

21st
Annual Report
2012-13



RANA SUGARS LIMITED

RANA SUGARS LIMITED



BOARD OF DIRECTORS

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

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

COMPANY SECRETARY

Manmohan K. Raina

AUDITORS

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

BANKERS

State Bank of India
Sector 17-B, Chandigarh-160 017
State Bank of Patiala
Sector 8-C, Chandigarh-160 009
Bank of Baroda
Sector 22-B, Chandigarh-160 022
UCO Bank
Sector 17-B, Chandigarh-160 017
State Bank of Bikaner & Jaipur
Sector 17-D, Chandigarh-160 017
State Bank of Hyderabad
Sector 34-A, Chandigarh-160 031
State Bank of Mysore
New Delhi

REGD. OFFICE

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

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RANA SUGARS LIMITED



NOTICE

Notice is hereby given that the 21st ANNUAL GENERAL MEETING of the Members of the Company shall be held as scheduled below:-

Day : Monday
Date : 30th September, 2013
Time : 3.00 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, 2013 and the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri A. S. Sodhi, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Baljit Singh, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Rana Karan Pratap Singh, who retires by rotation and being eligible, offers himself for re-appointment.
5. To consider and, if thought fit, to pass the following resolution with or without modification(s) as an Ordinary Resolution:

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

By order of the Board
for RANA SUGARS LIMITED

Place : Chandigarh
Dated : 14th August, 2013

(MANMOHAN K. RAINA)
COMPANY SECRETARY

NOTES :

1. 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.
2. Members are requested to bring their copy of Annual Report alongwith them at the Meeting.
3. 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.
4. **The members are requested to get their e-mail address registered/updated with their Depository Participant (DP) AND in case the shares are held in physical mode, then get their e-mail address registered/updated with the Company in order to speedy secure delivery, service of copies of Notices, Annual Reports etc. through electronic mode.**

RANA SUGARS LIMITED



DIRECTORS' REPORT

Your Directors have pleasure in presenting the 21st Annual Report together with the Audited Accounts of your Company for the year ended 31st March, 2013.

1. FINANCIAL RESULTS :

(Rs. in lacs)

	Current year ended 31.03.2013	Previous year ended 31.03.2012
Profit before interest, depreciation & tax	11,147.49	8987.09
Less: Financial Costs	7250.71	7798.37
Depreciation	3292.12	3222.17
Profit/(Loss) before Tax & Exceptional Items	604.66	(2033.45)
Exceptional Items	45.85	(8.76)
Profit/(Loss) before Tax & Extra ordinary Items	558.81	(2042.21)
Extra ordinary Items	14.37	--
Provision for Tax		
Current Tax	3.62	2.27
Net Profit/(Loss) after Tax	540.81	(2044.48)
OPERATIONS:		
Cane Crushed (Qtls)	1,62,08,098	1,63,48,491
PRODUCTION :		
Sugar (Qtls)	13,95,343	14,10,452
Molasses (Qtls)	8,94,586	8,19,680
Electricity (Units)	25,53,56,063	18,72,71,859
Spirit & others (BL)	1,63,87,778	1,79,82,741
Liquor (Cases)	13,47,755	21,99,245

The Company has earned a net profit of Rs.540.81 lacs during the financial year ended 31st March, 2013 as compared to loss of Rs.2044.48 lacs during the previous year. Higher sale price realization of Sugar & Power and better capacity utilization have resulted into earning of profit during this year.

2. DIVIDEND:

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

3. DIRECTORS:

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

Shri A. S. Sodhi, Shri Baljit Singh and Rana Karan Pratap Singh, Directors retire by rotation

and being eligible offer themselves for re-appointment.

4. DIRECTORS' RESPONSIBILITY STATEMENT:

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

- (i) that in the preparation of the annual accounts for the financial year ended 31st March, 2013, 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 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, 2013 on a going concern basis.

5. FIXED DEPOSITS:

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

6. AUDITORS:

M/s. Kansal Singla & Associates, Chartered Accountants, Chandigarh, Statutory Auditors of



the Company, retire at the conclusion of ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The Board recommends their re-appointment.

7. COST AUDITORS:

The Board of Directors has appointed M/s. Khushwinder Kumar & Co., Cost Accountants as the Cost Auditors of the Company for the year 2013-2014 under Section 233 B of the Companies Act, 1956.

8. PARTICULARS OF EMPLOYEES:

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

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

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

10. CORPORATE GOVERNANCE:

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

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

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

1. 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 2013-2014 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 :

The Board of Directors of your Company convey its appreciation to the cane cultivators, customers, suppliers, dealers, agents, banks, financial institutions, the government agencies and departments, for their continued support and co-operation. Your Directors wish to thanks for their understanding and support to the Management.

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

For & on behalf of the Board

RANA RANJIT SINGH
CHAIRMAN

Place : Chandigarh
Dated : 30th May, 2013



Annexure 'A'

ANNEXURE TO THE DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH, 2013

'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, 2013

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 31.03.2013	Previous Year 31.03.2012
Purchased		
- Sugar Units		
- Unit Purchased	2,381,541	2,224,985
- Total Amount (₹)	20,144,787	13,726,272
- Rate Per Unit (₹)	8.46	6.17
Own Generation		
- Sugar Units		
- Through D.G. Set (Sugar Division)		
Units Generated	445,733	1,109,051
Units Generated per litre of Diesel Oil	3.16	3.20
Cost Per Unit (₹)	13.64	13.00
- Through Steam Turbine (Sugar Division)		
Units Generated	255,356,063	177,489,093
Unit Generated per Qtl. of Fuel	47.88	39.10
Cost Per Unit Electricity (₹)	1.71	1.89
-Distillery Unit		
- Through D.G. Set		
Units Generated	254,309	367,747
Units Generated per litre of Diesel Oil	3.15	3.04
Cost Per Unit (₹)	12.68	12.42
- Through Steam Turbine		
Units Generated	9,061,678	8,896,078
Unit Generated per Qtl. of Fuel	35.32	33.40
Cost Per Unit Electricity (₹)	3.31	3.62

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B. Consumption Per Unit of Product

-Sugar

- Electricity (KW/MT)	368.42	364.12
- Bagasse (MT/MT)	2.75	2.31
- Steam (MT/MT)	6.69	5.73

-Distillery

- Electricity (KW/KL)	571.41	517.77
- Husk (MT/KL)	1.57	1.49
- Steam (MT/KL)	6.14	5.81

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)	2.02	1.86

ii) Technology Absorption, Adoption and Innovation

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

D. Foreign Exchange Earning & Outgo

a) Foreign Exchange Earning (Rs. in lacs)	0.00	1349.14
b) Foreign Exchange Outgo (Rs. in lacs)	193.89	768.30

For & on behalf of the Board

Place : Chandigarh
Date : 30-05-2013

RANA RANJIT SINGH
CHAIRMAN



REPORT ON CORPORATE GOVERNANCE

a) Company's Philosophy on Code of Governance

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

b) Board of Directors

The present strength of the Board of Directors is nine, of which 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, seven Board Meetings were held on 15th May, 2012, 14th August, 2012, 3rd September, 2012, 5th November, 2012, 9th November, 2012, 14th February, 2013 and 15th March, 2013. 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/PP	3
Rana Inder Pratap Singh	--	6	MD/PP	6
Rana Veer Pratap Singh	Yes	2	NED/PP	2
Rana Karan Pratap Singh	Yes	5	NED/PP	2
Shri A. S. Sodhi	Yes	6	NED	1
Shri S. A. S. Bajwa	Yes	7	NED	1
Shri Baljit Singh	--	7	NED	--
Shri Balour Singh	--	--	NED/PEDA	--
Shri M. P. Singh	--	--	NED/PEDA	1

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

c) Committees of the Board

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

I) Audit Committee

i) Terms of reference

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

ii) Composition

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

Name of the Member	Status	No. of meetings attended
Shri A. S. Sodhi	Chairman	5
Shri S. A. S. Bajwa	Member	5
Shri Baljit Singh	Member	5

II) Share Transfer Committee

i) Term of reference

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

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ii) Composition

The Committee comprises of Three Non-Executive Directors as its members. The Committee met eleven 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	11
Rana Veer Pratap Singh	Member	11
Shri Baljit Singh	Member	11

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 84283 investors as on 31.03.2013. The Company received 25 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>
2011-2012	29.09.2012	2.00 p.m.	The Institution of Engineers (India), Madhya Marg, Sector 19-A, Chandigarh	No
2010-2011	30.09.2011	3.30 p.m.	--do--	Yes
2009-2010	30.06.2010	11.30 a.m.	--do--	No



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.
- ii) Management Discussion and Analysis Report forms part of this Annual Report and is given separately.

g) General Shareholder's Information

i) 21st Annual General Meeting

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

Date : 30th September, 2013

ii) Tentative Financial Calendar

Audited Annual Results (2012-13)	June, 2013
Publication of Audited Results	--
First Quarter Results	August, 2013
Publication of Half Yearly Results	November, 2013
Third Quarter Results	February, 2014
Fourth Quarter Results	May, 2014
Audited Annual Results (2013-14)	September, 2014

iii) Book Closure

The register of members and share transfer books of the Company shall remain closed from 27th September, 2013 to 30th September, 2013 (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