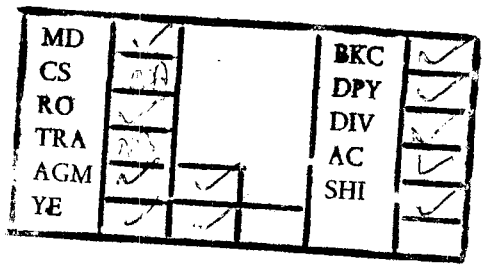
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64th Annual Report & Accounts 1996-97

Ravalgaon

The Ravalgaon Sugar Farm Ltd.

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The Ravalgaon Sugar Farm Ltd.

BOARD OF DIRECTORS

Shri HARSHAVARDHAN B. DOSHI
(Chairman & Managing Director)
Shri GANGADHAR G. GADGIL
Shri Y.P. DANDIWALA
Shri M.B. BHIDE
Shri MOORAD FAZALBHOY
Dr. D.G. HAPASE
Shri MANSINGRAO J. JADHAV
Shri S.S. DESHPANDE *(Nominee of IDBI)*
Shri D.S. KULKARNI

AUDITORS

M/s. K.S. AIYAR & CO.
Chartered Accountants

SOLICITORS

M/s. MULLA & MULLA & CRAIGIE BLUNT & CAROE

BANKERS

DENA BANK
BANK OF BARODA
STATE BANK OF INDIA
BANK OF INDIA

REGISTERED OFFICE

Ravalgaon-423 108,
Taluka Malegaon,
Dist. Nasik, Maharashtra

FACTORY

Ravalgaon-423 108, Taluka Malegaon,
Dist. Nasik, Maharashtra

ANNUAL GENERAL MEETING: at 10.00 A.M. on Friday, the 26th December, 1997 at Ravalgaon-423 108, Taluka Malegaon, Dist. Nasik, Maharashtra.

The practice of distributing copies of the Annual Report at the Annual General Meeting has been discontinued as a measure of economy. Members are, therefore, requested to bring their copies of the Annual Report to the Meeting.

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Ravalgaon

NOTICE

NOTICE IS HEREBY GIVEN that the SIXTY-FOURTH ANNUAL GENERAL MEETING of the Company will be held as scheduled below:

DAY : Friday
DATE : 26th December, 1997
TIME : 10.00 A.M.
PLACE : Ravalgaon 423 108, Taluka Malegaon, Dist. Nasik. Maharashtra.

The Agenda for the meeting will be as under :

ORDINARY BUSINESS:

1. To consider and adopt the Directors' Report, the Auditors' Report and the Balance Sheet and Profit and Loss Account for the period ended 30th September, 1997.
2. To declare Dividend.
3. To appoint a Director in place of Shri M.B. Bhide, who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Moorad Fazalbhoy, who retires by rotation and, being eligible offers himself for reappointment.
5. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS:

6. To appoint Shri D. S. Kulkarni as a Director of the Company.
7. To consider and if thought fit, to pass, with or without modifications the following resolution as an Ordinary Resolution.

   "RESOLVED THAT pursuant to Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, and the Object Clause III 39E of the Memorandum of Association of the Company the consent of the Company be and the same is hereby accorded to the Board of Directors to sell on such terms and conditions as it shall determine, the Industrial Machinery Division of the Company to Acrow India Ltd.

   RESOLVED FURTHER THAT Shri H. B. Doshi, Chairman and Managing Director be and is hereby authorised to take such steps, action as may be necessary to give effect to this resolution."
8. To consider and if thought fit, to pass, with or without modifications the following resolution as a Special Resolution.

   "RESOLVED THAT pursuant to the provisions of Section 370 and other applicable provisions, if any, of the Companies Act, 1956, the Board of Directors of the Company be and is hereby authorised to give guarantees and/or provide any securities from time to time in connection with a loan or loans made by any other person to or to any other person by Financial Institutions, Banks, other Bodies Corporate provided that the aggregate of the guarantees so given or securities so provided shall not at any time exceed the sum of Rs. 500 Lacs.

By Order of the Board,
H. B. DOSHI
Chairman & Managing Director

Registered Office:
Ravalgaon 423 108,
Taluka Malegaon,
Dist. Nasik, Maharashtra.

Dated: 25th November, 1997

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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 AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING.

(2) The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, the 17th December, 1997 to Friday, the 26th December, 1997 (both days inclusive).

(3) The Dividend on equity shares if sanctioned, will be paid on and from 9th January 1998, to those members whose names stand on the Company's Register of Members as on 26th December, 1997.

(4) Members are requested to intimate change of address, if any, immediately.

(5) Members who desire payment of dividend directly to the Bank should register such Mandates with the Company on or before the 16th December, 1997.

(6) Pursuant to Section 205 A of the Companies Act, 1956, all unclaimed dividend upto the year ended 31st March, 1994 has been transferred to the General Revenue Account of the Central Government. Members who have not encashed the dividend warrants for the said period are requested to claim the amount from the Registrar of Companies, Maharashtra, Mumbai. Members may approach the Company for assistance in this regard.

(7) An Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 relating to the Special Business to be transacted at the Meeting is annexed hereto.

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ANNEXURE TO NOTICE

(Explanatory Statement under Section 173 of the Companies Act, 1956.)

Item No. 6:
Shri D.S. Kulkarni was appointed by the Board as an Additional Director, under Section 260 of the Companies Act, 1956 on 14th of March, 1997. He holds office as such upto the date of ensuing Annual General Meeting. Notice under Section 257 of the Companies Act, 1956, along with a deposit of Rs. 500/- has been received from some members signifying their intention to propose Shri D.S. Kulkarni as a candidate for the office of Director of the Company. The Board recommends that Shri D.S. Kulkarni be appointed as a Director of the Company, liable to retire by rotation.

Except for Shri D.S. Kulkarni no other Director is interested in the said Resolution.

Item No. 7:
The Company's main business is to manufacture Sugar, Candy Sugar, and Confectionery. It also has Industrial Machinery Division which manufactures machinery required mainly by Sugar Industry. After careful consideration the Board of Directors of the Company has come to a bonafide decision that the Company should concentrate on its core activities and it would be in the interest of the Company to dispose off the Industrial Machinery Division. M/s. Acrow India Limited has offered to acquire this Division. This transaction, requires the consent of the members under Section 293(1)(a) of the Companies Act, 1956. The resolution proposed may be passed as an Ordinary Resolution. Shri H. B. Doshi, Chairman and Managing Director of the Company and Shri M. B. Bhide Director of your company are also Directors of M/s. Acrow India Ltd. and as such may be deemed to be interested in the resolution.

Item No. 8:
As mentioned in the resolution at item 7, it is proposed to transfer the business of Industrial Machinery Division to M/s. Acrow India Ltd.

Some of the Financial Institutions/ Bank have agreed to sanction a Term loan to the tune of Rs. 270/- Lacs to M/s. Acrow India Ltd. to enable Acrow India Ltd. to pay purchase price. One of the conditions of the sanction is that the repayment of said loan is to be guaranteed by your Company. To cover this and future guarantees and securities as and when they may be required to be given, it is considered advisable and necessary to obtain the consent of the members by a Special Resolution giving the necessary authority to the Board of Directors for furnishing guarantees or provisions of securities upto an aggregate limit of Rs. 500/- Lacs.

Shri H. B. Doshi, Chairman and Managing Director and Shri M. B. Bhide Director of your Company are also Directors of M/s. Acrow India Ltd. and as such may be deemed to be interested in the resolution.

By Order of the Board,
H. B. DOSHI
Chairman & Managing Director

Registered Office:
Ravalgaon 423 108,
Taluka Malegaon,
Dist. Nasik, Maharashtra.

Dated: 25th November, 1997

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DIRECTORS' REPORT

To
The Members of
The Ravalgaon Sugar Farm Ltd.

Your Directors present the Annual Report together with the Audited Accounts of the Company for the period ended 30th September, 1997.

FINANCIAL RESULTS:

	(Rs. in Lacs) 1st April, 1996 to 30th Sept., 1997	(Rs. in Lacs) 1st April, 1995 to 31st March, 1996
Profit before Depreciation and extra ordinary items	902.20	506.36
Less: Depreciation	311.94	203.82
Profit before Taxation and extra ordinary items	590.26	302.54
Less: Extra ordinary item being the difference in the cane price for the years 94-95 & 95-96 materialised during the year	516.52	—
	73.74	302.54
Less: Provision for Taxation	0.65	0.65
Profit after Taxation	73.09	301.89
Add: Profit brought forward	40.00	40.00
Less: Income tax for earlier year	26.34	34.00
Amount available for appropriation	86.75	307.89
Appropriations:		
Proposed Dividend	17.00	17.00
Tax on Proposed Dividend	1.70	—
Transfer to Debenture Redemption Reserve	6.26	4.17
Transfer to General Reserve	21.79	246.72
Surplus carried to Balance Sheet	40.00	40.00

From the above, it will be seen that but for the burden of Rs. 516.52 Lacs which the current year's operations had to absorb the profit for the year before taxation would have been Rs. 590.26 Lacs as against Rs. 302.54 Lacs in the previous year, showing an increase of Rs. 287.72 Lacs.

DIVIDEND:

Your Directors recommend the payment of 50% dividend on Equity Shares of Rs. 50/- each i.e. Rs. 25/- per share (Previous year at 50% i.e. Rs. 25/- per share) for the period ended 30th September, 1997.

OPERATIONS:

SUGAR:

The following table gives the comparative figures of sugarcane crushed, sugar bags produced and the rate of recovery for the current accounting period and the previous accounting year as also for the current season and the previous season:

	For the current period ended 30th Sept., 1997	For the previous year ended 31st March, 1996	**Current Season 1996-97**	Previous Season 1995-96
Sugarcane crushed in M.T.	**4,02,500**	3,92,839	**2,67,300**	4,43,223
Sugar Bags Nos.	**4,31,250**	4,16,900	**2,90,100**	4,70,380
Recovery (%)	**10.71**	10.61	**10.85**	10.60

From the above table it will be seen that the quantity of sugarcane crushed during the year under review is nearly the same as the previous year. Similarly the production of sugar is also substantially the same as in the previous

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year. However when compared with the previous season crushing for the current season was substantially less due to severe drought conditions. Consequently there was a fall in the sugarcane crushed and bags produced when comparison is made between the two seasons.

SUGAR CANE DEVELOPMENT:

Your Company has undertaken various steps for uninterrupted supply of Sugarcane during the Crushing Season.

The Company has introduced new varities of Sugar Cane in order to improve yield per hectare and recovery. The farmers are being supplied with good quality seeds. The Company has implemented various schemes for Crop protection and water management. The Company is regularly following computerised harvesting programme. All these steps will help the Company in increasing Sugar production.

CANDY SUGAR:

Candy sugar production was 10860 bags during the period under review as compared to 4870 bags during the previous year. As mentioned in the past, there is a declining trend in the sale of candy sugar mainly because the competition from small scale industry is growing. The Company's plan to introduce Candy in consumer packs is still under consideration.

CONFECTIONERY:

Production of confectionery was 10159 M.T. during the period under review as compared to the production of 6430 M.T. for the previous year. The Company's thrust on its well known brands such as Pan Pasand, Mango Mood, Coffee Break, Hi Toffee etc. is continuing with the same vigour. These brands alongwith other traditional brands are receiving good responce. The consumers both adults and children specifically ask for these sweets. The Company's strategy of promoting its brands is now paying good dividends and has resulted in the higher turnover during the year.

INDUSTRIAL MACHINERY DIVISION:

As the sugar industry on the whole is passing through a difficult phase there has been considerable slow down in the implementation of new plants and expansion of existing sugar units. Hence the turnover of this division is affected. M/s. Acrow India Ltd. which manufactures Industrial Storage and Materials Handling Systems, Packaging & weighing machines has made an offer to acquire the business of this division on a going concern basis.

After careful consideration, the Board of Directors has come to the conclusion that the Company should concentrate on its Core activity of manufacturing Sugar and Confectionery and it would be in the interest of the Company to dispose off the Industrial Machinery Division.

Your Directors are seeking your approval under Section 293(1)(a) of the Companies Act, 1956 for sale of this division as "Business Undertaking" to M/s. Acrow India Limited.

POLLUTION, ENVIRONMENT AND SAFETY:

Adequate anti-pollution measures for the protection of Environment and Industrial safety have been taken at your factory by installing effluent treatment plant, fly ash arrester in boilers etc., as per the norms prescribed by the Government.

AUDITORS' REPORT:

Auditors in their report have made observations in respect of valuation of closing inventories of sugar, recomputation of depreciation upto the period ended 30th September, 1997 and non provision for Income Tax liability as per the provisions of Section 115 JA of the Income Tax Act, 1961 for the period 1st April 1997 to 30th September, 1997. Suitable explanation has been provided by way of notes 9,11 and 14 respectively of Schedule N (B) forming part of the Accounts. These notes should be considered as explanation by Directors as part of their report.

PARTICULARS REGARDING EMPLOYEES:

Statement setting out the particulars regarding employees of the Company as required under Section 217(2A) of the Companies Act,1956 read with the Companies (Particulars of Employees) Rules, 1975 is annexed hereto and forms part of this report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNIGS AND OUTGO:

Statement giving particulars regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earning and outgo as required under Companies (Disclosure of Particulars in Report of Board of Directors) Rules, 1988 are annexed and form part of this Report. The expansion of the sugar factory alongwith more efficient Boilers

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and turbine has enabled the Company to generate more electricity which was made available to the other Divisions of the Company. This has reduced the dependence on outside power during the crushing season. The Company's Management is continuously pursuing all means to ensure that dependence on furnace oil and external power from the national grid is reduced year by year.

DIRECTORS:

Shri D.S. Kulkarni has been appointed as an additional Director of the Company with effect from 14th March, 1997 and he continues to hold office upto the date of the ensuing Annual General Meeting. A notice under Section 257 of the Companies Act, 1956 has been received by the Company from some members signifying their intention to propose his appointment as Director of the Company.

Shri M.B. Bhide and Shri Moorad Fazalbhoy retire by rotation under Article 152 of Articles of Association but being eligible offer themselves for re-appointment.

AUDITORS:

You are requested to appoint Auditors for the current year. The retiring Auditors M/s. K.S. Aiyar & Co., being eligible, offer themselves for re-appointment.

For THE RAVALGAON SUGAR FARM LIMITED
H.B. DOSHI
Chairman and Managing Director

Registered Office:
Ravalgaon-423 108
Taluka Malegaon
Dist. Nasik, Maharashtra

Dated: 25th November, 1997.

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