

14th ANNUAL REPORT 2004-05



RANA SUGARS LIMITED

RANA SUGARS LIMITED



BOARD OF DIRECTORS

Shri Himmat Singh, IAS	<i>Chairman*</i>
Shri S.S. Rajput, IAS	<i>Director</i>
Shri S.S. Sekhon	<i>Director</i>
Shri A.S. Sodhi	<i>Director</i>
Shri S.A.S. Bajwa	<i>Director</i>
Shri Baljit Singh	<i>Director</i>
Mrs. Anjana Kapoor	<i>Director*</i>
Shri Rajnish Tuli	<i>Director*</i>
Rana Inder Partap Singh	<i>Director</i>
Rana Veer Partap Singh	<i>Director</i>
Dr. Y. P. Abbi	<i>Director (Nominee of IREDA)</i>
Rana Ranjit Singh	<i>Managing Director</i>

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
Specialised Commercial Branch,
SCO 105-106, Sector 17-B,
Chandigarh-160 017

State Bank of Patiala
Commercial Branch
SCO 103-107, Sector 8-C,
Chandigarh-160 009

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

UCO Bank
Sector 17-B,
Chandigarh-160 017

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

WORKS

Vill. Buttar Seviyan,
Teh. Baba Bakala,
Distt. Amritsar, Punjab

C O N T E N T S

Notice	2
Directors' Report	7
Auditors' Report	16
Balance Sheet	19
Profit & Loss Account	20
Schedules	21
Cash Flow Statement	32
Proxy Form	

*Resigned from the Directorship of the Company w.e.f. 3rd October, 2005 due to disinvestment in Rana Sugars Limited by Punjab Agro Industries Corporation Limited.

RANA SUGARS LIMITED



NOTICE

Notice is hereby given that the Fourteenth Annual General Meeting of the members of Company shall be held as scheduled below :-

Day : Thursday
Date : 3rd November, 2005
Time : 3.30 P.M.
Place : The Institution of Engineers (India),
Madhya Marg, Sector 19-A,
Chandigarh.

to transact the following Business :

Ordinary Business :

1. To receive, consider and adopt the Audited Annual Accounts for the financial year ended 31st March, 2005 together with the reports of the Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Shri A.S. Sodhi who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri S.A.S. Bajwa, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Rana Veer Pratap Singh, who retires by rotation and being eligible, offers himself for re-appointment.
6. To consider and, if thought fit, to pass the following resolution with or without modification(s) as an Ordinary Resolution :

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

Special Business :

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

"RESOLVED THAT pursuant to the provisions of Section 94 and other applicable provisions, if any, of the Companies Act, 1956, the authorised share capital of the Company be and is hereby increased from Rs. 50,00,00,000 (Rupees Fifty Crores only) divided into 5,00,00,000 (Five Crores) equity shares of Rs. 10/- each to Rs. 100,00,00,000 (Rupees Hundred Crores only) divided into 10,00,00,000 (Ten Crores) equity shares of Rs. 10/- each."

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

"RESOLVED THAT pursuant to the provisions of Section 16 and other applicable provisions, if any, of the Companies Act, 1956, the Memorandum of Association of the Company be and is hereby altered in the following manner :

In existing Clause V, for the words and figures "Rs. 50,00,00,000 (Rupees Fifty Crores only) divided into 5,00,00,000 (Five Crores) equity shares of Rs. 10/- each", the words and figures "Rs. 100,00,00,000 (Rupees Hundred Crores only) divided into 10,00,00,000 (Ten Crores) equity shares of Rs. 10/- each", be substituted."

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

RANA SUGARS LIMITED



"RESOLVED THAT pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and are hereby altered in the following manner :

In Article 5, the words and figures Rs. 50,00,00,000 (Rupees Fifty Crores only) divided into 5,00,00,000 (Five Crores) equity shares of Rs. 10/- each, the words and figures "Rs. 100,00,00,000 (Rupees Hundred Crores only) be divided into 10,00,00,000 (Ten Crores) equity shares of Rs. 10/- each" be substituted."

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

"RESOLVED THAT the consent of the Company be and is hereby accorded under Section 293(1)(a) of the Companies Act, 1956, to the Board of Directors of Rana Sugars Limited (hereinafter called the Company) for mortgaging/charging in favour of State Bank of India and UCO Bank all the immovable properties of the Sugar unit of Company, both present and future, and the whole or substantially the whole of the undertaking of the Sugar unit of Company or such of them as may be agreed to between the Board and State Bank of India & UCO Bank by way of pari passu first charge in favour of State Bank of India and UCO Bank for securing Term Loans of Rs. 20.00 crores and Corporate Loan of Rs. 10.50 crores of State Bank of India and Term Loan of Rs. 10.00 crores of UCO Bank and by way of pari passu third charge in favour of State Bank of India & UCO Bank for securing Working Capital Limits of Rs. 8.00 Crores and Rs. 4.15 crores respectively together with interest, costs and other charges and expenses payable by the Company to these Banks in terms of the Loan Agreement entered or to be entered into between the Company and State Bank of India & UCO Bank.

"RESOLVED FURTHER THAT the aforesaid mortgages/charges created/to be created by the Company in favour of State Bank of India and UCO Bank shall rank pari passu to the first mortgages/charges of IREDA for securing Term Loans and will be prior to the second charge of Govt. of India for its loan of Rs. 1010.40 lacs out of Sugar Development Fund and the third charge of SBI, SBOP, BOB & UCO Bank for their Working Capital facilities.

RESOLVED FURTHER THAT the mortgages and charges to be created in favour of State Bank of India & UCO Bank for its working capital limits shall be subject and subservient to the first mortgages/charges of IREDA, State Bank of India & UCO Bank for their Term Loans/Capital Subsidy/Soft Loan/Corporate Loan granted/to be granted by them and shall also be subject and subservient to the second charge created/to be created in favour of Govt. of India for its loan out of Sugar Development Fund and shall rank pari-passu with the third charge created/to be created in favour of SBI, SBOP, BOB & UCO Bank for their Working Capital facilities.

RESOLVED FURTHER THAT the mortgage/charge created/to be created and/or all arrangements/documents executed/to be executed and all acts done in terms of the above resolution by and with the authority of the Board of Directors are hereby confirmed and ratified."

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

"RESOLVED that subject to the provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactments thereof for the time being in force), Securities Contract (Regulation) Act, 1956 and the Rules framed thereunder, listing agreements and all other applicable laws, rules, regulations and guidelines and subject to such approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed and imposed by any authority while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company, the consent of the Company be and is hereby accorded for de-listing of equity shares of the Company from The Ludhiana Stock Exchange Association Limited and Rana Ranjit Singh, Managing Director and Shri Manmohan K. Raina, Company Secretary be and are hereby authorised severally to take necessary action and to sign and file all the relevant documents/applications/papers in this regard on behalf of the Company."

RANA SUGARS LIMITED



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

“RESOLVED THAT in pursuant to Section 81, 81(1-A) and all other applicable provisions, if any, of the Companies Act, 1956, the provisions contained in the Securities and Exchange Board of India (referred to as “SEBI”) Guidelines, Memorandum and Articles of Association of the Company and the provisions of Listing Agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed and subject to such approvals, consents, permissions and sanctions as may be necessary from the Government of India, Reserve Bank of India (referred to as “RBI”) and/or other authorities or institutions as may be relevant (hereinafter singly or collectively referred to as “The Appropriate Authorities”) and subject to such terms and conditions or such modifications thereto, as may be prescribed by any of them while granting such approval(s), consent(s), permission(s) and/or sanction(s), the Board of Directors of the Company (hereinafter referred to as “The Board”, which term shall be deemed to include any Committee of the Board, for the time being, duly authorized by the Board and exercising the powers conferred on the Board and/or any person(s)/officer(s) or any Committee thereof by this Resolution) are hereby authorized on behalf of the Company to create, issue, offer, allot in the course of one or more public or private offerings in the domestic and/or one or more international markets, Equity Shares/Preference Shares/Equity Shares through Global Depository Receipts (GDRs), (hereinafter collectively referred to as “the Securities”) to be subscribed to in any foreign currency/currencies by foreign investors (whether individuals and/or bodies corporate and/or Offer Documents and/or other letter or circular through Public issue (s), Rights issue(s), Private placement(s), preferential allotment for cash, from time to time in one or more tranches, by the Board for an aggregate amount inclusive of such premium, not exceeding 5,00,00,000 equity shares @ Rs. 33/- per share aggregating to Rs. 165 Crores/about US\$ 42 million, in consultation with the Lead Manager(s) and/or Underwriters and/or other Advisors, with authority to retain over subscription up to such percentage as may be permitted by the “Appropriate Authorities” and so as to also enable the Company to get listed at Indian Stock Exchanges and Overseas Stock Exchanges such as Luxembourg, London, and/or any other Overseas Stock Exchanges.

RESOLVED FURTHER THAT the Board be and is hereby authorized to accept any modifications in the proposals as may be required by the authorities involved in such issues but subject to such conditions as the SEBI/GOI/RBI or such other appropriate authorities may impose at the time of their approval and as agreed to by the Board.

RESOLVED FURTHER THAT the Board, be and is hereby authorised, to issue and allot such number of equity shares as may be required to be issued and allotted upon conversion of any of aforesaid convertible securities or as may be necessary in accordance with the terms of the offering, all such equity shares shall rank pari passu with the existing shares of the company in all respects, excepting such right as to dividend as may be provided under the terms of the Convertible Securities and in the Offer Document;

RESOLVED FURTHER THAT the Company and/or any agency or body authorised by the Board may issue;

(i) Depository Receipts and/representing the underlying equity shares issued by the Company in registered or bearer form with such features and attributes as are prevalent in international capital markets for instruments of this nature; and

(ii) to provide for the tradability or free transferability thereof as per the international practices and regulations and under the forms and practices prevalent in the international markets.

RESOLVED FURTHER THAT the securities issued as aforesaid shall be deemed to have been made abroad in the market and/or at the place of issue of the securities in the international markets and shall be governed by the applicable laws in such market or place of issue whether English law or U.S. law or otherwise, as the case may be;

RANA SUGARS LIMITED

RESOLVED FURTHER THAT the Board may authorize Rana Ranjit Singh, Managing Director, Rana Inder Pratap Singh, Director of the Company :-

(i) to appoint, enter into and execute all such agreements and arrangements with any lead managers, merchant bankers, underwriters, guarantors, depositors, custodians, bankers, solicitors and all such agencies or intermediaries, as may be involved in or concerned with such offerings of Securities;

(ii) to remunerate all such agents or intermediaries by way of payment of commission and/or brokerage and/or the like and to reimburse them and incur all the expenses relating to the issue including documentation, publicity, travel, printing, listing fees or the like, out of the proceeds of the issue;

(iii) to seek the listing of such Securities in one or more Indian and/or International Stock Exchanges;

RESOLVED FURTHER THAT for the purpose of giving effect to any issue or allotment of Securities, the Board, be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may in its discretion deem necessary, proper or desirable for such purpose, including without limitation, the entering into of underwriting, marketing and depositary arrangements, agreements and contracts with power on behalf of the company to settle any questions, difficulties or doubts that may arise in regard to such offering, issue and allotment and the utilisation of the issue proceeds as it may, in its absolute discretion, deem fit or proper;

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or Senior Executive(s) of the Company to give effect to the resolution."

By order of the Board
for RANA SUGARS LIMITED

MANMOHAN K. RAINA
COMPANY SECRETARY

Place : Chandigarh

Dated : 5th October, 2005

NOTES :

- (a) The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the business under item No. 7 to 12 set out above is annexed hereto.
- (b) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy in order to be effective must be received by the Company at its Registered Office not less than 48 hours before the meeting.
- (c) Members are requested to bring their copy of Annual Report alongwith them at the Meeting.
- (d) Members desirous of seeking any further information about the accounts and/or operations of the Company are requested to send their queries to the Secretary of the Company atleast seven days in advance of the Meeting so that the information, to the extent practicable, can be made available at the Meeting.
- (e) Subject to the provisions of Section 206A of the Companies Act, 1956, dividend as recommended by the Board of Directors, if declared at the meeting, will be payable, to those members whose names appear in the Register of Members as on 3rd November, 2005. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by National Securities Depository Limited and Central Depository Services (India) Limited for this purpose.

RANA SUGARS LIMITED**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.****ITEM NO. 7 TO 9**

The Company proposes to issue Global Depository Receipts (GDRs) for 5,00,00,000 Equity shares @ Rs.33/- per share aggregating to Rs. 165 crores to part finance the cost of two Sugar Mills to be set up in the State of Uttar Pradesh. This will result in issuance of further Equity Shares of the Company.

At present, the Authorised Share Capital of the Company is Rs. 50,00,00,000/- (Rs. Fifty Crores only) divided into 5,00,00,000 (Five Crores) equity Shares of Rs. 10/- (Rs. Ten) each. In order to enable the Company to allot and issue further Equity Shares by way of Global Depository Receipts (GDRs) which will be convertible into equity shares, it is deemed necessary that the Authorised Share Capital of the Company be increased from the existing Rs. 50,00,00,000/- (Rs. Fifty Crores only) divided into 5,00,00,000 (Five Crores) Equity Shares of Rs. 10/- (Rs. Ten) each to Rs. 100,00,00,000/- (Rs. Hundred Crores only) divided into 10,00,00,000 (Ten Crores) Equity Shares of Rs. 10/- (Rs. Ten) each.

Consequent upon the proposed increase in the Authorised Share Capital, the Memorandum and Articles of Association of the Company will require corresponding alterations, hence the proposed resolutions at Item No. 7 to 9 are recommended for your approval.

None of the Directors of the Company is interested or concerned in the proposed resolutions.

ITEM NO. 10

The Company has been sanctioned Term Loan of Rs. 20.00 crores and Corporate Loan of Rs. 10.50 crores by State Bank of India, Specialised Commercial Branch, Sector 17-B, Chandigarh and a Term Loan of Rs.10.00 crores by UCO Bank, Sector 17-B, Chandigarh. Further, State Bank of India and UCO Bank have sanctioned Working Capital Limits of Rs. 8.00 crores and Rs. 4.15 crores respectively to the Company. The Company is required to create first charge on all the immovable properties of its Sugar Unit in favour of State Bank of India and UCO Bank to secure the aforesaid Term Loans and third charge on its all the immovable properties for aforesaid Working Capital Limits.

As per provisions of section 293(1)(a) of the Companies Act, 1956, the Board of Directors of the Company is required to be authorised by the Shareholders at the General Meeting for creating the charge/mortgage on immovable properties of the Company. Therefore, the Members' approval is being sought.

None of the Directors of the Company is interested or concerned in the proposed resolution.

ITEM NO. 11

The shares of the Company are listed at the Stock Exchange, Mumbai, National Stock Exchange of India Limited, Mumbai and The Ludhiana Stock Exchange Association Limited. The shares of the Company is traded only at The Stock Exchange, Mumbai and National Stock Exchange of India Limited due to setting up Online Trading Centers all over the country. There is no trading of shares at The Ludhiana Stock Exchange Association Limited. In order to save expenses of listing fee, it is proposed that the shares of the Company be got de-listed from the Ludhiana Stock Exchange Association Limited.

The Directors recommended the resolutions set out at item No. 11 of the notice for approval of the shareholders.

ITEM NO. 12

In order to augment the resources for implementing the expansion scheme, under which two new sugar mill units are proposed to be set up in the State of Uttar Pradesh. Our Company proposes to issue and allot equity shares through Global Depository Receipts (GDRs) by way of offer to subscribers outside India. The offer shall be made in denominated foreign currency. Based on the negotiations with international investment institutions, the Company is confident of success in mobilizing subscription for this offer. The offer shall be made strictly in conformity with the approval of the Government of India. The equity shares/GDR will be listed in international stock exchanges. The Board is of the view that the proposal would enhance the prestige of the Company and be of immense benefit to the Company. Since the proposal involves issue of shares to non-members, approval from members by way of special resolution is required. Therefore, the Board recommends the special resolution for approval of members.

None of the Directors is interested or concerned in the resolution.

By order of the Board
for RANA SUGARS LIMITED

Place : Chandigarh
Dated : 5th October, 2005

(MANMOHAN K. RAINA)
COMPANY SECRETARY

RANA SUGARS LIMITED



DIRECTORS' REPORT

Your Directors have pleasure in presenting the Fourteenth Annual Report together with the Audited Accounts of your Company for the year ended 31st March, 2005.

1. FINANCIAL RESULTS :

(Rs. in lacs)

	Current year ended 31.3.2005	Previous year ended 31.3.2004
Profit before interest, depreciation & tax	3807.82	2580.34
Less : Financial Expenses	702.74	899.14
Depreciation	625.21	610.01
Misc. expenses written off	24.56	17.37
Profit before Tax	2455.31	1053.82
Provision for Tax	193.00	73.84
Deferred liability of Tax	467.12	270.30
Prior period expenses	12.07	—
Net profit after Tax	1783.12	709.68
Balance brought forward from previous year	639.57	522.80
Balance available for Appropriation	2422.69	1232.48
Appropriations		
Proposed Dividend	354.07	348.29
Corporate Dividend Tax	46.27	44.62
Transfer to General Reserve	500.00	200.00
Profit carried to Balance Sheet	1522.35	639.57
OPERATIONS :		
Cane Crushed (Qtls)	51,18,564	65,13,204
Production (Qtls)		
Sugar (Qtls)	4,83,129	6,45,754
Molasses (Qtls)	2,08,143	3,01,658
Electricity (Units)	3,38,13,808	4,01,13,823

The performance of the Company has been excellent during the year. The net profit of the Company has gone up to Rs.1783.12 lacs as against Rs.709.68 lacs during the last year. The Company has maintained good quality of its product. The Company is setting up a distillery unit of 60 KL with a total project cost of Rs.35.00 Crores which is likely to be completed by the end of this year. The Company is in process of expanding its power generation capacity from 20 MW to 30 MW.

2. DIVIDEND :

Your Directors have recommended dividend of Rs.1/- per share on each equity shares of paid up value of Rs.10/- each for the year ended 31st March, 2005.

The above dividend recommended by the Board of Directors, if approved at the

forthcoming Annual General Meeting will be paid to all those shareholders whose names appear in the Register of Members on the record date to be fixed for the same. However, the dividend shall be paid to the shareholders to an apportioned amount of such dividend proportionate to the capital paid up for the period during the year in accordance with the provisions of the Articles of Association of the Company.

3. DIRECTORS :

There is no change in the directorship during the current year.

Shri A. S. Sodhi, Shri S. A. S. Bajwa and Rana Veer Partap Singh, Directors retire by rotation and being eligible offer themselves for re-appointment.

4. DIRECTORS' RESPONSIBILITY STATEMENT :

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

(i) that in the preparation of the annual accounts for the financial year ended 31st March, 2005, 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 judgements 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 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, 2005 on a going concern basis.

5. FIXED DEPOSITS :

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

6. AUDITORS :

M/s. Kansal Singla & Associates, Chartered Accountants, Chandigarh, Statutory Auditors of the Company, retire at the conclusion of ensuing Annual General

RANA SUGARS LIMITED



Meeting and being eligible offer themselves for re-appointment. The Board recommends their re-appointment.

7. COST AUDITORS :

The Board of Directors has re-appointed M/s. Verma, Verma & Associates, Cost Accountants as the Cost Auditors of the Company for the year 2005-2006 under Section 233 B of the Companies Act, 1956 which has been approved by the Central Government.

8. BUY BACK OF SHARES :

The Private Promoters, Rana Gurjeet Singh & Associates have bought back 43,63,000 equity shares from Punjab Agro Industries Corporation Limited under the provisions of the Financial Collaboration Agreement and One Time Settlement (OTS) Policy announced by the Punjab Government. The remaining 17,37,000 equity shares of the Company held by PAIC are likely to buy back by the Private Promoters shortly.

9. 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.

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

As required under Section 217 (1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board for 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.

11. 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.

12. INFORMATION PURSUANT TO LISTING AGREEMENT WITH THE STOCK EXCHANGES :

The names and addresses of the Stock Exchanges where the Company's shares are listed are :-

1. The Ludhiana Stock Exchange Association Limited,
Feroze Gandhi Market,
LUDHIANA - 141 001.

2. The Stock Exchange,
Phiroze Jeejeebhoy Towers,
27th Floor, Dalal Street,
MUMBAI - 400 001.
3. National Stock Exchange of India Limited,
"Exchange Plaza",
Bandra-Kurla Complex,
Bandra (E),
MUMBAI - 400 051.

The listing fee for 2005-2006 to all the above Stock Exchanges have been paid in time and there being neither delisting nor suspension of shares from trading during the period under review.

The Company has got its shares listed with National Stock Exchange of India Limited during the year. It has got its shares delisted from The Delhi Stock Exchange Association Limited, Madras Stock Exchange Limited and The Jaipur Stock Exchange Limited due to non trading of shares at these Stock Exchanges.

The Board of Directors in its meeting held on 6th September, 2005 has approved the delisting of shares of the Company from The Ludhiana Stock Exchange Association Limited due to non-trading of the shares at this Stock Exchange.

12. ACKNOWLEDGEMENT :

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

The Directors of your Company place on record their appreciation for the dedicated and sincere services rendered by the officers and staff at all levels.

For & on behalf of the Board

RANA RANJIT SINGH
MANAGING DIRECTOR

RAJNISH TULI
DIRECTOR

Place : Chandigarh
Dated : 6th September, 2005

RANA SUGARS LIMITED

ANNEXURE TO THE DIRECTORS REPORT FOR THE YEAR 2004-2005
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, 2005.

1. CONSERVATION OF ENERGY

The Company has installed most modern equipments to save and minimize energy consumption. The Company has installed three Turbo Alternator Sets with power generation capacity of 21,500 KW. The entire requirement of power is met through captive generation. The Company has also made standby 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.

	Current Year 31-03-2005	Previous Year 31-03-2004
A. 1. ELECTRICITY		
a) Purchased		
Units Purchased	8,32,852	11,02,184
Total Amount (Rs.)	31,55,996	47,54,375
Rate per Unit (Rs.)	3.79	4.31
b) Own Generation		
i) Through D.G. Set		
Units	150638	54,740
Units per litre of diesel oil	2.70	3.46
Cost per Unit (Rs.)	8.22	5.70
ii) Through Steam Turbine		
Units	52924688	6,50,15,332
Unit per Qtl. of Fuel	34.21	31.48
Cost per unit electricity (Rs.)	2.08	1.47
B. CONSUMPTION PER UNIT OF PRODUCT		
1. Electricity (KW/MT)	415.56	404.78
2. Bagasse (MT/MT)	1.60	1.60
3. Steam (MT/MT)	3.28	3.24
C. TECHNOLOGY ABSORPTION		
i) Research and Development :		
a) Research and development has continuously been carried out for improvement in quality of Sugarcane and to increase the area under Sugarcane Crop which will ensure its greater availability resulting into more production and better quality of Cane and higher yield thereby directly reducing the cost of production.		—
b) The Company is trying to improve quality of Cane and ensure development of Cane by providing various facilities to the Cane growers.		—
c) Amount incurred on Research and Development. (Rs. in lacs)	18.45	88.83
ii) Technology Absorption, Adoption and Innovation :		
a) Latest technology has been adopted in the plant to maximize production, yield and better quality alongwith minimum consumption of energy.		
b) Technology imported	NIL	NIL
D. FOREIGN EXCHANGE EARNINGS AND OUTGO		
a) Foreign Exchange Earnings	NIL	NIL
b) Foreign Exchange Outgo (Rs. in lacs)	40.97	9.83

for & on behalf of the Board

RANA RANJIT SINGH
MANAGING DIRECTOR

RAJNISH TULI
DIRECTOR

Place : Chandigarh
Dated : 6th September, 2005