the Company, who has submitted a declaration stating that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for a period of 5 (five) years from the conclusion of 22nd Annual General Meeting i.e. from 30.09.2014 to 29.09.2019.
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :  
"RESOLVED THAT pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV of the Act, as amended from time to time, Shri S. A. S. Bajwa (holding DIN 00714772), a non-executive Director of the Company, who has submitted a declaration stating that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for a period of 5 (five) years from the conclusion of 22nd Annual General Meeting i.e. from 30.09.2014 to 29.09.2019.
7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :  
"RESOLVED THAT pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV of the Act, as amended from time to time, Shri Baljit Singh (holding DIN 00074716), a non-executive Director of the Company, who has submitted a declaration stating that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for a period of 5 (five) years from the conclusion of 22nd Annual General Meeting i.e. from 30.09.2014 to 29.09.2019.

# RANA SUGARS LIMITED



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

“RESOLVED THAT in supersession of the Ordinary Resolution passed at the Extra Ordinary General Meeting held on 16th June, 2006 and pursuant to Section 180 (1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company, be and is hereby accorded to the Board of Directors to borrow moneys in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained/ to be obtained from the Company's bankers in the ordinary course of business, shall not be in excess of Rs.10,00,00,00,000/- (Rupees One Thousand Crores) over and above the aggregate of the paid up share capital and free reserves of the Company.”

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

“RESOLVED THAT in supersession of the earlier resolution passed under section 293(1)(a) of the Companies Act, 1956, the consent of the members of the company be and is hereby accorded in terms of section 180(1)(a) of the Companies Act, 2013 and other enabling provisions of law, if any, to create mortgage and / or charge, in such form and manner which the Board may determine on all or any of the movable and/ or immovable properties of the company both present and future and / or the whole or any part of the undertaking of the company to secure the borrowings availed / to be availed from the company's lenders by way of loan(s) subject to maximum limit of Rs.1000 Crores (Rs. One Thousand Crores) in accordance with the borrowing limits approved under section 180(1)(c) of the Companies Act, 2013 together with interest at the respective agreed rates, additional interest, compound interest, liquidated damages, commitment charges, premia and all other charges and expenses in respect of the said loan / borrowings and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in this behalf and agreed to between Board of Directors and the lender(s) viz. any Bank, Financial Institution/ Agency/Government ”

RESOLVED FURTHER THAT the securities to be created by the Company as aforesaid, may rank prior/ pari passu/ subservient with/ to the mortgages and/or charges already created or to be created in future by the Company, as may be agreed to between the Company's Board of Directors and the lenders.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required to give effect to the above said resolution.”

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

“RESOLVED THAT pursuant to Section 148(3) of the Companies Act, 2013, read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, and other applicable provisions if any, consent of the Company be and is hereby accorded for the payment of remuneration of Rs.50,000/- (Rupees Fifty thousand only) to M/s. Khushwinder Kumar & Co., Cost Accountants, Jalandhar (Firm Registration No. 100123), who were appointed as Cost Auditors by the Board of Directors in their meeting held on 30.05.2014 for carrying out Cost Audit of the Company for financial year 2014-15, be and is hereby approved.”

By order of the Board  
for RANA SUGARS LIMITED

Place : Chandigarh  
Dated : 14th August, 2014

(MANMOHAN K. RAINA)  
COMPANY SECRETARY

# RANA SUGARS LIMITED



## NOTES :

1. The Register of Members and the Share Transfer books of the Company will remain closed from 26th September, 2014 to 30th September, 2014 (both days inclusive) for the purpose of Annual General Meeting of the Company.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Businesses at the meeting, is annexed hereto.
3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND ON A POLL ONLY TO VOTE ON HIS/HER BEHALF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.**

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc. must be supported by an appropriate resolution/ authority letter, as applicable.

4. Electronic copy of the Annual Report for 2013-14 is being sent to all the members whose email IDs are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2013-14 is being sent in the permitted mode.
5. **To promote green initiative, members are requested to register their e-mail addresses through their Depository Participants for sending the future communications by e-mail. Members holding the shares in physical form may also register their e-mail addresses through the RTA, giving reference of their Folio Number.**
6. **Voting through electronic means:**
  1. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is providing facility to the members to exercise their right to vote at the 22nd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting platform provided by Central Depository Services (India) Limited.

### **The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on 24.09.2014 at 9.00 A.M. and ends on 26.09.2014 at 6.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 25.08.2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period
- (iii) Click on "Shareholders" tab.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

### **For Members holding shares in Demat Form and Physical Form**

PAN            Enter your 10 digit alpha-numeric \*PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)



Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the client ID/Folio No. in the PAN field.

In case the client ID/Folio No. is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with Folio No. 1 then enter RA00000001 in the PAN field.

**DOB** Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.

**Dividend Bank Details** Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.

Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by client as per cut-off date.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Company on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Institutional Shareholders
- ◆ Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - ◆ A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - ◆ After receiving the login details they have to create a compliance user using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - ◆ The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - ◆ A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.



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- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cDSLindia.com](mailto:helpdesk.evoting@cDSLindia.com).
- II. The Company has appointed Mr. Ajay Arora, Company Secretary in whole time practice (ICSI membership No. SFC 2191 and Certificate of Practice No. 993) as the Scrutinizer to scrutinize and collate the e-voting process in a fair and transparent manner.
- III. The Scrutinizer shall within a period not exceeding three working days from the conclusion of the e-voting period unblock the votes in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- IV. The results shall be declared in or after the AGM of the Company. The result alongwith the Scrutinizer's Report shall be placed on the Company's website [www.ranasugars.com](http://www.ranasugars.com) and on the website of CDSL.
- V. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer through e-mail to Mr. Ajay Arora, Practising Company Secretary at his e-mail address [ajaykcs@gmail.com](mailto:ajaykcs@gmail.com) with a copy marked to Company Secretary, Rana Sugars Limited, Chandigarh at [mkraina@ranasugars.com](mailto:mkraina@ranasugars.com)
7. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company on all working days from Monday to Friday between 11.00 AM to 2.00 PM up to the date of Annual General Meeting.

## **EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

### **ITEM NO. 5 TO 7**

The Company had, pursuant to provision of clause 49 of the Listing Agreement entered into with Bombay Stock Exchange Limited and National Stock Exchange of India Limited, appointed Shri A. S. Sodhi, Shri S.A.S. Bajwa and Shri Baljit Singh as Independent Directors at various times, in compliance with the requirement of the above said clause.

Pursuant to the provision of Section 149 of the Companies Act, 2013 which came into effect from April 1, 2014, and clause 49 of the Listing agreement, every listed public company is required to have, at least one third of the Total number of directors as independent directors, who are not liable to retire by rotation or where the Chairman of the Company of the Company is executive director, at least one half of the total number of directors as independent directors who are not liable to retire by rotation.

In the opinion of the Board, the above named Independent Directors fulfill the conditions specified in Sections 149, 152 and Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2013 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force) and such Independent Directors are independent of the management. Further, all the aforesaid Independent Directors have given a declaration to the Board of Directors to the effect that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

Pursuant to Sections 149, 152, Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, it is proposed to appoint Shri A. S. Sodhi, Shri S. A. S. Bajwa and Shri Baljit Singh for a period of 5 (five) years as Independent Directors of the Company.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the members for their approval.

A brief profile of the Independent Directors whose appointment is proposed at item No. 6 to 8 is annexed to the accompanying Notice.

The Board recommends the passing of the Resolution set out in item Nos. 6 to 8 of the accompanying Notice.

### **ITEM NO. 8**

The members of the Company at their Extra Ordinary General Meeting held on 16th June, 2006

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approved, by way of an Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956, borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of Rs.500.00 Crores (Rupees Five Hundred Crores only).

Section 180(1)(c) of the Companies Act, 2013 effective from 12th September, 2013 requires that the Board of Directors shall not borrow money in excess of the Company's paid up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business, except with the consent of the company accorded by way of a special resolution and as per General Circular No. 4/2014 dated 25.03.2014 issued by the Ministry of Corporate Affairs, the existing resolution passed under section 293 of the Companies Act, 1956 prior to 12.09.2013 will be valid only for one year period from the date of notification of section 180 of the Act.

It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, as set out at Item No. 9 of the Notice, to enable the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company. Approval of members is being sought to borrow money up to Rs.1000 Crores (Rupees One Thousand Crores) in excess of the aggregate of the paid up share capital and free reserve of the Company keeping in view the inflation and future requirements of the Company.

None of the Directors and Key Management Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution.

The Board recommends the Special resolution for the approval of the Members.

## **ITEM NO. 9**

The Company already has approval of the shareholders of the Company under section 293(1)(a) of the Companies Act, 1956 relating to creation of charge on the total assets of the Company to secure its borrowings by way of Ordinary Resolution dated 30th October, 2006.

Pursuant to the provisions of section 180 of the Companies Act, 2013 ('the Act') which was notified with effect from September 12, 2013, the powers of the Board are required to be exercised only with the consent of the Company by way of a Special Resolution passed at the General Meeting. The Ministry of Corporate Affairs ('MCA') has vide its General Circular No. 4/2014 dated March 25, 2014 clarified that the Ordinary Resolution passed under section 293(1)(a) of the Companies Act, 1956 would be sufficient compliance of Section 180 of the Act for a period of one year from the date of notification of Section 180 of the Act.

The approval of Members for creation of a mortgage or charge on the total assets of the Company, is therefore now being sought, by way of Special resolution, pursuant to Section 180(1)(a) of the Act.

The Board recommends the Resolution at Item No. 10 of the accompanying Notice for the approval of the Members of the Company.

None of the Directors and/or Key Management Personnel of the Company and their relatives is directly or indirectly concerned or interested in this Resolution.

## **ITEM NO. 10**

Pursuant to section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the Members of the Company are required to approve the payment of remuneration of Rs.50,000/- (Rupees Fifty thousand only) to the Cost Auditors as approved by the Board of Directors in their meeting held on 30.05.2014 for the Financial Year 2014-15.

None of the Directors and/or Key Management Personnel of the Company and their relatives are concerned or interested in the resolution.

The Board recommends the resolution for the approval of the Members set out at Item No. 11.

By order of the Board  
for RANA SUGARS LIMITED

Place : Chandigarh  
Dated : 14th August, 2014

(MANMOHAN K. RAINA)  
COMPANY SECRETARY



# RANA SUGARS LIMITED



## DETAILS OF THE DIRECTORS SEEKING APPOINTMENT AT THE ANNUAL GENERAL MEETING TO BE HELD ON 30TH SEPTEMBER, 2014.

Name of the Director (DIN)	Shri A. S. Sodhi (DIN 00085934)		
Date of Birth	1st January, 1930		
Date of first Appointment	30th November, 1992		
Qualification and experience in specific functional areas	<p>He is a retired IAS. He retired as Joint Secretary from Punjab Government and was appointed as independent director. Before joining our Company, he had held various posts in Co-operative Department, Punjab. He had been appointed as Managing Director in various organizations such as Punjab State Co-operative Supply and Marketing Federation (MarkFed). He also led Punjab State Government's teams to various seminars such as International seminar in Japan, Seminar in Sweden on Agriculture Co-operative Marketing, in Denmark for adopting various techniques on Dairy Farming, He also represented India in Thailand in a Seminar on Agriculture Marketing in Asian Countries. Further he represented State Government on various Committees of the Government of India on Policy matters. He has total experience of 36 years.</p> <p>He is also Director of Rana Polycot Limited.</p>		
List of Companies in which outside Directorship held	Rana Polycot Limited		
Chairman/ Member of the Committees of the Board of the Company	- Audit Committee - Share Transfer Committee - Shareholders/ Investors Grievance Committee - Remuneration Committee	Chairman Chairman Chairman Chairman	
Chairman/Member of the Committees of Board of other Companies in which he is a Director	Rana Polycot Limited	- Audit Committee - Share Transfer Committee	Chairman Member
Number of shares held in the Company	NIL		

Name of the Director (DIN)	Shri S. A. S. Bajwa (DIN 00714772)		
Date of Birth	1st June, 1934		
Date of first Appointment	30th November, 1992		
Qualification and experience in specific functional areas	<p>He has done M.A., L.L.B, and Diploma in Management from Loughbrough, UK. He is having more than 36 years of experience in business and administration. He has worked as Addl. Managing Director, MARKFED, Managing Director, Punjab State Co-operative Bank and Joint Registrar, Co-operative Societies. Presently he is practising as advocate in Punjab and Haryana high court. He is also Director of Rana Polycot Limited.</p>		
List of Companies in which outside Directorship held	Rana Polycot Limited		
Chairman/ Member of the Committees of the Board of the Company	- Audit Committee - Shareholders/ Investors Grievance Committee - Remuneration Committee	Member Member Member	
Chairman/Member of the Committees of Board of other Companies in which he is a Director	Rana Polycot Limited	- Audit Committee - Share Transfer Committee	Member Member
Number of shares held in the Company	NIL		

# RANA SUGARS LIMITED



Name of the Director (DIN)	Shri Baljit Singh (DIN 00074716)	
Date of Birth	1st November, 1941	
Date of first Appointment	30th July, 2004	
Qualification and experience in specific functional areas	He is a Chemical Engineer. He has worked on various posts with SAIL & IFCI. He has also worked as Managing Director, NITCON. He has about 38 years experience	
List of Companies in which outside Directorship held	NIL	
Chairman/ Member of the Committees of the Board of the Company	- Audit Committee - Shareholders/ Investors - Remuneration Committee	Member Member Member
Chairman/Member of the Committees of Board of other Companies in which he is a Director	NIL	
Number of shares held in the Company	NIL	

# RANA SUGARS LIMITED



## DIRECTORS' REPORT

Your Directors have pleasure in presenting the 22nd Annual Report together with the Audited Accounts of your Company for the year ended 31st March, 2014.

### 1. FINANCIAL RESULTS :

	(Rs. in lacs)	
	Current year ended 31.03.2014	Previous year ended 31.03.2013
Profit before interest, depreciation & tax	8,347.25	11,147.49
Less: Financial Costs	7,965.20	7250.71
Depreciation	3,316.42	3292.12
Profit/(Loss) before Tax & Exceptional Items	(2,934.37)	604.66
Exceptional Items	15.09	45.85
Profit/(Loss) before Tax & Extra ordinary Items	(2,949.47)	558.81
Extra ordinary Items	-	14.37
Provision for Tax		
Current Tax	4.02	3.62
Deferred Tax	(559.48)	-
Net Profit/(Loss) after Tax	(2,394.01)	540.81
OPERATIONS:		
Cane Crushed (Qtls)	1,69,45,624	1,62,08,098
Sugar Beet (Qtls)	5,69,155	-
PRODUCTION :		
Sugar (Qtls)	14,99,165	13,95,343
Molasses (Qtls)	8,37,546	8,94,586
Electricity (Units)	23,06,04,366	25,53,56,063
Spirit & others (BL)	1,89,53,456	1,63,87,778
Liquor (Cases)	11,27,813	13,47,755

### 2. DIVIDEND:

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

### 3. DIRECTORS:

The Company had pursuant to the provisions of clause 49 of the Listing agreement and Companies Act, 2013 appointed Shri A. S. Sodhi, Shri S. A. S. Bajwa and Shri Baljit Singh as Independent Directors of the Company.

In accordance with the provisions of section 149 of the Act, these directors are being appointed as Independent Directors to hold office as per their tenure of appointment mentioned in the Notice of the forthcoming Annual General Meeting of the

Company.

Persuant to clause 49 of the Listing Agreement, details of all directors being appointed as Independent Directors is being provided in separate annexure.

### 4. DIRECTORS' RESPONSIBILITY STATEMENT:

Persuant to requirement under Section 217(2AA) of the Companies Act, 1956 and section 134 (3) (C) of Companies Act, 2013 (to the extent notified) with respect to Directors' Responsibilities Statement, it is hereby confirmed:

- (i) that in the preparation of the annual accounts for the financial year ended 31st March, 2014, the applicable accounting standards had been followed alongwith proper explanation relating to material departures;
- (ii) 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;
- (iii) 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 and Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the directors had prepared the accounts for the financial year ended 31st March, 2014 on a going concern basis.

### 5. FIXED DEPOSITS:

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

# RANA SUGARS LIMITED



and section 73 of Companies Act 2013 (to the extent notified) 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 2014-2015 under 233 B of the Companies Act, 1956 and Section 148 of the Companies Act, 2013 (to the extent notified).

## 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 and section 134 (3) (m) of Companies Act, 2013 (to the extent notified) 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. BSE 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 2014-2015 to all the above Stock Exchanges have been paid and there being neither delisting nor suspension of shares from trading during the period under review.

## 12. ACKNOWLEDGEMENT :

Your Directors wish to place on record their appreciation for the continued support and co-operation to the Company by various departments of Central/State Government, cane cultivators, customers, suppliers, dealers, agents, banks, financial institutions, investors and shareholders.

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 INDER PRATAP SINGH)**  
MANAGING DIRECTOR

RANA KARAN PRATAP SINGH  
DIRECTOR

Place : Chandigarh  
Dated : 30th May, 2014

# RANA SUGARS LIMITED



Annexure 'A'

## ANNEXURE TO THE DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH, 2014

'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, 2014

### 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 31.03.2014	Previous Year 31.03.2013
<b>Purchased</b>		
<b>- Sugar</b>		
- Unit Purchased	3,725,973	2,381,541
- Total Amount (₹)	27,083,536	20,144,787
- Rate Per Unit (₹)	7.27	8.46
<b>Own Generation</b>		
<b>- Sugar</b>		
- Through D.G. Set (Sugar Division)		
Units Generated	186,747	445,733
Units Generated per litre of Diesel Oil	3.25	3.16
Cost Per Unit (₹)	16.60	13.64
- Through Steam Turbine (Sugar Division)		
Units Generated	230,604,366	255,356,063
Unit Generated per Qtl. of Fuel	44.37	47.88
Cost Per Unit Electricity (₹)	1.81	1.71
<b>-Distillery</b>		
- Through D.G. Set		
Units Generated	331,057	254,309
Units Generated per litre of Diesel Oil	3.22	3.15
Cost Per Unit (₹)	15.35	12.68
- Through Steam Turbine		
Units Generated	8,752,752	9,061,678
Unit Generated per Qtl. of Fuel	30.36	35.32
Cost Per Unit Electricity (₹)	3.14	3.31



# RANA SUGARS LIMITED



## B. Consumption Per Unit of Product

### -Sugar

- Electricity (KW/MT)	<b>332.89</b>	368.42
- Bagasse (MT/MT)	<b>2.72</b>	2.75
- Steam (MT/MT)	<b>6.40</b>	6.69

### -Distillery

- Electricity (KW/KL)	<b>482.36</b>	571.41
- Fuel (MT/KL)	<b>1.53</b>	1.57
- Steam (MT/KL)	<b>5.97</b>	6.14

## 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)
- |  |             |      |
|--|-------------|------|
|  | <b>2.05</b> | 2.02 |
|--|-------------|------|

### 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
- |  |            |     |
|--|------------|-----|
|  | <b>Nil</b> | Nil |
|--|------------|-----|

## D. Foreign Exchange Earning & Outgo

- a) Foreign Exchange Earning (Rs. in lacs)
- |  |             |      |
|--|-------------|------|
|  | <b>0.00</b> | 0.00 |
|--|-------------|------|
- b) Foreign Exchange Outgo (Rs. in lacs)
- |  |               |        |
|--|---------------|--------|
|  | <b>398.59</b> | 226.41 |
|--|---------------|--------|

For & on behalf of the Board

Place : Chandigarh  
Date : 30-05-2014

Rana Inder Pratap Singh  
Managing Director

Rana Karan Pratap Singh  
Director



## REPORT ON CORPORATE GOVERNANCE

### a) Company's Philosophy on Code of Governance

Your Company strongly believes that good corporate governance is essential to achieve its business objectives and long term goals besides creating value for all its stake holders and management accountability. Company's guiding principles are focused on achieving the best standards of corporate governance and it is committed to attain the highest level of transparency and accountability in its dealings with investors, lenders, employees and all other stakeholders.

### b) Board of Directors

The present strength of the Board of Directors is nine, of which 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, eight Board Meetings were held on 8th April, 2013, 30th May, 2013, 14th August, 2013, 14th October, 2013, 14th November, 2013, 14th February, 2014 and 18th March, 2014, 27th March, 2014. 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	--	1	WTD/CH/P	3
Rana Inder Pratap Singh	Yes	5	MD/P	6
Rana Veer Pratap Singh	--	4	NED/P	2
Rana Karan Pratap Singh	Yes	5	NED/P	2
Shri A. S. Sodhi	Yes	8	NED	1
Shri S. A. S. Bajwa	--	8	NED	1
Shri Baljit Singh	Yes	8	NED	--
Shri Balour Singh	--	--	NED/PEDA	--
Shri M. P. Singh	--	--	NED/PEDA	1

CH Chairman, MD Managing Director, WTD Whole Time Director, P Promoter, NED Non Executive Director, PED A 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:

#### I) Audit Committee

##### i) Terms of reference

The Board has defined the scope of Audit Committee to cover all areas provided for under section 292A of the Companies Act, 1956 and section 177 of Companies Act, 2013 (to the extent notified) and Clause 49 of the Listing Agreement of Stock Exchanges.

##### ii) Composition

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

Name of the Member	Status	No. of meetings attended
Shri A. S. Sodhi	Chairman	4
Shri S. A. S. Bajwa	Member	4
Shri Baljit Singh	Member	4

#### 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.

# RANA SUGARS LIMITED



## ii) Composition

The Committee comprises of Three Non-Executive Directors as its members. The Committee met twelve 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	12
Rana Veer Pratap Singh	Member	12
Shri Baljit Singh	Member	12

## 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 80901 investors as on 31.03.2014. The Company received 17 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:

<u>Financial year</u>	<u>Date</u>	<u>Time</u>	<u>Location</u>	<u>Special Resolution passed</u>
2012-2013	30.09.2013	3.00 p.m.	The Institution of Engineers (India), Madhya Marg, Sector 19-A, Chandigarh	No
2011-2012	29.09.2012	2.00 p.m.	--do--	No
2010-2011	30.09.2011	3.30 p.m.	--do--	Yes



**e) Disclosures**

- i) 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.
- ii) 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**

- i) 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/ Business Standard/Mint and Punjabi Tribune/ Hindi Tribune/ Hindustan news papers.
- ii) Management Discussion and Analysis Report forms part of this Annual Report and is given separately.

**g) General Shareholder's Information**

**i) 22nd Annual General Meeting**

Venue : The Institution of Engineers(India)  
Madhya Marg, Sector 19-A, Chandigarh

Date : 30th September, 2014

**ii) Tentative Financial Calendar**

Audited Annual Results (2013-14)	May, 2014
Publication of Audited Results	--
First Quarter Results	August, 2014
Publication of Half Yearly Results	November, 2014
Third Quarter Results	February, 2015
Fourth Quarter Results	May, 2015
Audited Annual Results (2014-15)	May, 2015

**iii) Book Closure**

The register of members and share transfer books of the Company shall remain closed from 27th September, 2014 to 30th September, 2014 (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.	BSE Limited	507490
2.	National Stock Exchange of India Limited	RANASUG

**v) Demat ISIN number : INE625B01014**

# RANA SUGARS LIMITED



## vi) Market price data

(Amount in ₹)

Month	Bombay Stock Exchange		National Stock Exchange	
	High	Low	High	Low
April, 2013	3.88	2.78	3.85	2.75
May, 2013	3.08	2.60	3.05	2.60
June, 2013	3.05	2.38	3.05	2.35
July, 2013	2.57	2.04	2.65	2.05
August, 2013	2.35	1.77	2.20	1.75
September, 2013	2.19	1.75	2.20	1.80
October, 2013	2.79	1.99	2.90	1.95
November, 2013	2.88	2.10	2.85	2.00
December, 2013	3.34	2.40	3.00	2.40
January, 2014	2.84	2.09	2.75	2.00
February, 2014	2.35	2.00	2.35	2.00
March, 2014	2.48	2.02	2.50	2.05

## vii) Registrar and Transfer Agent

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

## viii) Share Transfer System

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

## ix) Distribution of Shareholding

The distribution of shareholding as on March 31, 2014 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	38492	47.579	4665341	3.038
2.	251 to 500	15749	19.467	6735290	4.386
3.	501 to 1000	11653	14.404	10320181	6.720
4.	1001 to 2000	6569	8.120	10757543	7.005
5.	2001 to 3000	2524	3.120	6679340	4.349
6.	3001 to 4000	1248	1.543	4600610	2.996
7.	4001 to 5000	1344	1.661	6493063	4.228
8.	5001 to 10000	1812	2.240	13687877	8.913
9.	10001 and above	1510	1.866	89628575	58.364
<b>Total</b>		<b>80901</b>	<b>100.000</b>	<b>153567820</b>	<b>100.000</b>

Details of Shareholding as on 31st March, 2014 was as under :

S.No.	Category	No. of Shares held	% shareholding
1.	Promoters	34766079	22.639
2.	Financial Institutions, Banks and Mutual funds	2581846	1.681
3.	NRIs, Foreign Nationals, OCBs and FIIs	2300055	1.498
4.	Private Corporate Bodies	13212923	8.604
5.	Indian Public	100706717	65.578
6.	Others	0	0
<b>Total</b>		<b>153567820</b>	<b>100.000</b>



# RANA SUGARS LIMITED



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

**xi) Location of Plants**

Sugar and Power Unit:

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

S/Shri M. P. Singh and Rana Veer Pratap Singh are liable to retire by rotation & offer themselves for re-appointment as Directors. Brief particulars of these Directors are given below:

- i) Shri M. P. Singh, aged about 48 years is a nominee Director of Punjab Energy Development Agency. Presently he is working as Joint Director with Punjab Energy Development Agency. He has done Mechanical Engineering and M.B.A.
- ii) Rana Veer Pratap Singh, aged about 32 years has done Bachelor in Business Administration. He is also Director in many other companies. He has over 10 years of aggregate experience in various business such as sugar, textile and agriculture and has been instrumental in the growth of the Rana Group.

**ANNEXURE - C'**

**AUDITORS' CERTIFICATE**

**To**

**The Members of Rana Sugars Limited**

We have examined the compliance of conditions of Corporate Governance by Rana Sugars Limited for the year ended on 31st March, 2014, 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: 30th May, 2014

CA S. K. Arora  
Partner  
Membership No. : 70405  
FRN 003897N



### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

#### **Sugar**

The sugar industry in India is the second largest agro-based processing industry. It is playing a key role in accelerating Indian's agrarian economy. There are about 600 operating sugar mills in India and more than 50 million farmers alongwith their families dependent on this sector besides workers. As compared to about 247 lakh tones of sugar produced during 2012-13 sugar season, the Indian sugar industries is expected to produce 239 lakh tones of sugar during current 2013-14 sugar season. The lower production as compared to last year is mainly because of late start of sugar mills across the Country.

#### **Future Prospects**

Due to depressed sugar prices, the realization of sugar mills is substantially lower as compared to cost of production of sugar. Therefore, sugar mills are unable to pay cane prices. The Central Govt. has declared incentives to the sugar industry in the shape of loans under the Scheme for Extending Financial Assistance to Sugar Undertakings 2014. The loan under the aforesaid scheme is given to the sugar mills for clearing the cane dues of the cane growers.

The Company has a crushing capacity of 15000 TCD of its three sugar units, one in Punjab and two in Uttar Pradesh. During the year, the Company has produced 1499165 quintals of sugar. The Company has also crushed 5,69,155 quintals of Sugar Beet during the year. The Company provides various incentives to its cane growing farmers such as crop loans from banks and supply of cane seeds, insecticides and other agricultural inputs. It is expected that the performance of the Company will be far better in the coming year of 2014-15 as compared to 2013-14.

#### **Co-generation of Power**

The residue left after sugarcane crushing is bagasse. The bagasse is used for combustion to generate power. The surplus power, after being used for captive requirement of sugar mills, is sold to State Electricity Authorities. This, co-generation has not only helped sugar Companies to reduce costs but also enhance incomes. The Central Govt. has announced various incentive schemes for sugar Companies to set up co-generation power projects.

The Company has set up co-generation power plants in its units and have produced 230604366 units of power during the year.

#### **Distillery & Ethanol**

The Indian Government implemented a mandatory five percent ethanol blending in petrol. Presently, however only three-fifths of the total facilities are supplying ethanol, leading to a constrained supply. Further, the molasses stocks are being diverted to European Countries to be used as cattle feed, resulting into lower ethanol production and higher prices. Consequently it is not viable to supply ethanol to petroleum companies on negotiated rates.

The Distillery Unit of the Company with a capacity of 60 KL per day has produced 18953456 BL of Spirit & others and 1127813 cases of Liquor.

#### **Outlook/Projection**

The Company's projection on crushing of Sugarcane for the current year 2014-15 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.

# RANA SUGARS LIMITED



## **Opportunities and threats**

Indian sugar industry is a second largest sugar producer in the World after Brazil. The industry provides direct employment including ancillary activities to near around 6 lacs workers. The industry provides raw-material to other downstream sectors and is instrumental in socio-economic development in rural India.

Sugar industries is a seasonal industry. The production of sugar depends upon availability of sugarcane which is affected by weather of the particular place. The quality of soil deteriorates due to overuse of fertilizers and pesticides to increase sugarcane yield. The sugar sector in India goes through a phase of cyclicity, mainly on account of situations of high cane pricing which is under Govt. control.

## **Risk and Concern**

Risk is an inherent aspect of any business. Most of the sugar factories are old and use old technology. Further, higher sugarcane prices also affect profitability of the sugar industry. The sugarcane production and its quality is largely dependent on Monsoons.

## **Internal Control System & their adequacy**

The Company has a proper and 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. Such controls with periodical reviews, also ensures efficiency of operations, accuracy in financial reporting and complying various applicable laws, statutes & regulations.

## **Material Development in HRD/IR**

The Human Resources vision of your Company is committed to organizational excellence by inspiring and developing the potential of people and providing them opportunities for growth. Training and learning initiatives aim at upgrading the competencies and fostering a climate of creativity and innovation. Your Company continuously evolves policies and processes to attract and retain its pool of technical and management resources through a friendly work environment that encourages individual and team initiatives. The Company has a total manpower of 1730 including seasonal labour employed during the season. Relations between the employee and management have remained cordial during the period of the report.

## **DECLARATION BY THE MANAGING DIRECTOR**

Pursuant to the provisions of Clause 49 sub clause 1(D) of the Listing Agreement with Stock Exchanges, it is hereby declared that all the Board Members and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct for 'Directors and Senior Management' for the year ended March 31, 2014.

For Rana Sugars Limited

Rana Inder Pratap Singh  
Managing Director

# RANA SUGARS LIMITED



## Independent Auditor's Report

To The Members of  
Rana Sugars Limited  
Chandigarh

### Report on the Financial Statements

We have audited the accompanying financial statements of Rana Sugars Limited, which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and to the best of our information and

according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on other Legal and Regulatory requirements.

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. As required by section 227(3) of the Act, we report that:
  - a) 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;
  - b) 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
  - c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of Section 211 of The Act;
  - e) on the basis of written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of The Act.

For KANSAL SINGLA & ASSOCIATES,  
(Chartered Accountants)

Place: Chandigarh  
Date : 30-05-2014

CA. S.K. ARORA  
(PARTNER)  
MEMBERSHIP NO.070405  
FRN:003897N

# RANA SUGARS LIMITED



**The Annexure referred to in paragraph 1 of our report of even date to the members of Rana Sugars Limited, on the accounts of the Company for the year ended on 31st March, 2014.**

On the basis of such checks as we considered appropriate during the course of our audit and according to the information and explanations given to us, we report that:

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.  
(b) Fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification  
(c) During the year, the Company has not disposed off any substantial part of the plant and machinery affecting the going concern status of the Company.
2. (a) The inventories have been physically verified during the year by the management at reasonable intervals.  
(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 and no material discrepancies were noticed on physical verification. However, minor discrepancies noticed on verification between the physical stocks were properly adjusted in the consumption of stores.
3. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of The Act.  
(b) The Company has taken interest free unsecured loans from eighteen parties covered in the register maintained under Section 301 of The Act. The balance outstanding as on 31.03.2014 was ₹ 4694.37 Lacs and the maximum amount outstanding during the year of such loans was ₹ 4958.83 lacs.  
(c) The terms & conditions on which such loans were accepted are not prejudicial to the interest of the Company.  
(d) No stipulation has been specified for the repayment of these loans.
4. There is generally an adequate internal control procedure commensurate with the size of the Company and the nature of its

business, for the purchase of inventories & fixed assets, for payment of expenses and for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.

5. a) The particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.  
b) In our opinion the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of The Act and exceeding the value of rupees five lakhs in respect of any party during the year have been made at terms which are reasonable at the relevant time.
6. In our opinion, the Company has accepted the Deposits covered as per the provisions of Sections 58A and 58AA or any other provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 in the form of unsecured loans which are within the exempted categories of the said section.
7. The Company has an in house internal audit system commensurate with its size and the nature of its business.
8. We have reviewed the books of account maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Act but not vouched and are of the opinion that the prescribed accounts and records have been made and maintained.
9. (a) The Company has deposited, with some delay, undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable with appropriate authorities.  
(b) The following undisputed amounts were payable in respect of Cess on Sugar Cane, as at 31st March, 2014, for a period exceeding six months from the date it became payable:

Name of the statute	Nature of Dues	Amount (Rs. in lacs)	Financial Year to which the amount relates
Sugar Cane Cess Act	Cess	11.86	Period Ended 31.03.13
Sugar Cane Cess Act	Cess	0.54	Period Ended 30.09.13



# RANA SUGARS LIMITED



(c) The following disputed amounts were not paid by the Company as at 31st March 2014:

(Rs. in lacs)						
Name of the Statute	Nature of Dues	Total Demand	Amount Paid	Balance Amount	Financial Year to which the amount relates	Forum where dispute is pending
U.P Sales Tax	Entry tax	163.70	65.00	98.70	Year Ended 31.03.2008 , 31.03.2009 , 31.03.2012	Commissioner (Appeals), Moradabad
Punjab Vat	C.S.T.	160.51	–	160.51	Year Ended 31.03.2010	DETC Appeal, Jalandhar
Punjab Vat	C.S.T.	2.78	–	2.78	Year Ended 31.03.2012	DETC Appeal, Jalandhar

Further, Sales Tax assessments for the sugar and distillery units in Punjab have been completed up to financial year 2011-12. The department has raised the purchase tax demand of ₹ 582.74 lacs, ₹ 882.01 lacs and ₹ 90.52 lacs for the year 2005-06, 2009-10 and 2011-12 respectively. The company has preferred appeals against these orders with the Appellate authority. Though, the company has provided purchase tax liability of ₹ 2734.20 lacs for the years 2005-06 to 2013-14 but the same has not been paid as the above mentioned appeals are pending with the appellate authorities.

10. The accumulated losses of the Company as at the end of the financial year, do not exceed 50% of its Net worth. Further, the Company has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
11. The Company has paid, during the year, the amounts due to banks and financial institutions with certain delays. However, as on 31st March 2014, there were no over dues in respect of Interest and instalments of loans.
12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi /mutual benefit fund/society.

14. The Company is not trading in Shares, Mutual funds & other Investments.
15. The Company has given guarantees to various banks for repayment of crop loans amounting to ₹ 5553.06 lacs taken by farmers from banks. The terms and conditions thereof are not prima facie prejudicial to the interest of the Company.
16. During the year, the Company raised term loans (SEFASU 2014) amounting to ₹ 1694 lacs from Banks, which were utilized for the purposes for which these were obtained.
17. No funds raised on short-term basis have been used for long-term investment by the Company.
18. The Company has not made any preferential allotment of shares during the year.
19. The Company has not issued any debentures during the period under audit.
20. The Company has not raised any money by public issue during the year.
21. No fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

For KANSAL SINGLA & ASSOCIATES,  
(Chartered Accountants)

Place: Chandigarh  
Date : 30-05-2014

**CA. S.K. ARORA**  
(PARTNER)  
MEMBERSHIP NO.070405  
FRN:003897N

# RANA SUGARS LIMITED



## BALANCE SHEET AS AT 31ST MARCH, 2014

PARTICULARS	NOTE No.	AS AT 31.03.2014 (s in lacs)	AS AT 31.03.2013 (s in lacs)
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	2	19,463.29	19,463.29
(b) Reserves and Surplus	3	4,289.15	6,683.17
<b>(2) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	4	24,027.24	23,845.34
(b) Long Term Provisions	5	490.70	259.36
<b>(3) Current Liabilities</b>			
(a) Short-Term Borrowings	6	51,072.42	40,671.79
(b) Trade Payables	7	18,587.25	19,035.65
(c) Other Current Liabilities	8	15,537.20	14,886.22
(d) Short-Term Provisions	9	150.84	64.17
<b>Total</b>		<b>133,618.09</b>	<b>124,908.99</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	10	45,282.82	45,407.59
(ii) Capital Work in Progress		3,245.85	3,955.89
(b) Long term loans and advances	11	863.06	1,239.64
(c) Deferred tax assets (net)		559.48	-
<b>(2) Current Assets</b>			
(a) Current investments	12	9.25	9.25
(b) Inventories	13	63,864.68	54,606.56
(c) Trade receivables	14	5,944.79	5,753.23
(d) Cash and cash equivalents	15	3,274.73	2,002.51
(e) Short-term loans and advances	16	10,567.26	11,914.55
(f) Other current assets	17	6.17	19.77
<b>Total</b>		<b>133,618.09</b>	<b>124,908.99</b>
Significant Accounting Policies	1	-	-
Notes to Accounts	2 to 23		

The Notes are an integral part of the financial statements.

**Manoj Gupta**  
Chief Financial Officer

**Manmohan K.Raina**  
Company Secretary

**Rana Inder Pratap Singh**  
Managing Director

**Rana Karan Pratap Singh**  
Director

As per our report of even date attached.

**FOR KANSAL SINGLA & ASSOCIATES**  
CHARTERED ACCOUNTANTS

**(CA. S.K. ARORA)**  
Partner

Membership No. : 70405  
FRN 003897N

Place : Chandigarh  
Dated : 30-05-2014

# RANA SUGARS LIMITED



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

PARTICULARS	NOTE No.	AS AT	AS AT
		31.03.2014 (s in lacs)	31.03.2013 (s in lacs)
<b>I Revenue from operations</b>			
- Sale of Products		65,839.92	72,368.68
- Other Operating Revenues		887.63	92.04
Less: Excise Duty		1,936.96	2,092.58
Revenue from operations (Net)		64,790.59	70,368.14
II Other Income	18	(12.84)	(7.04)
III <b>Total Revenue (I +II)</b>		64,777.75	70,361.10
<b>IV Expenses:</b>			
Cost of materials consumed	19	57,850.24	56,427.46
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		(8,284.94)	(3,646.25)
Excise duty related to the difference between closing stock and opening stock		173.53	(48.02)
Employee Benefits Expenses	20	2,976.88	2,772.86
Financial Costs	21	7,965.19	7,250.71
Depreciation and Amortization Expenses	10	3,316.42	3,292.12
Other Expenses	22	3,714.82	3,707.56
<b>Total Expenses</b>		67,712.14	69,756.44
V Profit/(Loss) before exceptional and extraordinary items and tax (III - IV)		(2,934.39)	604.66
VI Exceptional Items		15.09	45.85
VII Profit/(Loss) before extraordinary items and tax (V - VI)		(2,949.48)	558.81
VIII Extraordinary Items		-	14.38
IX Profit/(Loss) before tax (VII - VIII)		(2,949.48)	544.43
<b>X Tax expenses of continuing operations:</b>			
Current tax (including Wealth Tax)		4.02	3.62
Deferred tax		(559.48)	-
XI Profit/(Loss) from continuing operations (IX-X)		(2,394.02)	540.81
XII Earning per equity share:			
(1) Basic		(1.56)	0.35
(2) Diluted		(1.56)	0.35
<b>Significant Accounting Policies</b>	1		
<b>Notes to Accounts</b>	2 to 23		

The Notes are an integral part of the financial statements.

**Manoj Gupta**  
Chief Financial Officer

**Manmohan K.Raina**  
Company Secretary

**Rana Inder Pratap Singh**  
Managing Director

**Rana Karan Pratap Singh**  
Director

As per our report of even date attached.

**FOR KANSAL SINGLA & ASSOCIATES**  
CHARTERED ACCOUNTANTS

**(CA. S.K. ARORA)**  
Partner

Membership No. : 70405  
FRN 003897N

Place : Chandigarh  
Dated : 30-05-2014

# RANA SUGARS LIMITED



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

PARTICULARS	AS AT 31.03.2014 (s in lacs)	AS AT 31.03.2013 (s in lacs)
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>PROFIT/(LOSS) BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX</b>	<b>(2,934.39)</b>	<b>604.66</b>
Adjustment for :		
- Depreciation & Non Cash Expenses	3,316.42	3,292.12
- Net Loss/(Profit) on Sale of Fixed Assets/Investment	2.93	5.08
- Interest (Net)	7,941.03	7,228.64
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>8,325.99</b>	<b>11,130.50</b>
Adjustment for :		
- (Increase)/ Decrease in Trade & other receivable	757.70	(4,431.20)
- (Increase)/ Decrease in Inventories	(9,258.12)	(2,899.30)
- (Decrease)/ Increase in Trade & other Payables	520.59	1,694.35
<b>CASH GENERATED FROM OPERATIONS</b>	<b>346.16</b>	<b>5,494.35</b>
- Exceptional Items	(15.09)	(45.85)
<b>Cash flow before extraordinary items</b>	<b>331.07</b>	<b>5,448.50</b>
- Extra ordinary Items	-	(14.38)
<b>Cash flow after extraordinary items</b>	<b>331.07</b>	<b>5,434.12</b>
- Direct Tax Paid	(4.02)	(3.62)
<b>NET CASH (USED)/FROM IN OPERATING ACTIVITIES</b>	<b>327.05</b>	<b>5,430.50</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
- Purchase of fixed assets	(1,702.68)	(2,410.85)
- Sale of fixed assets	6.35	32.93
- Sale of Investments	-	-
- Interest Received	24.16	22.07
<b>NET CASH (USED)/FROM IN INVESTING ACTIVITIES</b>	<b>(1,672.17)</b>	<b>(2,355.85)</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
- Increase/(Decrease) in long term borrowings	151.01	(150.51)
- Increase/(Decrease) in Unsecured Loans	30.89	1,066.47
- Increase/(Decrease) in Working capital borrowings	10,400.63	3,050.18
- Interest Paid	(7,965.19)	(7,250.71)
<b>NET CASH (USED)/FROM FINANCING ACTIVITIES</b>	<b>2,617.34</b>	<b>(3,284.57)</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>1,272.22</b>	<b>(209.91)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING</b>	<b>2,002.51</b>	<b>2,212.42</b>
<b>CASH AND CASH EQUIVALENTS AT THE END</b>	<b>3,274.73</b>	<b>2,002.51</b>

**Manoj Gupta**  
Chief Financial Officer

**Manmohan K.Raina**  
Company Secretary

**Rana Inder Pratap Singh**  
Managing Director

**Rana Karan Pratap Singh**  
Director

In terms of our separate report of even date annexed.

**FOR KANSAL SINGLA & ASSOCIATES**  
CHARTERED ACCOUNTANTS

**(CA. S.K. ARORA)**  
Partner

Membership No. : 70405  
FRN 003897N

Place : Chandigarh  
Dated : 30-05-2014



## Note - 1

### **SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FORMING PART OF ACCOUNTS AS AT 31ST MARCH 2014.**

#### **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 of Finished Goods, are valued at lower of cost or net realizable value. The inventories of 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 Statement of 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 amount 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 asset's net selling price or value in use). In assessing the value in use, the estimated future cash flow expected from the continuing use of the assets and from their 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 Statement of 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 Statement of 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 and Actuarial Valuation basis.
- Provision for Leave encashment liability is made on Actuarial valuation 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 is 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.

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.

## 18. Financial Derivatives and Commodity Hedging

In respect of derivative contracts, premium paid, gain & losses on settlement & losses on restatement are recognized in the profit & loss account except in case where they relate to the acquisition & construction of fixed assets, in which case they are adjusted to the carrying cost of such assets.



# RANA SUGARS LIMITED



## 2. SHARE CAPITAL

### (A) Authorised, Issued, Subscribed and Paid up Share Capital and par value per share

PARTICULARS	AS AT 31.03.2014 (₹ in Lacs)	AS AT 31.03.2013 (₹ in Lacs)
<b>Authorised Share Capital</b>		
16,00,00,000 (Previous year 16,00,00,000) Equity Shares of ₹ 10/- each	16,000.00	16,000.00
6,00,00,000 (Previous Year 6,00,00,000) 8% Non-Cumulative Redeemable Preference Shares of ₹. 10/- each	6,000.00	6,000.00
	<u>22,000.00</u>	<u>22,000.00</u>
<b>Issued, Subscribed &amp; Paid up</b>		
15,35,67,820 (Previous year 15,35,67,820) equity shares of ₹ 10/- each	15356.78	15356.78
4,10,93,424 (Previous year 4,10,93,424) 8% Non cumulative Redeemable Preference Shares of ₹ 10/- each	4109.34	4109.34
	<u>19,466.12</u>	<u>19,466.12</u>
<b>Paid-up Share Capital</b>		
15,35,67,820 (Previous year 15,35,67,820) equity shares of ₹ 10/- each	15,356.78	15,356.78
4,10,93,424 (Previous year 4,10,93,424) 8% Non cumulative Redeemable Preference Shares of ₹ 10/- each	4,109.34	4,109.34
Less: Calls unpaid by directors and other officers	-	-
Less: Calls in arrears	2.83	2.83
Add: Equity shares forfeited (paid-up)	-	-
<b>TOTAL</b>	<u>19,463.29</u>	<u>19,463.29</u>

#### Note:

The company has two classes of shares with both having par value of ₹ 10 per share. The company has not allotted any shares for consideration other than cash during the last five years. Each holder of Equity share is entitled to one vote per share.

### (B) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year

Number of shares outstanding as at the beginning of the year	15,35,67,820	15,35,67,820
Add:		
Shares Issued During the Year	-	-
Number of shares outstanding as at the end of the year	15,35,67,820	15,35,67,820

### (C) Reconciliation of number of preference shares outstanding at the beginning and at the end of the year

Number of shares outstanding as at the beginning of the year	4,10,93,424	4,10,93,424
Add:		
Shares Issued During the Year	-	-
Number of shares outstanding as at the end of the year	4,10,93,424	4,10,93,424

### (D) Name of Equity Shareholders holding more than 5% Equity Shares in the Company

Name of the Shareholder	As at 31.03.2014		As at 31.03.2013	
	Number of Shares	Percentage	Number of Shares	Percentage
1. Mrs. Rajbans Kaur	95,70,001	6.23%	95,70,001	6.23%
2. Mrs. Sukhjinder Kaur	85,00,000	5.54%	85,00,000	5.54%

### (E) Name of Preference Shareholders holding more than 5% Preference Shares in the Company

1. Rikki Fze	1,39,18,385	33.87%	1,39,18,385	33.87%
2. Citigate Trade Fze	1,32,09,125	32.14%	1,32,09,125	32.14%
3. Atique Ali Aqadi Trading LLC	1,39,65,914	33.99%	1,39,65,914	33.99%

# RANA SUGARS LIMITED



## 3. RESERVES AND SURPLUS

PARTICULARS			AS AT 31.03.2014 (₹ in Lacs)	AS AT 31.03.2013 (₹ in Lacs)
Capital Reserves	806.93	-	-	806.93
Capital Redemption Reserve	1,369.79	-	-	1,369.79
Securities Premium Reserve	8,315.02	-	-	8,315.02
Surplus/(Deficit) in Statement of Profit & Loss	(3,808.57)	(2,394.02)	-	(6,202.59)
<b>Total</b>	<b>6,683.17</b>	<b>(2,394.02)</b>	<b>-</b>	<b>4,289.15</b>
		<b>For the Year ended</b>		<b>For the Year ended</b>
		<b>31/03/2014</b>		<b>31/03/2013</b>
Profit/(Loss) for the period		<b>(2,394.02)</b>		540.81
Transfer to Capital Redemption Reserve		-		342.45
		<b>(2,394.02)</b>		<b>198.36</b>

## 4. LONG-TERM BORROWINGS

### (A) TERM LOANS FROM BANKS

#### Secured

(i) Term loan from State Bank of India	<b>1,664.18</b>	1,830.86
(ii) Term loan from State Bank of Patiala	<b>989.80</b>	1,088.40
(iii) Term loan from Bank of Baroda	<b>989.94</b>	1,094.75
(iv) Term loan from State Bank of Mysore	<b>575.60</b>	634.28
(v) Term loan from State Bank of Bikaner and Jaipur	<b>589.29</b>	647.97
(vi) Term loan from State Bank of Hyderabad	<b>589.24</b>	647.92

Term Loans from above banks are secured by pari passu first charge on Fixed Assets of the Company, including Sugar & Power units in Distt. Amritsar, Moradabad, Rampur and Distillery unit in Distt. Tarn Taran and are repayable in 34 quarterly instalments starting from 30/06/2009 and ending on 30/09/2017

(vii) Term loan (SEFASU 2014) from State Bank of India	<b>734.00</b>	-
(viii) Term loan (SEFASU 2014) from Bank of Baroda	<b>698.00</b>	-
(ix) Term loan (SEFASU 2014) from State Bank of Mysore	<b>262.00</b>	-

- Term Loans from above banks are secured by pari passu first charge on Fixed Assets of the Company, including Sugar & Power units in Districts Amritsar, Moradabad & Rampur and Distillery unit in District Tarantaran.

- Term Loans from State Bank of India and State Bank of Mysore are repayable in 12 quarterly instalments starting from 30/06/2016 and ending on 31/03/2019.

- Term Loan from Bank of Baroda is repayable in 12 quarterly instalments starting from 01/04/2016 and ending on 01/01/2019.

# RANA SUGARS LIMITED



PARTICULARS	AS AT 31.03.2014 (₹ in Lacs)	AS AT 31.03.2013 (₹ in Lacs)
<b>(B) TERM LOANS FROM FINANCIAL INSTITUTIONS</b>		
Term loan from IREDA	<b>8,170.73</b>	9,160.26
Term Loan from IREDA is secured by pari passu first charge on Fixed Assets of the Company, including Sugar & Power units in Districts Amritsar, Moradabad & Rampur and Distillery unit in District Tarn Taran and is repayable in 40 quarterly instalments starting from 30/09/2013 and ending on 30/06/2023		
Term Loans from Banks and Financial Institutions are further secured by personal guarantee of promoters / directors.		
<b>(C) Long term Maturities of Finance Lease obligations</b>	<b>201.33</b>	208.66
(Secured by Hypothecation of underlying Vehicles taken on Finance Lease)		
<b>(D) Unsecured Loans and Advances from Related Parties</b>		
- From Directors	<b>1,091.90</b>	1,068.62
- From Associate Companies	<b>1,915.32</b>	1,928.82
- From Relatives	<b>1,687.15</b>	1,508.09
<b>(E) Unsecured Loans and Advances from Others</b>	<b>3,868.76</b>	4,026.71
<b>TOTAL</b>	<b><u>24,027.24</u></b>	<u>23,845.34</u>
<b>5. LONG-TERM PROVISIONS</b>		
Employee Benefits	<b>490.70</b>	259.36
<b>Total</b>	<b><u>490.70</u></b>	<u>259.36</u>
<b>6. SHORT TERM BORROWINGS</b>		
<b>LOANS REPAYABLE ON DEMAND</b>		
<b>Secured</b>		
- <b>For Sugar Unit in Distt. Amritsar</b>	<b>14,284.21</b>	13,579.18
Working Capital Loans at Sugar Unit (Amritsar) are secured by pledge/hypothecation of crystal sugar, and hypothecation of all other current assets at Sugar Unit (Amritsar), in favour of State Bank of India, State Bank of Patiala, Bank of Baroda and UCO Bank on pari-passu basis.		
- <b>For Distillery Unit in Distt. Tarn Taran</b>	<b>948.76</b>	964.87
Working Capital Loans at Distillery Unit (Tarn Taran) are secured by hypothecation of all current assets at Distillery Unit (Tarn Taran), in favour of State Bank of India and UCO Bank on pari-passu basis.		
- <b>For Sugar Unit in Distt. Moradabad</b>	<b>17,323.64</b>	12,920.35
Working Capital loans are secured by pledge/hypothecation of crystal sugar, and hpothecation of all other current assets in Sugar Unit (Moradabad), in favour of State Bank of India, State Bank of Patiala, Bank of Baroda, State Bank of Bikaner & Jaipur, State Bank of Hyderabad, State Bank of Mysore and Zila Sahkari Bank Ltd. on pari-passu basis		
- <b>For Sugar Unit in Distt. Rampur</b>	<b>18,515.81</b>	13,207.39
Working Capital Loans are secured by pledge/hypothecation of crystal sugar, and hypothecation of all other current assets in Sugar Unit (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 and Zila Sahkari Bank Ltd. on pari-passu basis.		
Working Capital Loans from Banks are further secured by personal guarantee of promoters / directors.		
<b>Total</b>	<b><u>51,072.42</u></b>	<u>40,671.79</u>

# RANA SUGARS LIMITED



## 7. TRADE PAYABLES

PARTICULARS	AS AT 31.03.2014 (₹ in Lacs)	AS AT 31.03.2013 (₹ in Lacs)
Micro & Small Enterprises	54.94	63.38
Others	18,532.31	18,972.27
<b>Total</b>	<u>18,587.25</u>	<u>19,035.65</u>

## 8. OTHER CURRENT LIABILITIES

PARTICULARS	AS AT 31.03.2014 (₹ in Lacs)	AS AT 31.03.2013 (₹ in Lacs)
Current maturities of long term debt	1,658.53	1,607.88
Current maturities of finance lease obligations	85.19	100.37
Interest accrued and due on borrowings	72.79	153.58
Other liabilities and payable	13,720.69	13,024.39
<b>Total</b>	<u>15,537.20</u>	<u>14,886.22</u>

## 9. SHORT-TERM PROVISIONS

PARTICULARS	AS AT 31.03.2014 (₹ in Lacs)	AS AT 31.03.2013 (₹ in Lacs)
Provision for employee benefits	146.82	58.27
Provision for wealth-tax	4.02	5.90
<b>Total</b>	<u>150.84</u>	<u>64.17</u>

# RANA SUGARS LIMITED



## Reconciliation of the gross carrying amounts and net carrying amounts at the beginning and at the end of the year

(Rs. in Lacs)

Sr. No.	Particulars	Gross Carrying Amount				Accumulated Depreciation		Net Carrying amount	
		As at 31.03.2013	Additional adjustment during the year	Deductions during the year	As at 31.03.2014	Provided during the year	Deductions during the year	As at 31.03.2014	As at 31.03.2013
	Tangible Owned Assets								
1	Land & Site Development	2,216.40	8.05	-	2,224.45	-	-	-	2,216.40
2	Buildings	4,599.36	57.13	-	4,656.49	154.77	-	1,256.62	3,497.51
	- Factory Building	2,126.48	178.08	-	2,304.56	35.67	-	266.94	1,895.21
	- Non Factory Building	54,700.45	2,722.75	-	57,423.20	2,851.22	-	21,456.34	36,095.33
3	Plant and Equipment	202.78	10.69	-	213.47	82.57	-	94.58	118.89
4	Furnitures & Fixtures	1,081.13	140.71	20.64	1,201.20	114.01	11.36	369.35	814.43
5	Vehicles	53.00	5.59	-	58.59	24.90	-	28.16	28.10
6	Office Equipment	329.89	27.47	-	357.36	208.49	-	262.27	95.09
7	Computer	203.31	7.59	-	210.90	135.28	-	142.64	68.03
8	Electric Installations	761.89	42.87	-	804.76	292.08	-	334.18	469.81
9	Misc. Fixed Assets	543.24	-	-	543.24	477.36	-	516.70	65.88
10	Trucks & Tankers	25.61	-	-	25.61	10.33	-	13.23	15.28
11	Tractors								
	TOTAL	66,843.54	3,200.93	20.64	70,023.83	3,316.42	11.36	24,741.01	45,282.82
	(Previous Year)	66,117.03	809.80	83.29	66,843.54	3,292.12	45.28	21,435.95	47,927.92

### Note : 10 Fixed Assets

# RANA SUGARS LIMITED



## 11. LONG TERM LOANS AND ADVANCES (unsecured, considered good unless stated otherwise)

PARTICULARS	AS AT 31.03.2014 (₹ in Lacs)	AS AT 31.03.2013 (₹ in Lacs)
Capital Advances	383.13	1,171.34
Security Deposits	479.93	68.30
<b>Total</b>	<b>863.06</b>	<b>1,239.64</b>

## 12. CURRENT INVESTMENTS

PARTICULARS	AS AT 31.03.2014 (₹ in Lacs)	AS AT 31.03.2013 (₹ in Lacs)
<b>Non-Trade Investment (Quoted)</b>		
<b>Investment in Mutual Funds</b>		
- SBI CPOF- Series II (92468 units @ ₹ 10 per unit having NAV ₹ 12.5281 per unit)	9.25	9.25
<b>Total</b>	<b>9.25</b>	<b>9.25</b>

## 13. INVENTORIES (Finished goods valued at lower of cost and net realisable value, unless stated otherwise)

PARTICULARS	AS AT 31.03.2014 (₹ in Lacs)	AS AT 31.03.2013 (₹ in Lacs)
(As taken valued & certified by the Management)		
(a) Raw Materials	14.00	101.28
(b) Work-in-progress	658.48	1,727.80
(c) Finished Goods	59,588.71	50,234.45
(d) Stores and spares	3,238.85	2,275.95
(e) Packing Materials	364.64	267.08
<b>Total</b>	<b>63,864.68</b>	<b>54,606.56</b>

## 14. TRADE RECEIVABLES (unsecured, considered good)

PARTICULARS	AS AT 31.03.2014 (₹ in Lacs)	AS AT 31.03.2013 (₹ in Lacs)
Trade receivables outstanding for more than six months from the date they became due for payment	302.56	161.68
Other trade receivables	5,642.23	5,591.55
<b>Total</b>	<b>5,944.79</b>	<b>5,753.23</b>

## 15. CASH AND CASH EQUIVALENTS

PARTICULARS	AS AT 31.03.2014 (₹ in Lacs)	AS AT 31.03.2013 (₹ in Lacs)
<b>(A) Balances with Banks</b>		
<b>(I) Bank balances held as margin money or as security against:</b>		
(i) Guarantees	9.39	-
(ii) Letters of Credit	65.39	104.91
(iii) Other commitments	181.86	163.82
<b>(II) Other Bank balances</b>	<b>1,607.72</b>	<b>1,505.66</b>
<b>(B) Cheques, drafts in hand</b>	<b>1,333.46</b>	<b>5.67</b>
<b>(C) Cash on hand</b>	<b>76.91</b>	<b>222.45</b>
<b>Total</b>	<b>3,274.73</b>	<b>2,002.51</b>

# RANA SUGARS LIMITED



## 16. SHORT-TERM LOANS AND ADVANCES (unsecured, considered good)

PARTICULARS	AS AT 31.03.2014 (₹ in Lacs)	AS AT 31.03.2013 (₹ in Lacs)
<b>Other Short Term Loans &amp; Advances</b>		
- Advances recoverable in cash or in kind or for value to be received	9,024.95	10,349.30
- Balance with Excise, customs etc.	1,247.64	1,221.54
- Payments of Taxes under protest/appeal	262.59	154.27
- Advance payment of Tax (including Tax deducted at source)	32.08	189.44
<b>TOTAL</b>	<b>10,567.26</b>	<b>11,914.55</b>

## 17. OTHER CURRENT ASSETS

PARTICULARS	AS AT 31.03.2014 (₹ in Lacs)	AS AT 31.03.2013 (₹ in Lacs)
Interest and other Receivable	6.17	19.77
<b>TOTAL</b>	<b>6.17</b>	<b>19.77</b>

## 18. OTHER INCOME

PARTICULARS	For the year ended 31.03.2014 (₹ in Lacs)	For the year ended 31.03.2013 (₹ in Lacs)
Interest Income	24.16	22.07
Net Gain/(Loss) on sale of Asset/Investment	(2.93)	(5.08)
Other Non-Operating Income/(Expenses) (Net of Expenses directly attributable to such income)	(34.07)	(24.03)
<b>TOTAL</b>	<b>(12.84)</b>	<b>(7.04)</b>

## 19. COST OF MATERIAL CONSUMED

PARTICULARS	For the year ended 31.03.2014 (₹ in Lacs)	For the year ended 31.03.2013 (₹ in Lacs)
Raw material consumed		
- Sugarcane	45,429.46	44,051.14
- Raw Sugar	-	20.42
- Others	1,461.39	2,420.59
- Bagasse/Husk and Other Fuels	135.07	558.62
- Molasses and Grain	6,265.90	5,150.58
Power and Fuel consumed	1,612.66	1,384.45
Stores, spares, chemicals and packing materials consumed	2,945.76	2,841.66
<b>TOTAL</b>	<b>57,850.24</b>	<b>56,427.46</b>

## 20. EMPLOYEE BENEFITS EXPENSES

PARTICULARS	For the year ended 31.03.2014 (₹ in Lacs)	For the year ended 31.03.2013 (₹ in Lacs)
Salaries and Wages, bonus, gratuity and allowances	2,810.00	2,623.90
Contribution to PF and Superannuation Fund	106.21	102.50
Staff Welfare Expenses	60.67	46.46
<b>TOTAL</b>	<b>2,976.88</b>	<b>2,772.86</b>



# RANA SUGARS LIMITED



## 21. FINANCE COSTS

PARTICULARS	For the year ended	
	31.03.2014 (₹ in Lacs)	31.03.2013 (₹ in Lacs)
Interest Expenses	7,680.22	7,030.84
Other Borrowing costs	284.97	230.38
Net (Gain)/Loss on foreign currency transactions/translation	-	(10.51)
<b>TOTAL</b>	<b>7,965.19</b>	<b>7,250.71</b>

## 22. OTHER EXPENSES

PARTICULARS	For the year ended	
	31.03.2014 (₹ in Lacs)	31.03.2013 (₹ in Lacs)
Processing Charges	551.29	627.19
Insurance Expenses	78.68	44.22
Repairs		
-Plant and machinery	1,214.43	1,097.58
-Factory Buildings	111.75	113.06
Rent	64.84	63.97
Other Interest Expenses	19.42	15.65
Rates and Taxes other than taxes on income	169.07	171.09
Donations - Others	1.07	11.86
Travelling & Conveyance	319.88	412.53
Vehicle Running & Maintenance	186.48	238.55
Office Expenses	291.55	324.72
Payments to statutory auditors		
- as auditors	8.49	7.76
- for taxation matters	5.00	0.55
Legal, professional and consultancy charges	47.17	43.52
Advertisement, Publicity and Sale Promotion	23.58	38.67
Commission on sales	41.60	142.04
Other Selling Expenses	502.07	319.55
Directors' fees	1.95	1.78
Net (Gain)/Loss on foreign currency transactions (other than adjusted as finance costs)	(0.61)	7.83
Miscellaneous expenses	77.11	25.44
<b>TOTAL</b>	<b>3,714.82</b>	<b>3,707.56</b>



## Note No. 23

### NOTES TO ACCOUNTS

#### 23.1 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 assessment will be accounted for in the year in which assessment is complete.
- i) **Income Tax assessments** have been completed up to the assessment year 2011-12. Additional demand of ₹ 110.78 lacs has been raised by the department in respect of Assessment Year 2007-08 against which the Company has filed appeal with CIT (Appeals), Chandigarh. The disputed amount of ₹ 110.78 lacs has been deposited by the Company and same is shown under the head Payments of Taxes under protest/appeal under Short Term Loans & Advances.
- ii) **Sales Tax assessments**
- a) Sales Tax assessments, for Sugar Units in Districts Moradabad and Rampur have been completed up to Financial Year 2010-11. The department has raised additional demand of ₹ 163.70 lacs for Financial Years 2007-08, 2008-09 & 2011-12 on account of Sales Tax and Entry Tax. The Company has deposited ₹ 65.00 lacs under protest and shown the same under the head Payments of Taxes under protest/appeal under Short Term Loans & Advances. The Company has filed appeals with the Appellate Authority against the orders of Deputy Commissioner of Sales Tax, Moradabad
- b) Sales Tax assessments for Sugar unit in District Amritsar and Distillery Unit in District Taran Taran have been completed upto Financial Year 2011-12. The Department has raised the Purchase Tax demand of ₹ 582.74 lacs, ₹ 882.01 lacs and ₹ 90.52 lacs for the Financial years 2005-06, 2009-10 and 2011-12 respectively and Sales Tax demand of ₹ 160.51 lacs and Rs. 2.78 lacs for the Financial Years 2009-10 and 2011-12. The Company has preferred appeals against all these orders with the appellate authorities. Though, the Company has provided purchase tax liability of ₹ 2734.20 lacs (Previous year ₹ 2248.56 lacs) for the years 2005-06 to 2013-14, the same has not been paid as the above mentioned appeals against assessment orders are pending with the appellate authorities.
- b) An amount of ₹ 36.96 lacs relates to disputed excise duty on bagasse (Previous year ₹ 36.96 lacs) and shown under the head Payments of Taxes under protest/appeal under Short Term Loans & Advances. The hon'ble High Court of Allahabad has quashed the order of the department, but the concerned department has filed an appeal with hon'ble Supreme Court against the decision of hon'ble High Court of Allahabad.
- c) The company has deposited ₹ 47.35 lacs on account of Excise Duty under protest (Previous year ₹ 47.35 lacs) against alleged evasion of Excise duty and the same has been shown under the head Payments of Taxes under protest/appeal under Short Term Loans & Advances. The Company has filed an appeal with CESTAT (Central Excise & Service Tax Appellant Tribunal) against the order of Commissioner Central Excise.
- d) The company has deposited ₹ 2.50 lacs on account of Excise Duty under protest (Previous year ₹ 2.50 lacs) and the same has been shown under the head Payments of Taxes under protest/appeal under Short Term Loans & Advances. The Company has filed an appeal with CESTAT (Central Excise & Service Tax Appellant Tribunal) against the order of Commissioner Appeals.
- e) Bank Guarantees/LC's issued ₹ 294.00 lacs (previous year ₹ 421.93 lacs) are secured by pledge of FDRs of ₹ 34.58 lacs (previous year ₹ 88.91 lacs) and lien of ₹ 40.20 lacs (previous year ₹ 16.00 lacs) on current a/c & counter guarantees given by the Company.
- f) As per the Tripartite agreement between the Company, Bankers and the Individual farmers, Banker disburses the Crop Loan to farmers through the Company. The Company has provided guarantee to the Bank on behalf of farmers for repayment of loan with interest. The crop loans

# RANA SUGARS LIMITED



outstanding as at the end of the Financial Year were ₹ 5553.06 lacs (Previous year ₹ 4923.28 lacs) against the corporate guarantee given by the company amounting to ₹ 5700.00 lacs (Previous year ₹ 5700.00 lacs).

g) The estimated amount of contracts remaining to be executed on capital account and not provided for amounting to ₹ 308.07 Lacs (Previous Year ₹ 204.77 Lacs).

23.2 Balances of Debtors, Creditors, Advances and Cane growers are subject to their respective confirmation and reconciliation.

23.3 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.

23.4 Prior period expenses

Exceptional Items include the followings Prior period income/expenses:-

Particulars	(₹ In Lacs)	(₹ In Lacs)
	31-03-2014	31.03.2013
Income	0.00	0.00
Expenses	10.02	11.74

23.5 Excise duty amounting to ₹ 1730.48 Lacs (Previous year ₹ 1556.95 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.

23.6 As per Accounting Standard - 15 "Employee Benefits", the disclosure of Employee Benefits as defined in the Accounting Standard are as follows:

The principal assumptions used in actuarial valuation are as	2013-14	2012-13	
- Imputed rate of Interest	9.10%	8.00%	
- Expected rate of return on assets	8.75%	N.A.	
- Expected rate of future salary increase	7.00%	5.50%	

  

	Gratuity	Leave Encashment	Gratuity	Leave Encashment
<u>Change in present value of obligations</u>				
- Present value of obligations as at Beginning of the year	142.93	136.22	--	112.82
- Interest cost	12.79	11.24	12.67	9.02
- Current service cost	46.64	69.92	11.75	27.41
- Benefits paid	(4.63)	(25.23)	--	(20.73)
- Actuarial (gain)/loss on Obligations	169.40	(26.35)	118.50	7.70
Present value of obligations as at closing of the year	<b>367.13</b>	<b>165.80</b>	<b>142.92</b>	<b>136.22</b>
<u>Changes in fair value of plan assets</u>				
	N.A.	N.A.	N.A.	N.A.
<u>Liability recognized in the Balance Sheet</u>				
- Present value of obligations as at 31.03.2014	367.13	165.80	142.92	136.22
- Fair value of plan assets as at the end of the year	69.57	--	--	--
- Funded status	(297.57)	(165.80)	(142.92)	(136.22)
Unrecognized Actuarial (Gain)/Loss	--	--	--	--
<b>Net (Assets)/Liability recognized in Balance Sheet</b>	<b>297.57</b>	<b>165.80</b>	<b>142.92</b>	<b>136.22</b>

# RANA SUGARS LIMITED



## Expenses recognized in Profit and Loss

### Account

- Current service cost	46.63			
- Past service cost	--	69.92	11.75	27.40
- Interest cost	12.79	--	--	--
- Expected return on plan assets	(5.91)	11.24	12.67	9.02
Net Actuarial (Gain)/Loss recognized during the year	169.77	--	--	--
- Total Expense recognized in Profit and Loss Account	<b>223.28</b>	<b>(26.35)</b>	<b>118.50</b>	<b>7.69</b>
		<b>54.81</b>	<b>142.92</b>	<b>44.11</b>

## 23.7 Borrowing Costs

During the Current year, borrowing cost amounting to s 372.51 lacs (Previous year s 413.05 lacs) directly attributable to capital expenditure has been capitalized

## 23.8 Segment Reporting

### Primary Segment

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

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

### 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.

(s in Lacs)

Description	White Crystal Sugar		Power Generation		Distillery		Elimination		Total	
	Cu.Year 31.03.14	Pr.Year 31.03.13	Cu.Year 31.03.14	Pr.Year 31.03.13	Cu.Year 31.03.14	Pr.Year 31.03.13	Cu.Year 31.03.14	Pr.Year 31.03.13	Cu.Year 31.03.14	Pr.Year 31.03.13
Segment Revenue										
a) External Revenue	46,034.03	52,765.86	7,188.70	8,133.84	11,555.02	9,461.40	-	-	64,777.75	70,361.10
b) Inter Segment Sales	12,865.93	11,435.18	13,023.90	12,233.86	4.57	-	25,894.40	23,669.04	-	-
Total	58,899.96	64,201.04	20,212.60	20,367.70	11,559.59	9,461.40	25,894.40	23,669.04	64,777.75	70,361.10
Segment Result	(2,518.65)	2,023.98	6,604.58	5,638.04	923.64	176.35	-	-	5,009.57	7,838.37
Interest	6,999.82		808.33		157.04				7,965.19	7,250.71
Unallocated Corp. Income									21.23	17.00
Unallocated Corp. Expenses									-	-
Profit/(Loss) before exceptional & extraordinary items	(9,518.47)	(4,313.83)	5,796.25	4,890.85	766.60	10.64			(2,934.39)	604.66
Exceptional items	(14.57)	(42.68)	(0.52)	(3.17)	-	-			(15.09)	(45.85)
Profit/(Loss) before extraordinary items and tax	(9,533.04)	(4,356.51)	5,795.73	4,887.68	766.60	10.64			(2,949.48)	558.81
Extra Ordinary Items									-	(14.38)
Provision for Current Tax									(4.02)	(3.62)
Provision for Deferred Tax									559.48	-
Profit/(Loss) After Tax									(2,394.02)	540.81
Segment Assets	110,597.05	100,192.92	38,410.87	35,627.38	7,683.90	11,547.20	23,642.46	22,467.76	133,049.36	124,899.74
Unallocated Corp. Assets									568.73	9.25
TOTAL ASSETS									133,618.09	124,908.99
Segment Liability	108,209.81	90,206.42	10,015.15	11,135.82	6,720.02	11,349.93	23,642.46	22,467.76	101,302.52	90,224.41
Unallocated Corp. Liability									8,563.13	8,538.14
TOTAL LIABILITIES									109,865.65	98,762.55
Capital Expenditure	2,984.47	624.40	63.34	145.47	132.47	39.93			3,180.28	809.80
Depreciation	1,582.48	1,607.11	1,488.00	1,444.70	245.94	240.31			3,316.42	3,292.12
Non Cash Expenses										-

# RANA SUGARS LIMITED



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

(S In lacs)

	Punjab		U.P.		Total	
	Cu.Year 31.03.14	Pr.Year 31.03.13	Cu.Year 31.03.14	Pr.Year 31.03.13	Cu.Year 31.03.14	Pr.Year 31.03.13
a) Carrying Amount of Segment Assets	48,205.51	46,727.93	84,843.85	78,181.06	133,049.36	124,908.99
b) Addition to Fixed Assets & Intangible Assets	2,462.32	493.74	738.60	316.06	3,200.92	809.80
c) Segmental Revenue from External Customers	32,585.43	30,321.58	32,192.32	40,039.52	64,777.75	70,361.10

### 23.9 Related Party Disclosures:

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

#### A. Relationship

##### a) Associate Companies

1. Rana Polycot Limited.
2. RSL Distilleries Pvt. Ltd.
3. Rana Informatics Pvt. Ltd.
4. Rana Leathers Pvt. Ltd.
5. Rana Infrastructure Pvt. Ltd.
6. Rana Power Ltd.
7. Superior Food Grain Pvt. Ltd.

##### b) Key Management Personnel:

1. Rana Ranjit Singh – Chairman
2. Rana Inder Pratap Singh – Managing Director
3. Rana Veer Pratap Singh – Director
4. Rana Karan Pratap Singh - Director

##### c) Relatives of Key Management Personnel:

1. Rana Gurjeet Singh - Father of Rana Inder Partap Singh
2. Rajbans Kaur - Mother of Rana Inder Partap Singh
3. Rana Preet Inder Singh - Son of Rana Ranjit Singh
4. Sukhjinder Kaur. Wife of Rana Ranjit Singh
5. Amritpal Singh Gill - Father-in-law of Rana Inder Pratap Singh
6. Charan Kaur - Aunt of Rana Inder Pratap Singh
7. Jagdeep Kaur Gill - Mother-in-law of Rana Inder Pratap Singh
8. Parampreet Singh - Uncle of Rana Karan Pratap Singh
9. Purewal Farms - Owned by Parampreet Singh, Uncle of Rana Karan Pratap Singh
10. Tarsem Gill Uncle of Rana Inder Pratap Singh
11. Varinder Gill Aunt of Rana Inder Pratap Singh
12. Varinder Kaur - Aunt of Rana Karan Pratap Singh
13. Mohanjeet Singh Pooni Cousin of Rana Inder Pratap Singh

# RANA SUGARS LIMITED



14. Ravinder singh Dugga - Uncle of Rana Inder Pratap Singh

## B. Transactions with related Parties

(S In Lacs.)

S.No.	Nature of Transactions	Associate Companies'		Key Management Personnel		Relatives	
		Year ended 31-03-14	Year ended 31-03-13	Year ended 31-03-14	Year ended 31-03-13	Year ended 31-03-14	Year ended 31-03-13
1	Purchase	0.18	0.00	-	-	-	-
2	Rent Received	3.00	3.00	-	-	-	-
3	Interest Free Unsecured Loans						
	a. Loans Received	0.00	0.00	1449.92	812.41	660.00	401.17
	b. Loans Repaid	13.50	15.63	1426.64	144.65	480.94	127.88
	c. Outstanding Balances	1915.32	1928.82	1091.90	1068.62	1687.15	1508.09

### 23.10 Earning Per Share:

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

	31.03.2014	31.03.2013
a) Weighted average number of shares	153567820	153567820
b) Net Profit/(Loss) after tax available for Equity Share Holders (S in lacs)		
- Before Extra ordinary Items	(2394.02)	555.18
- After Extra ordinary Items	(2394.02)	540.81
c) Basic/Diluted Earning per share (S) (Face value S 10)		
- Before Extra ordinary Items	(1.56)	0.36
- After Extra ordinary Items	(1.56)	0.35

### 23.11 Deferred Tax

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 are:-

(S in Lacs)

	31st March 2014	During the Year	31st March 2013
<b>A Deferred Tax Liabilities</b>			
Difference between carrying amount of fixed assets in the financial statements and the income tax returns	21,039.00	123.27	20,915.73
<b>TOTAL "A"</b>	<b>21,039.00</b>	<b>123.27</b>	<b>20,915.73</b>
<b>B Deferred Tax Assets</b>			
- Amount disallowed U/s 145 A of Income Tax Act	1,927.75	2,160.90	(233.15)
- Unabsorbed depreciation and business losses	17,078.74	(1,484.49)	18,563.23
- Expenses debited to Profit & loss account but disallowed in the Income Tax Act, 1961	3,843.11	845.08	2,998.03
<b>TOTAL "B"</b>	<b>22,849.60</b>	<b>1,521.49</b>	<b>21,328.10</b>
Deferred Tax Asset/(Liability) (B-A)	1,810.60	1,398.22	412.38
Tax Impact	559.48	432.05	127.42

# RANA SUGARS LIMITED



Deferred tax Asset amounting to ₹ 559.48 has been recognized as a Deferred Tax Asset.

## 23.12 Impairment of Assets

As per Accounting Standard -28 "Impairment of Assets" issued by ICAI, the management has reviewed its cash generating units as on 31.03.2013. 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.

## 23.13 The Movement of Provisions as required by Accounting Standard (AS – 29) "Provisions, Contingent Liabilities and Contingent Assets" issued by ICAI are as follows:

(₹ in Lacs)				
Particulars	Opening Balance as on 01.04.2013	Additions during the year	Paid/ Reversed	Closing Balance As on 31.03.2014
Income Tax	NIL	NIL	NIL	NIL
Bonus Payable	38.48	38.22	38.48	38.22
Retirement Benefit	279.15	320.15	00.00	599.30

## 23.14 Derivatives instruments and unhedged foreign currency exposure

Particulars	31.03.2014	31.03.2013
Unhedged foreign currency exposure	Nil	Nil

## 23.15 The Micro and Small Enterprises to whom amount is outstanding as at the year end and requiring disclosure under the Micro Small and Medium Enterprises Development Act, 2006 are as follows: Chemicals & Chemicals, Raj Lime Industries and Nikhil Techno Chem (P) Ltd.

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.

However the Company has not received any demand for Interest from any of the party.

23.16 Auditors Remuneration	31.03.2014 (₹ in lacs)	31.03.2013 (₹ in lacs)
Audit Fees	7.99	7.26
Taxation Matters	5.00	0.55
Cost Audit Fees	0.50	0.50

## 23.17 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

## 23.18 Foreign currency details:

(₹ in Lacs)		
Particulars	31.03.2014	31.03.2013
Expenditure in Foreign Currency	92.11	53.07
CIF Value of imports-Raw Materials	Nil	Nil
Earning in Foreign Exchange	Nil	Nil
FOB Value of Exports	Nil	Nil
Capital Goods Imported	306.48	173.34



# RANA SUGARS LIMITED



## 23.19 Consumption of Raw Materials and Stores and Spares

	31.03.2014		31.03.2013	
	(s in Lacs)	% age	(s in Lacs)	% age
<b>a) Raw Material</b>				
Imported	--	--	--	--
Indigenous	<b>53,291.82</b>	<b>100.00</b>	49,760.34	100.00
<b>Total</b>	<b>53,291.82</b>		<b>49,760.34</b>	
<b>b) Stores &amp; Spares</b>				
Imported	--	--	--	--
Indigenous	<b>1,068.80</b>	<b>100.00</b>	893.99	100.00
<b>Total</b>	<b>1,068.80</b>		<b>893.99</b>	
<b>c) Packing Material</b>	<b>1,876.96</b>	<b>100.00</b>	1,947.67	100.00

**23.20** As per Guidance Note no.-GN(A) 31 Issed by The Institute of Chartered Accountants of India (ICAI) on Accounting for Self generated Certified Emissions Reduction, the company has recognized Renewable Energy Certificate (REC) as Inventory which has been treated according to AS-2 on Valuation of inventories issued by ICAI.

Disclosure required by GN (A) 31 is as follows:

a) Quantitative Reconciliation:-

Particulars	31.03.2014 Quantity (in nos.)	31.03.2013 Quantity (in nos.)
Opening Units as on 01/04/2013	Nil	Nil
Add: REC generated during the year	102557	Nil
Less: REC sold during the year	Nil	Nil
Closing Units as on 31/03/2014	102557	Nil

b) Valuation of Closing Inventory:

The closing units have been valued at Net Realizable Value

Particulars	As on 31.03.2014	As on 31.03.2013
Rate per unit (Nos.)	1500.00	Nil
Closing Inventory (s In lacs)	1538.35	Nil

**23.21** Extra ordinary items include Loss of Cash in transit amounting to Nil (Previous year s 14.37 lacs).

**23.22** Crop Loan from Banks amount to s 5553.06 lacs (Previous year s 4923.28 lacs) has been shown under the head Other Liabilities and payables under Other Current Liabilities.

**23.23** During the Current year, company transferred NIL (Previous year s 342.45 lacs) to Capital Redemption Reserve as there is loss as per Profit & Loss account.

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

# RANA SUGARS LIMITED



## RANA SUGARS LIMITED

REGD. OFFICE: SCO 49-50, SECTOR 8-C, MADHYA MARG, CHANDIGARH-160 009 (INDIA)  
TEL:0172-2540007, 2549217, 2541904, 2779565, 2773422 FAX: 0172-2546809  
E-mail : info@ranagroup.com ; Website: www.ranasugars.com CIN: L15322CH1991PLC011537

FORM NO. MGT-11

### PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s) : .....

Registered address: .....

E-mail Id: .....

Folio No./ DP ID & Client Id: .....

I/We, being the member(s) holding ..... shares of the above named Company, hereby appoint:

1. Name : .....

Address: .....

E-mail Id: ....., or failing him

2. Name : .....

Address: .....

E-mail Id: ....., or failing him

3. Name : .....

Address: .....

E-mail Id: .....,

PTO

## RANA SUGARS LIMITED

REGD. OFFICE: SCO 49-50, SECTOR 8-C, MADHYA MARG, CHANDIGARH-160 009 (INDIA)  
TEL:0172-2540007, 2549217, 2541904, 2779565, 2773422 FAX: 0172-2546809  
E-mail : info@ranagroup.com ; Website: www.ranasugars.com CIN: L15322CH1991PLC011537

### ATTENDANCE SLIP

Folio No./ DP ID & Client ID : ..... No. of Shares : .....

NAME AND ADDRESS OF THE MEMBER:

.....

.....

PLEASE COMPLETE THIS  
ATTENDANCE SLIP AND HAND  
OVER AT THE ENTRANCE OF  
THE MEETING HALL

I certify that I am a registered member/ proxy for the registered member of the Company.

I hereby record my presence at the Twenty Second Annual General Meeting of the Company being held on Tuesday, September 30, 2014 at 3.00 P.M. at The Institution of Engineers (India), Madhya Marg, Sector 19-A, Chandigarh.

.....  
Name of the attending Member/Proxy\*

.....  
Member's/ Proxy's\* Signature  
\* Strike out whichever is not applicable

# RANA SUGARS LIMITED



and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty Second Annual General Meeting of the Company, to be held on Tuesday, September 30, 2014 at 3.00 P.M. at The Institution of Engineers (India), Madhya Marg, Sector 19-A, Chandigarh and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution Nos:

1. Adoption of audited Financial Statements and Report of the Board of Directors and Auditors thereon for the financial year ended 31st March 2014.
2. Re-appointment of Shri M. P. Singh as Director of the Company.
3. Re-appointment of Rana Veer Pratap Singh as Director of the Company.
4. Appointment of M/s Kansal Singla & Associates, Chartered Accountants, as Statutory Auditors.
5. Appointment of Shri A. S. Sodhi as an Independent Director for a term of five years from the date of 22nd Annual General Meeting upto the conclusion of 27th Annual General Meeting.
6. Appointment of Shri S. A. S. Bajwa as an Independent Director for a term of five years from the date of 22nd Annual General Meeting upto the conclusion of 27th Annual General Meeting.
7. Appointment of Shri Baljit Singh as an Independent Director for a term of five years from the date of 22nd Annual General Meeting upto the conclusion of 27th Annual General Meeting.
8. Special Resolution under Section 180(1)(c) of the Companies Act, 2013 for borrowing money up to Rs.1,000 Crores.
9. Special Resolution under Section 180(1)(a) of the Companies Act, 2013 for creation of charge/mortgage on the properties of the Company to secure the borrowing up to Rs.1,000 Crores.
10. Fixation of Remuneration of Cost Auditors of the Company.

Signed this ..... day of ..... 2014

.....  
Signature of Shareholder

Affix  
Revenue  
Stamp

.....  
Signature of first proxy holder    Signature of second proxy holder    Signature of third proxy holder

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of this Meeting.

# BOOK POST

If undelivered, please return to:  
Rana Sugar Limited,  
SCO 49-50, Sector 8 C,  
Madhya Marg,  
Chandigarh - 160 009