



66th
Annual Report
&

Accounts
1998-99

Ravalgaon[®]

The Ravalgaon Sugar Farm Ltd.

The Ravalgaon Sugar Farm Ltd.

BOARD OF DIRECTORS	Shri HARSHAVARDHAN B. DOSHI (Chairman & Managing Director) Shri S. N. RAJADHYAX (Executive Director – Confectionery Division) Shri GANGADHAR G. GADGIL Shri Y.P. DANDIWALA Shri M.B. BHIDE Shri MOORAD FAZALBHOY Shri MANSINGRAO J. JADHAV 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
REGISTERED OFFICE	Ravalgaon-423 108, Taluka Malegaon, Dist. Nasik, Maharashtra
FACTORY	Ravalgaon-423 108, Taluka Malegaon, Dist. Nasik, Maharashtra

ANNUAL GENERAL MEETING: at 9.00 A.M. on Friday, the 21st January, 2000 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.



NOTICE

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

DAY : Friday
 DATE : 21st January, 2000
 TIME : 9.00 A.M.
 PLACE : Registered Office of the Company at Ravalgaon-423 108, Taluka Malegaon, Dist. Nasik, Maharashtra.

To transact the following business :

ORDINARY BUSINESS:

1. To consider and adopt the Directors' Report, the Auditors' Report and the Balance Sheet and Profit and Loss Account for the year ended 30th September, 1999.
2. To declare Dividend.
3. To appoint a Director in place of Shri G. G. Gadgil, who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri D. S. Kulkarni, who retires by rotation and, being eligible, offers himself for reappointment.
5. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309 and other applicable provisions of the Companies Act, 1956, subject to the limits specified in Schedule XIII to the said Act and subject to the approval of the Central Government, if required, the Company hereby approves and consents to the appointment of Mr. S. N. Rajadhyax as an Executive Director of the Company with effect from 17th December, 1999 for a period of 5 years on the terms and conditions set out in the draft Agreement submitted to this Meeting and initialled by the Chairman for identification with liberty to the Board to alter and vary the terms and conditions of the said appointment

RESOLVED FURTHER THAT Mr. S. N. Rajadhyax be paid remuneration not exceeding the limits set out hereunder :

A. Salary:

Rs. 26,000/- (Rupees Twenty six thousand only) per month with such increments as may be decided by the Board of Directors of the Company (Board), from time to time.

B. Perquisites:

In addition to Salary Mr. S. N. Rajadhyax will be entitled to perquisites like house rent allowance upto 20% of the salary, gas, electricity, water and furnishings, medical reimbursement, leave travel allowances, club fees, personal accident insurance, etc. in accordance with the rules of the Company.

- I. For the purpose of calculating the above ceilings, perquisites shall be evaluated as per Income Tax Rules, wherever applicable; otherwise at actuals. Provisions for use of Company Car for official duties and telephone and other communication facilities at residence (including payment for local calls and long distance official calls) shall not be included in computation of perquisites for the purpose of calculating the said ceiling.
- II. Company's contribution to Provident Fund and Superannuation Fund not exceeding 27% of the Salary, shall not be included in computation of limits for perquisites as aforesaid.
- III. The total remuneration payable to Mr. S. N. Rajadhyax and value of perquisites shall be subject to overall ceiling stipulated in Sections 198 and 309 of the Companies Act, 1956.

C. Other Terms:

- I. The total remuneration including perquisites and Company's contribution towards Provident Fund and Superannuation Fund payable to Mr. S. N. Rajadhyax shall not exceed five percent where there is only one Managing/Whole-time Director and ten percent, where there are more than one Managing/Whole-time Director, of the profits calculated in accordance with Sections 198 and 309 of the Companies Act, 1956.
- II. Mr. S. N. Rajadhyax shall be entitled to reimbursement of all actual expenses, including expenses on entertainment and travelling incurred in the course of the Company's business.
- III. Mr. S. N. Rajadhyax shall be entitled to fully paid leave as per Company's rules and leave not availed shall be encashed.
- IV. Mr. S. N. Rajadhyax shall also be entitled to the benefits under other schemes, privileges and amenities such as hospitalisation etc., as are granted to the Senior Executives of the Company, in accordance with the Company's practice, rules and regulations in force, from time to time.
- V. The Company or Mr. S. N. Rajadhyax shall be entitled at any time to terminate this appointment by giving three months written notice or by any shorter notice as may be accepted by the Board."

"RESOLVED FURTHER THAT Mr. S. N. Rajadhyax be and is hereby authorised to exercise such powers of management, as may be delegated to him by the Board of the Company, from time to time, subject however, to the overall superintendence, control and direction of the Board.

RESOLVED FURTHER THAT in the event(s) of any relaxation by the Central Government in the provisions of Schedule XIII to the Companies Act, 1956, the Board may increase the remuneration and/or alter the terms of appointment of Mr. S. N. Rajadhyax as the Board may decide, from time to time.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take such steps as the Board may consider necessary or expedient to give effect to the above resolution."

Registered Office:
Ravalgaon-423 108
Taluka Malegaon
Dist. Nasik, Maharashtra
Dated: 17th December, 1999.

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

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 Monday, the 17 th January, 2000 to Friday, the 21st January, 2000. (both days inclusive)
3. The Dividend on shares as recommended by the Directors for the year ended 30th September, 1999, if declared at the meeting will be paid to those members whose names stand on the Company's Register of Members as on 21st January, 2000, within stipulated time.
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 10th January, 2000.
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, Kalachowki, Mumbai, Maharashtra. Members may approach the Company for assistance in this regard.

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ANNEXURE TO NOTICE

(Explanatory Statement under Section 173(2) of the Companies Act, 1956)

Item No. 6:

To provide for increased executive participation at the Board level, your Directors have, at their meeting held on 17th December, 1999 appointed Mr. S. N. Rajadhyax as an Executive Director of the Company with effect from 17th December, 1999.

Mr. S. N. Rajadhyax is having very good academic background and professional experience. He has done his B. Tech from Indian Institute of Technology, Mumbai. He has done his P.G.D.M. from Indian Institute of Management, Bangalore and M.B.A from University of Illinois, U. S. A.

He has vast experience of marketing fast moving consumer products. He has increased the turnover of the confectionery division of the Company against stiff competition.

In view of the rich industry knowledge and functional experience and distinguished career, his appointment as an Executive Director would be in the best interest of the Company.

In accordance with Schedule XIII to the Companies Act, 1956, the appointment and remuneration payable to Mr. S. N. Rajadhyax are subject to the approval of the shareholders.

The draft Agreement referred to in the said resolution is available for inspection at the registered office of the Company between 10.00 a.m. and 12.00 noon on all working days till the date of the Meeting.

Your Directors, therefore recommend the above resolution for your approval.

None of the Directors, except Mr. S. N. Rajadhyax may be deemed to be concerned or interested in passing the above resolution.

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

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

Dated : 17th December, 1999.



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 year ended 30th September, 1999.

FINANCIAL RESULTS:

	(Rs. in Lacs) 1st Oct., 1998 to 30th Sept., 1999	(Rs. in Lacs) 1st Oct., 1997 to 30th Sept., 1998
Profit before Depreciation	707.40	696.95
Less: Depreciation	213.67	196.15
	493.73	500.80
Less: The difference in the cane price for earlier years paid during the year	96.49	157.72
Profit before Taxation	397.24	343.08
Less: Provision for Taxation	38.25	0.75
Profit after Taxation	358.99	342.33
Add: Profit brought forward	60.00	40.00
Amount available for appropriation	418.99	382.33
Appropriations:		
Proposed Dividend	17.00	17.00
Tax on Proposed Dividend	1.87	1.70
Transfer to Debenture Redemption Reserve	2.07	4.17
Transfer to General Reserve	338.05	299.46
Surplus carried to Balance Sheet	60.00	60.00

From the above, it will be seen that but for the burden of Rs. 96.49 lacs which the current year's operations had to absorb the profit for the year before taxation would have been Rs. 493.73 lacs as against Rs. 500.80 lacs in the previous period.

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 year ended 30th September, 1999.

OPERATIONS:

SUGAR

The following table gives the comparative figures of sugarcane crushed, sugar bags produced and the rate of recovery for the current accounting year and the previous accounting year.

	Current year/ Season 1998-99	Previous year/ Season 1997-98
Sugarcane crushed in M.T.	3,82,499	2,88,148
Sugar Bags Nos.	4,12,100	3,00,400
Recovery (%)	10.82	10.43

In spite of lower sugarcane cultivation, your Company managed to crush higher sugarcane than previous year as well as produce more sugar. It is expected that for the coming season, i.e. 1999-2000, there would be a greater availability of sugarcane.

SUGARCANE DEVELOPMENT:

Your Company has undertaken various steps for uninterrupted supply of Sugarcane and introducing new varieties 86032 which has resulted into improving recovery.

CANDY SUGAR:

Candy sugar production was 16,386 bags during the year under review as compared to 16,452 bags during the previous year.

CONFECTIONERY:

Production of confectionery was 8,153 MT during the year under review as compared to the production of 7,105 MT 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 response.

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.

AUDITOR'S REPORT:

Auditors in their report have made observations in respect of non provision for the present value of accrued gratuity liability pertaining to earlier years 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 October, 1998 to 30th September, 1999. Suitable explanation has been provided by way of notes 8, 9, 10 & 12 respectively of Schedule N (B) forming part of the Accounts. This note should be considered as explanation by Directors as part of their report.

PARTICULARS REGARDING EMPLOYEES:

The information required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975, as amended, forms part of this Report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and Accounts is being circulated to all the Shareholders excluding the aforesaid information. Shareholders, interested in obtaining this informations, may write to the Registered Office of the Company.



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

Statement giving particulars regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings 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.

Y2K COMPLIANCE:

Your Company has taken appropriate and effective steps for bring Y2K compliant and the cost of Y2K compliance is not expected to have any material financial impact.

DIRECTORS:

The Industrial Development Bank of India (IDBI) has withdrawn the nomination of its Nominee, Shri S. S. Deshpande from Board of Directors of the Company with effect from 11.03.1999. The Board desires to place on record its appreciation of the valuable services rendered by Shri S. S. Deshpande during his tenure as a Director of the Company.

Dr. D. G. Hapase, Director of the Company has resigned from the Board with effect from 20.10.1999. The Board desires to place on record its appreciation of the valuable services rendered by Dr. D. G. Hapase during his tenure as a Director of the Company.

Shri G. G. Gadgil and Shri D. S. Kulkarni retire by rotation under Article 152 of Articles of Association but being eligible offer themselves for re-appointment.

Shri S. N. Rajadhyax has been appointed as an Executive Director (Confectionery Division) of the Company for a period of five years effective from December 17, 1999. Requisite approval of shareholders for his appointment and payment of remuneration is being sought at the ensuing Annual General Meeting.

AUDITORS:

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

ACKNOWLEDGEMENTS:

Your Directors take this opportunity to place on record their sincere appreciation of the timely assistance and cooperation extended by Financial Institutions, Company's Bankers and various Government Agencies/Bodies and look forward to receive their continuous support.

Your Directors also wish to place on record their appreciation of the services rendered and cooperation extended by the workmans, staff, executives, dealers, customers and others concerned.

The Board of Directors also expresses its thanks to the shareholders for their support to and confidence reposed in the Company.

For THE RAVALGAON SUGAR FARM LTD.

H. B. DOSHI

Chairman and Managing Director

Registered Office:

Ravalgaon-423 108

Taluka Malegaon

Dist. Nasik, Maharashtra

Dated: 17th December, 1999.

ANNEXURE TO DIRECTORS' REPORT

FORM A

(1) Disclosure of Particulars with respect to Conservation of Energy:

	Current Year	Previous Year
A. Power and Fuel Consumption:		
1. <i>Electricity:</i>		
(a) Purchased (from M.S.E.B.)		
Units (KWH in lacs)	35.60	37.70
Rate/Unit (Rs.)	3.82	3.46
Total amount (Rs. in lacs)	136.13	130.41
(b) Own Generation		
(i) Diesel Generator Units (KWH in lacs)	0.65	0.88
Units (KWH) per litre of Diesel Oil	1.52	1.76
Cost/Unit (Rs.)	7.51	6.38
(ii) Steam Turbine/Generator Units (KWH in lacs)	90.58	65.70
Cost/Unit (Rs.)	0.07	0.06
2. <i>Furnace Oil consumed:</i>		
Quantity (K. Litres)	Nil	Nil
Total amount (Rs. in lacs)	Nil	Nil
Average Rate (Rs.)	Nil	Nil
3. <i>Others/Internal Generation:</i>		
(i) Firewood consumed:		
Quantity (M.T.)	22.33	45.00
Total Cost (Rs. in lacs)	0.28	0.52
Rate/Unit (Rs.)	1251.85	1158.00
(ii) Bagasse:		
Quantity (M.T.)	Nil	Nil
Total Cost (Rs. in lacs)	Nil	Nil
Rate/Unit (Rs.)	Nil	Nil