

The Ravalgaon Sugar Farm Ltd.  
82nd Annual Report  
2016-17

**The Ravalgaon Sugar Farm Ltd.**  
**82<sup>nd</sup> Annual Report**  
**2016-2017**

BOARD OF DIRECTORS	Mr. Harshavardhan B. Doshi	Chairman and Managing Director
	Mr. Nihal H. Doshi	Executive Director
	Mr. Yazdi Dandiwala	Independent Director
	Mr. Moorad Fazalbhoj	Independent Director
	Mr. Hukumchand P. Gandhi	Director
	Mrs. Ramola Mahajani	Independent Director
AUDITORS	M/s. V. Sankar Aiyar & Co. Chartered Accountants	
SOLICITORS	M/s Mulla & Mulla & Craigie Blunt & Caroe	
BANKERS	Dena Bank Bank of Baroda	
REGISTRAR & SHARE TRANSFER AGENT	Freedom Registry Ltd. Plot No. 101/102, 19 <sup>th</sup> Street, MIDC Industrial Area, Satpur, Nashik – 422 007 Tel No: (0253) 2354032 Fax No: (0253) 2351126	
FACTORY & REGISTERED OFFICE	Ravalgaon – 423108, Taluka Malegaon, District – Nashik, Maharashtra Tel No: (02554) 270274 / 270238 Fax No: (02554) 270284	
CORPORATE OFFICE	52, 5 <sup>th</sup> Floor, Maker Tower 'F', Cuffe Parade, Mumbai – 400 005 Tel No: (022) 22184291 / 22186479 Fax No: (022) 22184294	

# The Ravalgaon Sugar Farm Ltd.

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## Notice

Notice is hereby given that the 82nd Annual General Meeting of the members of The Ravalgaon Sugar Farm Ltd. will be held on Thursday 21st September 2017 at Krida Mandal Hall, Ravalgaon – 423108, Taluka Malegaon, District Nashik, Maharashtra, to transact the following business:

### Ordinary Business

1. To consider and adopt the audited financial statements of the Company for the financial year ended 31st March 2017 along with the reports of the Board of Directors and Auditors thereon.
2. To approve appointment of Auditors and fix their remuneration. In this regard, to consider and, if thought fit, to pass, with or without modifications(s), the following as an Ordinary Resolution:  
**“RESOLVED THAT** pursuant to provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, M/s N. P. Patwa & Co., Chartered Accountants (Registration No. FRN 107845W), be and is hereby appointed as the 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 at such remuneration as shall be fixed by the Board of Directors of the Company.”
3. To appoint director in place of Mr. H. P. Gandhi (DIN: 07090817), Director, who retires by rotation and being eligible offers himself for re-appointment.  
**“RESOLVED THAT** in accordance with the provisions contained in Section 152 of the Companies Act, 2013, Mr. H. P. Gandhi, Director, liable to retire by rotation at the 82nd Annual General Meeting of the Company and being eligible, is recommended to the shareholders for re-appointment as Director of the Company.”

### Special Business

1. To consider reappointment of Mr. H. B. Doshi as Chairman & Managing Director along with remuneration and, if thought fit, to pass with or without modification(s) the following resolution as a Ordinary Resolution:  
**“RESOLVED THAT** in accordance with the provisions of section 164, 197 and 203, read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re enactments thereof, for the time being in force) and subject to the approval of the Central Government, if required, and with the consent of the Nomination and Remuneration Committee and approval of the Board, approval is hereby accorded to (1) re-appointment of Mr. H. B. Doshi as the Chairman and Managing Director of the company for period of five years with effect from 16th January 2017 till 15th January 2022 and (2) the draft agreement containing (a copy whereof duly initialed by Mrs. Ramola Mahajani , Director is placed herewith) terms and conditions including the remuneration and perquisites payable to Mr. H. B. Doshi as the Chairman and Managing Director of the Company.

**RESOLVED FURTHER THAT** the Nomination and Remuneration Committee, duly authorized by the Board, and the Board be and is hereby further authorized to (1) vary or increase during the period of five years (5) years commencing from 16<sup>th</sup> January 2017 till 15<sup>th</sup> January 2022, the remuneration and perquisites including the value thereof as specified in the said draft agreement to the extent the Committee considers appropriate upto Rs. 5 lakhs per month (Rs.60 lakhs per annum) and as may be permitted or authorized in accordance with any provisions under the Companies Act, 2013 for the time being in force, provided however, that the remuneration payable to Mr. H. B. Doshi, Chairman and Managing Director, shall be as permissible under the Companies Act, 2013 including under Schedule V to the Companies Act, 2013 or any amendments thereto or any modification(s) or statutory enactment(s) thereof and/or any rules or regulations framed there under and (2) suitably modify the aforesaid agreement between the Company and Mr. H. B. Doshi to give effect to such variation or increase as the case may be.

**RESOLVED FURTHER THAT** in the event of no profit or inadequacy of profits in any financial year during the term of Mr. H. B. Doshi's office as the Chairman and Managing Director, Mr. H.B.Doshi, be paid the above referred remuneration and perquisites as minimum remuneration by way of salary, allowance and perquisites or such other remuneration as may be permissible under the Companies Act, 2013 including under Schedule V to the Companies Act, 2013 or any amendments thereto or any modification(s) or statutory re enactment(s) thereof and/or any rules or regulations framed there under or as may be permissible under the approval obtained, if any, from the Central Government, not being less than the remuneration prescribed under Schedule V of the Companies Act, 2013 from time to time.”

#### Salary and Perquisites:

Total remuneration in the range of Rs 4 lacs to Rs. 5 lakhs per month (Rs 48.00 lacs to Rs. 60 lakhs per annum) as may be fixed by the Board of Directors from time to time within this range of Remuneration including the perquisites as mentioned in Category A below plus the perquisites as mentioned in category B below. Category C perquisites to be calculated separately.

#### CATEGORY A

##### Housing:

Fully furnished Residential accommodation or HRA @ 60% of salary

The expenditure on gas, electricity, water and other utilities shall be borne / reimbursed by the company.

##### Medical Reimbursement:

Reimbursement of actual medical expenses incurred in India and/or abroad including hospitalization, nursing home and surgical charges, for self and family as per company rules.

##### Leave Travel Concession/Holiday Travel Expenses:

Leave Travel Concession for self and family once in a year to and from any place in India or outside India

**Club Fees:** Reimbursement of Membership for maximum of two clubs

**Insurance:** Accident insurance for an amount, the all inclusive premium for which shall not exceed Rs 25,000/- per annum.

##### Other perquisites

Subject to overall ceiling on remuneration mentioned hereinabove, the Chairman and Managing Director may be given any other allowances, benefits, perquisites as the Nomination and Remuneration Committee and the Board of Directors may decide and approve.

Explanation: Perquisites shall be evaluated as per the Income Tax Rules, 1962 wherever applicable and in the absence of any such rule, perquisites shall be evaluated at cost.

In the event, the approval of the shareholders is received for an amount of less than Rs 4 lacs per month for salary and perquisites, such amount as may be approved by the shareholders by way of special resolution will be payable to the Chairman and Managing Director.

#### **CATEGORY B**

**Company's contribution to the Provident Fund/Superannuation Fund/Annuity Fund:** The company's contribution to the Provident Fund/Superannuation Fund/Annuity Fund shall be as per the rules of the company applicable to senior executives.

**Gratuity:** Gratuity in accordance with the Rules and Regulations in force in the company from time to time.

**Conveyance facility:** Car and driver for official purpose.

**Telephone and Fax:** The Company shall provide Telephone, Fax and other communication facilities at the residence of the Chairman and Managing Director.

#### **CATEGORY C**

##### **OTHER TERMS**

**Earned Leave:** One month's leave with full pay and allowances for every 11 month's completed service. However, leave accumulated and not availed during his tenure as Chairman and Managing Director may be allowed to be encashed at the end of his tenure.

**Reimbursement of Expenses:** Reimbursement of Travelling, Entertainment and other expenses incurred by Mr. H. B. Doshi during the course of the business of the company.

**Sitting Fees:** Mr. H. B. Doshi shall not be entitled to any sitting fees for attending the meetings of the Board or the committee of the Board.

**Termination Clause:** By giving six months notice on either side.

##### **OTHER CONDITIONS:**

###### **1. Overall remuneration.**

The aggregate of the salary, perquisites and commission in any corporate financial year shall not exceed the limits prescribed from time to time under section 197 and other applicable provisions of the Companies Act, 2013 read with schedule V to the said Act as may be in force from time to time.

###### **2. Minimum Remuneration**

In the event of no profit or inadequacy of profits in any corporate financial year during the currency of tenure of service of Mr. H. B. Doshi, the payment of salary, perquisites, other allowances and the performance bonus/commission shall be governed by the limits prescribed under Section II, Part II of Schedule V of the Companies Act, 2013 as may for the time being in force, according to which the limit of yearly remuneration payable is Rs. 30 lakhs, this limit being doubled to Rs.60 lakhs if resolution passed by the shareholders is a special resolution.

###### **Present Remuneration**

With reference to the range mentioned under 'Salary and Perquisites' above, the present remuneration shall be Rs. 4 lakhs per month (Rs. 48 lakhs per annum) including the perquisites as mentioned in Category A above plus the perquisites as mentioned in category B above. Category C perquisites to be calculated separately.

The Board of Directors are also authorized to (1) vary or increase, during the period of five years (5) years commencing from 16<sup>th</sup> January 2017 till 15<sup>th</sup> January 2022, the remuneration and perquisites including the value thereof as specified in this draft agreement to the extent the Board considers appropriate upto Rs. 5 lakhs per month (Rs.60 lakhs per annum) and as may be permitted or authorized in accordance with any provisions under the Companies Act, 2013 for the time being in force, provided however, that the remuneration payable to Mr. H. B. Doshi, Chairman and Managing Director, shall be as permissible under the Companies Act, 2013 including under Schedule V to the Companies Act, 2013 or any amendments thereto or any modification(s) or statutory enactment(s) thereof and/or any rules or regulations framed there under and (2) suitably modify the aforesaid agreement between the Company and Mr. H.B.Doshi to give effect to such variation or increase as the case may be.

For all other terms and conditions not specifically stated above, the Rules and orders of the company shall apply.

**RESOLVED FURTHER THAT** Mr. H. B. Doshi, Chairman and Managing Director be entitled to be paid/reimbursed by the company all costs, charges and expenses as may be incurred by him for the purpose of or on behalf of the company.

**RESOLVED FURTHER THAT** the company do execute a suitable agreement with Mr. H. B. Doshi, Chairman and Managing Director incorporating the terms and conditions of his remuneration for the aforesaid period.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution"

**By Order of The Board of Directors**

**H. B. Doshi**

Chairman and Managing Director

Date: 16<sup>th</sup> May 2017

Registered Office:

Ravalgaon – 423108, Taluka Malegaon,

District – Nashik, Maharashtra, India

CIN: L01110MH1933PLC001930

# The Ravalgaon Sugar Farm Ltd.

## Notes:

1. A member entitled to attend and vote at the Annual General 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 commencement of the meeting.  
A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given on Page No. 6. 170726026
3. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday 14th September 2017 to Thursday 21<sup>st</sup> September 2017 (both days inclusive).
4. Members holding shares in physical form are requested to notify immediately details of any change / correction in their address, bank particulars, etc. to the Company's Registrars and Share Transfer Agents. Members holding shares in demat account (electronic form) may notify any change to the Depository Participant.
5. The Company has transferred the unpaid or unclaimed dividends declared upto financial years 2008-2009 from time to time, on due dates, to the Investor Education and Protection Fund (IEPF) established by the Central Government. Pursuant to provisions of IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 21<sup>st</sup> September 2016 (date of last Annual General Meeting), on the website of the Ministry of Corporate Affairs. The shareholders are requested to note that no claim shall lie against the Company or the said IEPF after the transfer of unclaimed dividend to the fund.
6. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to Company or Freedom Registry Ltd.
7. Details of Director seeking reappointment at the forthcoming Annual General Meeting in pursuance of Clause 49 of the Listing Agreement.

Sr No	Particulars	Details
1	Name of the Director	Mr. H. P. Gandhi
2	Date of Birth	02/10/1945
3	Experience in Specific functional area and position held	Over 47 years of experience with 9 Sugar factories.
4	Qualification	B.E.(Mech) and Diploma in Electrical Engineering.
5	Directorship in other companies (excluding foreign companies)	NIL
6	Shareholding	NIL

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following Explanatory Statement sets out all material facts relating to the Special Business mentioned in the accompanying notice.

### Item No. 1

In accordance with the provisions of Section 149 read with schedule V to the Act, re-appointment of Mr. H. B. Doshi as Chairman and Managing Director, along with remuneration, requires approval of members.

The present term of Mr. H. B. Doshi, Chairman and Managing Director has been for a period of three years with effect from 16th January 2014 till 15th January 2017.

The Board has (based on the recommendation of the Nomination and Remuneration Committee) at their meeting held on 9th November 2016, approved the remuneration payable to Mr. H. B. Doshi, Chairman and Managing Director, as enumerated in the resolution contained in this notice. The said remuneration and perquisites are in consonance with the provisions of the Companies Act, 2013. As per requirements of Schedule V and other applicable provisions of the Companies Act, 2013, for payment of proposed remuneration, the approval of the members by way of Special Resolution is required and that of the Central Government, if required.

**Additional information relevant to the said remuneration of Shri H. B. Doshi, Chairman and Managing Director, as per Schedule V to the Companies Act, 2013 and also as per the Clause 49 of the listing agreement.**

### 1. General Information:

- i. Nature of Industry: The Company is in the manufacture of Sugar and Confectionery products.
- ii. Date or Expected date of commencement of commercial production: The Company was incorporated on February 08, 1933 and started commercial production of sugar in November 1933.
- iii. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable
- iv. Financial performance of the Company during the last five years (As per audited accounts)

Particulars	(Rs. in lacs)				
	2016-2017	2015-2016	2014-2015	2012-2014 (18 months)	2011-2012 (18 months)
Turnover	1370.96	1959.80	3703.83	3677.66	11244.23
Net Profit (as per section 198)	-406.88	472.38	251.43	1448.09	705.74
Net Profit as per Annual Accounts	(760.90)	492.43	(1266.36)	(1538.42)	(844.67)
Amount of Dividend paid	-	-	-	-	3.40
Rate of dividend declared	-	-	-	-	10%

- v. Export performance and foreign exchange earned: No such activity for the year ended 31<sup>st</sup> March 2017.
- vi. Foreign Investments or collaborations, if any: Not applicable

## 2. Information about the appointee

- i. Background and Details: Shri H. B. Doshi, aged 61, is a Science Graduate. He has a wide experience in well known Indian companies in the field of Management, Accountancy, Law, Finance and Treasury across various industry segments like sugar, confectionery, machinery, storage systems, etc. Prior to joining the company as Chairman and Managing Director, Mr. H. B. Doshi was with Walchandnagar Industries and has a total experience of about 38 years. He is also the Chairman of Acrow India Ltd. since last 23 years.

- ii. Past Remuneration drawn by Mr. H. B. Doshi, Chairman and Managing Director.

Year (Audited)	Rs. in lacs	Year (Audited)	Rs. in lacs
2016-2017	9.00	2012-2014 (18 months)	13.50
2015-2016	9.00	2011-2012 (18 months)	48.95
2014-2015	9.00		

Note: Mr. H. B. Doshi is drawing remuneration partially since last four years.

- iii. Recognitions, Awards and Achievements: Not Applicable
- iv. Job Profile and suitability: Shri H. B. Doshi has been Chairman and Managing Director of the Company for last 30 years. He is responsible for overall management of the company subject to superintendence of the Board of Directors and has a wide experience in the field of Management, Accountancy, Law, Finance and Treasury across various industry segments like sugar, confectionery, machinery, storage systems, etc.
- v. Remuneration Proposed: As mentioned earlier in the Explanatory Statement.
- vi. Comparative Remuneration profile with respect to industry, size of the Company, profile and position of the person, the responsibilities shouldered by him and the industry benchmarks: Considering the inflationary trends and also the challenges in business in recent times, the remuneration proposed is fair and reasonable.
- vii. Pecuniary relationship, directly or indirectly, with the Company or relationship with the managerial personnel, if any: Besides the remuneration proposed, Shri H. B. Doshi does not have any other pecuniary relationship with the Company or the managerial personnel. Mr. H. B. Doshi, however, will be entitled to get sitting fees for attending the meetings of Board of Directors of Acrow India Limited

## 3. Other Information

- i. Reasons for inadequate profits in the earlier years: The sugar industry is a highly regulated industry. Previously, the Company was required to stock large quantities of sugar (finished product), the saleable quantity of which was announced by the Govt. from time to time. In the present scenario, the government has released controls on the saleable quantity, however, raw material prices are still heavily influenced by government directives and finished good prices are depressed.
- ii. Steps taken by the Company to improve the performance: Efforts are being made to increase margins in the confectionery division through increased distribution and better pricing of products.
- iii. Turnover and Profits.

Particulars	Rs. in lacs	
	Last Audited Results (Year ended 31/03/2017)	Last Audited Results (Year ended 31/03/2016)
Turnover	1370.96	1959.80
Other Income	62.85	132.28
Profit Before Tax	(764.81)	475.91
Profit after tax and deferred tax	(760.90)	492.43

- iv. Additional information (other than that covered above) pursuant to clause 49 of the listing agreement with the Stock Exchange about the Chairman and Managing Director Shri H. B. Doshi who is seeking approval for re-appointment including the remuneration at the forthcoming Annual General Meeting

Name of the Director	Expertise in the Specific Functional Areas	Directorship(s) held in other public companies (excluding foreign companies)	Membership/Chairmanships of Committees across public companies
Shri H. B. Doshi	As mentioned above	Acrow India Limited Carina Finvest Limited	Chairman Chairman

- i. Shri H. B. Doshi holds 2070 shares in the Company.
- ii. A copy of the draft agreement referred to in the accompanying Special Resolution is available for inspection by the members at the registered office of the Company during the working hours on all working days till the date of the Annual General Meeting.
- iii. The Explanatory statement together with the accompanying notice should be treated as an abstract of the terms of the agreement and Memorandum of concern or interest under section 190 of the Companies Act, 2013.
- iv. The Special Resolution is recommended by the Board for approval of the Members.
- v. Shri H. B. Doshi is concerned or interested in the resolution.
- vi. No other Director except Mr. Nihal Doshi is concerned or interested in the resolution.

## By Order of The Board of Directors

### H. B. Doshi

Chairman and Managing Director

Date: 16<sup>th</sup> May 2017

Registered Office:

Ravalgaon – 423108, Taluka Malegaon,

District – Nashik, Maharashtra, India

CIN: L01110MH1933PLC001930

## INFORMATION AND OTHER INSTRUCTIONS RELATING TO E-VOTING.

The instructions for shareholders voting electronically are as under:

1. The voting period begins on 18<sup>th</sup> September 2017 on 9:00 hours and ends on 20<sup>th</sup> September 2017 at 18:00 hours. During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 13<sup>th</sup> September 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
2. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
3. Click on Shareholders.
4. Now Enter your User ID
  - For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - Members holding shares in Physical Form should enter Folio Number registered with the Company.
5. Next enter the Image Verification as displayed and Click on Login.
6. 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.
7. 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 sequence number in the PAN field. In case the sequence number 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 sequence number 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.
Note	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 member id / folio number in the Dividend Bank details field as mentioned in instruction (4)

8. After entering these details appropriately, click on "SUBMIT" tab.
9. 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.
10. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
11. Click on the EVSN for the The Ravalgaon Sugar Farm Ltd..
12. 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.
13. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
14. After selecting the resolution you have decided to vote on, click on "SUBMIT" tab. 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.
15. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
16. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
17. 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.
18. Note for Non – Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodian 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 a compliance user should be created 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.

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).

## Directors' Report

Dear Members,

Your Directors present the 82nd Annual Report together with the Audited Financial Statement of the Company for the financial year ended 31st March 2017.

### 1. Financial Results:

Particulars	(Rs in lacs)	
	Year ended 31 <sup>st</sup> March 2017	Year ended 31 <sup>st</sup> March 2016
Net Profit / (Loss) after providing for :	(760.90)	492.43
i) Depreciation (including additional depreciation as per Companies Act, 2013)	184.77	201.19
ii) Prior Period Items	-	1.84
iii) Provisions for Taxation (including Deferred Tax)	(3.91)	(18.36)
Surplus brought forward	(2,102.25)	(2,594.68)
Amount available for appropriation	(2,863.15)	(2,102.25)
Appropriation:		
Proposed Dividend	-	-
Tax on Proposed Dividend	-	-
Transfer to General Reserve	-	-
Balance carried to Balance Sheet	(2,863.15)	(2,102.25)

### 2. Operations:

**SUGAR:** Due to commercial reasons, the company did not run the mill for the sugar seasons 2013-14 to 2016-17 as the same would have had more adverse effect on the financial position of the company. However, in order to be able to run subsequent seasons without any constraints, the company had to maintain the infrastructure, which has added to losses for the year.

**CANDY SUGAR:** The unhealthy competition from unorganized sector poses problems for candy sugar business and hence company is not undertaking manufacture of candy sugar.

**CONFECTIONERY:** Production of confectionery was 845 MT during the year under review as compared to 1146 MT during the previous period. The company concentrated on brands such as Pan Pasand, Mango Mood, Coffee Break, etc.

### 3. Dividend:

Your Directors do not recommend any dividend on the equity shares for the year ended 31st March 2017

### 4. Transfer To Reserves:

The Company has proposed not to transfer any amount to the General Reserve.

### 5. Directors' Responsibility Statement:

Pursuant to Section 134 (3)(c) of the Companies Act, 2013, the Directors' confirm that:

- In the preparation of Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures.
- The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss account of the Company for that year.
- Proper and sufficient care has been taken for maintaining adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The Annual Accounts have been prepared on a going concern basis.
- The company has followed a proper internal financial control and that such internal financial controls are adequate and were operating effectively.
- A system has been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

### 6. Fixed Deposits:

The total amount of fixed deposit as at 31st March 2017 was Rs. 20.18 lacs. There are no overdue deposits except unclaimed deposits amounting to Rs.20.18 lacs, which is included in the aforesaid total amount of Fixed Deposits. The Company had made an application under Section 74(2) of the Companies Act 2013 seeking extension of time for making repayment of the dues payable by it to the Fixed Deposit Holders. The Company had received an Order dated 9<sup>th</sup> April 2015 from the Hon'ble Company Law Board, Mumbai Bench, under Section 74(2) of the Companies Act, 2013 allowing the said application by extending the date of repayment of Fixed Deposits to the date of maturity of the respective FDRs. The Company is thankful to the Fixed Deposit holders for their continued support. The company has not accepted any fixed deposits from 1st April, 2014.

### 7. Extract of Annual Report

The extract of Annual Return of the Company is annexed herewith as Annexure 1 to this Report.



### **8. Conservation of Energy, Technology Absorption:**

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, are provided in Annexure 2 to this Report.

### **9. Management Discussion and Analysis:**

The details regarding management discussion and analysis is provided in Annexure 3 to this Report.

### **10. Corporate Governance:**

As per the requirements of SEBI regarding Listing Agreement and further with reference to Circular dated September 2014 stating amendment that, "The Clause 49 of the Listing Agreement shall be applicable to all companies whose equity shares are listed on a recognized stock exchange. However, compliance with the provisions of Clause 49 shall not be mandatory, for the time being, in respect of the following class of companies, i.e. companies having paid up equity share capital not exceeding Rs. 10 crore and Net Worth not exceeding Rs. 25 crores, as on the last day of the previous financial year". We wish to inform that as per the amendment, the Clause 49 is not mandatory for the company but keeping in view the importance of the same, best corporate governance practices are maintained by the company. A report on Corporate Governance under the Listing Agreement, along with a certificate from the Practicing Company Secretary, confirming the compliance is provided in Annexure 4 to the Report.

### **11. Particulars Regarding Directors, Key Managerial personnel and Remuneration paid to Director and Key Managerial Personnel:**

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rules forms part of the Report. None of the employees of the Company is drawing remuneration in excess of the limits prescribed under the Act and Rules forming part thereof. The further details with regard to payment of remuneration to Director and Key Managerial Personnel are provided in Extract of Annual Return as Annexure 1 of the Report. Details regarding appointment of Directors and formation and process of different Committees are mentioned under the report on Corporate Governance.

### **12. Statement on Declaration given by the Independent Directors:**

Pursuant to Section 149 (4) of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 the Central Government has prescribed that your Company shall have minimum two Independent Directors.

Your company has following Independent Directors:

Sr. No	Name of the Independent Director	Date of appointment / reappointment	Date of passing of Special Resolution, if any
1	Mr. Y. P. Dandiwala	19/06/2014	19/06/2014
2	Mr. Moorad Fazalbhoy	19/06/2014	19/06/2014
3	Mrs Ramola Mahajani	09/02/2015	07/09/2015

All the above Independent Directors meet the criteria of 'independence' prescribed under Section 149(6) and have submitted declaration to the effect that they meet with the criteria of independence as required under Section 149 (7) of the Companies Act, 2013.

### **13. Related Party Transactions:**

The company has entered into transactions with related parties in accordance with the provisions of the Companies Act, 2013 and the particulars of the contracts or arrangements with related parties referred to in Section 188 (1), as prescribed in Form AOC-2 of the rules prescribed under Chapter IX relating to Accounts of Companies under the Companies Act, 2013 is appended as Annexure 5 to the Report. Your Directors draw attention of the members to Note 34 to the financial statements, which sets out related party disclosures.

### **14. Board Meetings:**

4 meetings of the Board of Directors were held during the year. Further details are provided in the report on Corporate Governance.

### **15. Auditors and Audit Report:**

As per Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules 2014, the term of the existing Statutory Auditors, M/s V. Sankar Aiyar and Co., Chartered Accountants, comes to an end with the conclusion of the Annual General Meeting to be held in 2018 for approval of accounts for the year ending 31st March 2018. In accordance with the provisions of Companies (Audit and Auditors) Rules, 2014, which inter alia prescribes the limits for maximum number of years for which an audit firm can function as auditor in a company, the financial year ending 31st March 2018 is the last year of the existing Statutory Auditors.

However, due to preoccupation, they have expressed their inability to continue as the Statutory Auditors and, accordingly, have vide their letter dated 25th June 2017 resigned as the Statutory Auditors in terms of Section 140 (2) of the Companies Act, 2013 with effect from 25th June 2017.

The Board of Directors of the Company vide Circular Resolution dated 17th July 2017 have passed resolution appointing M/s N. P. Patwa & Co., Chartered Accountants, as the new Statutory Auditors of the Company and have obtained communication from the auditors, indicating their eligibility and willingness to act as auditors of the Company, if appointed, at the ensuing Annual General Meeting. Accordingly M/s N. P. Patwa & Co., Chartered Accountants, will hold office as Auditors of the Company from 25th June 2017 (date of resignation of previous auditors) upto the conclusion of ensuing Annual General Meeting and would audit the accounts of the company for the financial year 2017-2018.

Further present Auditors, in their report, have made the following observations:

No provision has been made for the present value of the accrued Gratuity liability (net of funds lying with LIC of India) and valued actuarially by a independent actuary as at 31st March, 2017 amounting to Rs. 273.54 Lacs (previous year Rs 283.40 lacs) which constitutes a departure from the Accounting Standards on Employee Benefits (AS-15) referred to in Section 133 of the Act (Refer Note

no.32 of financial statements). Therefore the profit for the period is under stated by Rs. -9.86 lacs (previous year Rs -17.20 lacs) and the Reserves and Surplus of the company as at 31st March, 2017 are higher by Rs. 273.54 lacs (previous year Rs 283.40 lacs).

Suitable explanation has been provided by way of Note 32 forming part of Financial Statement. Shareholders should consider this note as explanation as part of this report.

**16. Cost Auditors:**

The Board has appointed Bhavesh Marolia & Associates with reference to the Companies (Cost Records and Audit) Rules 2014, as prescribed by the Central Government in sub-sections (1) and (2) of Section 469 and Section 148 of the Companies Act, 2013 (18 of 2013). The Company is covered under amended rules of the Companies (Cost Records and Audit) Rules, 2014, Rule 3(ii) for application of Cost records w.e.f. financial year 2014-15. The Cost Auditors have reviewed the books of account maintained by the company pursuant to Rule 5(1) of the Companies (Cost Records and Audit) Rules, 2014.

**17. Secretarial Auditor:**

The Board has appointed Shri Lakshminarayanan as the Secretarial Auditor of the Company, according to the provisions of Section 204 of the Companies Act 2013 for conducting Secretarial Audit of the Company for the financial Year 2016-2017. The Secretarial Audit Report is annexed herewith.

Further Auditors in their report have made the following observations:

a) "The Company has not complied with provisions of Section 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014".

The Board has taken note of the same. However it expresses it's inability to get qualified and experienced candidates given the company's size of operations. Therefore, at present, Mr. Snehal Shah, Group CFO, has been looking after the finance functions of the Company. Similarly Ms. Neha Oza, Asst Company Secretary, has been looking after the secretarial functions of the Company.

b) "With the coming into force of the Companies Act, 2013, several regulations of the Articles of Association of the Company require alterations or deletions as they are based on the Companies Act, 1956, or contain specific reference thereto. The Company has, so far, not carried out such modifications / deletions or adoption of new set of Articles".

The Board has taken note of the observation.

**18. Risk Management:**

The Company is in the process of setting up a system for management of risk associated with the orderly functioning of the Company. The Audit Committee has been mandated the accountability for integration of risk management practices into day to day activities.

**19. Internal Financial Controls:**

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operations was observed.

**20. Vigil Mechanism:**

Your company believes in promoting a fair, transparent, ethical and professional work environment. The Board of Directors of the Company has established a Whistle Blower Policy under Vigil Mechanism in accordance with the provisions of the Companies Act, 2013 and the Listing Agreement for reporting the genuine concerns or grievances or concerns of actual or suspected fraud or violation of the Company's Code of Conduct.

**21. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013.**

No case of sexual harassment was reported during the year.

**22. Particulars of Loans given, Investments made, Guarantees given and Securities provided:**

Particulars of loans given, Investments made and Guarantees given and Securities provided are given in the financial statements and notes to accounts.

Your Directors take this opportunity to place on record their sincere appreciation for the timely assistance and cooperation extended by Financial Institutions, Company's Bankers, Auditors, Registrars & Share Transfer Agents and various Government Agencies / Bodies and look forward to receiving their continued support. Your Directors also wish to place on record their appreciation for the cooperation extended / services rendered by the workmen, staff, executives, dealers, customers and all others concerned. Your Directors also express thanks to the shareholders for their support to and confidence reposed in the Company.

**For The Ravalgaon Sugar Farm Ltd.**

**H. B. Doshi**

Chairman & Managing Director

16th May 2017

Registered Office:

Ravalgaon – 423108, Taluka Malegaon,

District – Nashik, Maharashtra, India

CIN: L01110MH1933PLC001930