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74th
Annual Report
&
Accounts
2007-2008

Ravalgaon®

The Ravalgaon Sugar Farm Ltd.

The Ravalgaon Sugar Farm Ltd.

BOARD OF DIRECTORS	Shri HARSHAVARDHAN B. DOSHI (Chairman & Managing Director) Shri Y. P. DANDIWALA Shri M. B. BHIDE Shri MOORAD FAZALBHOY DR. 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
CORPORATE OFFICE	Showroom no. 10, Arcade, Ground Floor, World Trade Centre, Cuffe Parade, Mumbai 400 005. Telephone Nos.: (022)22187987 / 22184291/ 22186479 Fax No.: (022)22184294
FACTORY	Ravalgaon – 423 108, Taluka Malegaon, Dist. Nasik, Maharashtra. Telephone Nos.: (02554) 270274 / 270238 Fax no.:(02554)270284
REGISTRAR & SHARE TRANSFER AGENT	M/S Amtrac Management Services Ltd. Plot no. 101/102, 19 th street, MIDC Industrial Area, Satpur, Nasik-422001. Tel.(0253)2354032 Fax (0253)2351126.

ANNUAL GENERAL MEETING: at 09.00 A.M. on Thursday, 14th, August, 2008 at Krida Mandal Hall, 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 SEVENTY-FOURTH ANNUAL GENERAL MEETING of the Company will be held as scheduled below:

DAY	:	Thursday
DATE	:	14 th , August, 2008
TIME	:	09.00 A. M.
PLACE	:	At Krida Mandal Hall, Ravalgaon – 423 108, Taluka Malēgaon, Dist. Nasik, Maharashtra.

To transact the following business:

1. To consider and adopt the Directors' Report, the Auditors' Report and the Balance Sheet and Profit and Loss Account for the financial year ended 31st March 2008.
2. To declare dividend on Equity Share of the Company.
3. To appoint a Director in place of Shri. Y.P. Dandiwalā who retires by rotation and being eligible, offers himself for reappointment.
4. To consider, and if thought fit, to pass, with or without modification, the following Resolution as Ordinary Resolution:

"RESOLVED THAT pursuant to Section 224, 225 and other applicable provisions, if any, of Companies Act, 1956 M/s. V. Sankar Aiyar & Co., Chartered Accountants, be and are hereby appointed as Auditors of the Company in place of M/s. K. S. Aiyar & Co., Chartered Accountants, who have intimated to the Company their unwillingness to be re-appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at such remuneration as may be decided by the Board of Directors."

5. To consider, and if thought fit, to pass, with or without modification, the following Resolution as Ordinary Resolution:

"RESOLVED THAT in supersession of the earlier resolution of 25th August 1993 of the Annual General Meeting of the Shareholders and pursuant to the provisions of Section 293 (1) (d) and other applicable provisions of the Companies Act, 1956, the Company hereby accords its consent to the Board of Directors for borrowing from time to time any sum or sums of money/moneys which together with money already borrowed by the company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) from one or more firms, bodies corporate, financial institutions or state/central financial corporations, banks, investing agencies, Central / State Government, Trustees, whether by way of cash credit, advance or deposit; deferred credits, loans, term loans, bill discounting or any other facilities and whether unsecured or secured by mortgage, charge, hypothecation, lien or pledge of the Company's assets and properties whether moveable or immoveable or stock in trade (including raw materials, spare parts and components, in stock or in transit) and work in progress and all or any of the undertaking of the Company, will or may exceed at any time the aggregate of the paid-up capital of the Company and its free reserve that is to say reserves not set apart for any specific purpose but, so however, that the total amount upto which the moneys may be borrowed for the Company by the Board of Directors and outstanding at any time shall not exceed the sum of Rs. 100 crores (Rupees one hundred crores) and that the Board of Directors be and is hereby

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authorized to execute such deeds of debentures, other debenture trust deeds or mortgages, charges, pledges, hypothecations, liens, promissory notes, deposit receipts and any other deeds, instruments or writings as the Board of Directors may think fit, all of which containing such conditions and covenants as the Board may think fit"

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

"RESOLVED THAT in supersession of the earlier resolution of 25th August 1993 of the Annual General Meeting of the shareholders, consent of the Company be and is hereby accorded in terms of Section 293(1) (a) and other applicable provisions, if any, of the Companies Act, 1956 to the creation by the Board of Directors of the Company of such mortgages, charges, pledges, liens and hypothecations in addition to the existing mortgages, charges, pledges, liens and hypothecations created by the Company, as the Board of Directors may deem fit and necessary, on such of the assets, properties-movable, immovable of the Company, both present and future, in such manner as the Board may direct to and in favour of all or any of the firms, Central/State Government, State/Central Financial Corporations, financial institutions/banks/any other investing agencies/trustees/bodies corporate and / or for the holders of debentures/ bonds/ other instruments which may be issued to and subscribed by all or any of the financial institutions/banks/any other investing agencies/Trustees /Bodies Corporate or any other person(s) by way of private placement or otherwise, to secure rupee/foreign currency loans, loans, term loans, other credit facilities, other borrowings, debentures, bonds or other instruments of an equivalent aggregate value of Rs.100 crores (Rupees one hundred crores) together with interest and all other charges thereon, related thereto, at the respective agreed interest rate, compound interest, additional interest, liquidated damages, commitment charges, premia on re-payment or on redemption, costs, charges, expenses and all other moneys payable by the Company to the aforesaid parties or any of them under the Agreements/Arrangements/Deeds entered into/to be entered into by the Company in respect of the said loans, term loans, credit facilities, other borrowings, debentures, bonds or other instruments.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to finalise with the aforesaid parties or any of them, the documents, deeds, writings for creating the mortgages/charges/pledges/liens /hypothecations and accepting or making any alterations, changes, variations to or in the terms and conditions and to do all such acts, deeds, matters and things and to execute all such documents and writings as it may consider necessary, for the purpose of giving effect to this Resolution."

By Order of the Board,

H. B. DOSHI
Chairman & Managing Director

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

Dated : 30th June, 2008.

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. a) The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 2nd, August, 2008 to Thursday, the 14th August, 2008, (both days inclusive)
- b) Dividend, if declared at the Annual General Meeting will be paid within the statutory period of 30 days to those Members, whose names appear in the Company's Register of Members as on 14th August, 2008 or on the Register of Beneficial Owners maintained by the Depositories as at the close of their business hours on 1st August, 2008.
3. The 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.
4. i) Pursuant to Section 205 A of the Companies Act, 1956, all unclaimed dividends upto the financial year ended 31st March, 1994 have been transferred to the General Revenue Account of the Central Government. The shareholders who have not encashed their dividend warrants upto the said period are requested to claim the amount from the Registrar of Companies, Maharashtra.
- ii) The dividend for the financial years ended 31st March, 1995, 31st March, 1996, 30th September, 1997, 30th September, 1998, 30th September, 1999 and 30th September, 2000 which remained unclaimed for 7 years from the date of declaration has been transferred to the Investor Education and Protection Fund established by the Central Government pursuant to Section 205C of the Companies Act, 1956.
- iii) Dividend for the financial year ended 30th September, 2001 which remains unclaimed, will be due for transfer to the Investor Education and Protection Fund of the Central Government after 31st, January, 2009 pursuant to the provisions of Section 205 A & 205 C of the Companies Act, 1956. The shareholders are requested to apply for claim of unclaimed Dividend for the financial year ended 30.09.2001 and thereafter.
- iv) Shareholders are requested to note that no claim shall lie against the Company or the said Investor Education and Protection Fund after the transfer of unclaimed dividend to the fund.
5. The shares of the Company are under compulsory demat list of SEBI and therefore trading in equity shares can be done only in demat form. In case you have not demated your shares, you may do so by opening an account with any Depository Participant and completing the dematerialisation procedure.
6. The relative explanatory statement pursuant to Section 173 of the Companies Act, 1956, in respect of items 4, 5 and 6 of the business as set out earlier is annexed hereto.
7. At the ensuing Annual General Meeting, director Shri. Y.P.Dandiwalwa retires by rotation and being eligible offers himself for re-appointment. The information and details pertaining to the director to be provided vide Clause 49 of the Listing Agreement with the Stock Exchange are given below:
Shri. Y.P.Dandiwalwa, Date of Birth 10/11/1950, Age 57 years, is a director of the Company since 25th November, 1991. He holds B.Sc., L.L.B. and Solicitor degrees and has vast experience in the profession of law. He is partner in Mulla & Mulla & Craigie Blunt & Caroe, Advocates, Solicitors and Notaries. He is the Chairman of the Audit Committee and Remuneration Committee of the Company and also member of the Investors /shareholders Grievance Committee. He is a director of Carina Finvest Limited and Aureos India Trustee Company limited. He does not hold any shares in the Company.

EXPLANATORY STATEMENT

As required under section 173 of the Companies Act, 1956 ("the act"), the following explanatory statement sets out the material facts relating to the business under item nos. 4, 5 and 6 mentioned in the accompanying notice dated 30th, June, 2008.

Item No. 4

M/s. K. S. Aiyar & Co., Chartered Accountants, have expressed their unwillingness to be re-appointed as Auditors of the Company. It is therefore proposed to appoint M/s. V. Sankar Aiyar & Co., Chartered Accountants, as the Statutory auditors in their place as stated in Resolution under the above item of the notice.

Although, Section 224 (2)(b) of the Companies Act, 1956 dealing with such a case does not refer to any such notice being given in respect of appointment of new auditors, the matter might also be governed by the provisions of Section 225 of the Act, in terms of which, Special Notice is required for a Resolution at the Annual General Meeting appointing as Auditor a person other than the retiring Auditor. Accordingly, such a special notice has been received by the Company from the members of their intention to move the Resolution appointing M/s V. Sankar Aiyar & Co., Chartered Accountants, as the Statutory Auditors of the Company from the conclusion of this Annual General Meeting as mentioned in the accompanying notice.

M/s. V. Sankar Aiyar & Co., Chartered Accountants, have given certificate of their eligibility and willingness to act as the Statutory Auditors of the Company, if appointed by the members at the ensuing Annual General Meeting.

The Board of Directors recommends the Resolution at item No. 4 for your approval.

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

Item No. 5

As per the provisions of section 293(1) (d) of the Companies Act, 1956 the Board of Directors of a company cannot, except with the consent of the Members in a General Meeting, borrow monies, apart from temporary loans obtained from the Company's bankers in the ordinary course of business in excess of the aggregate of the paid up capital and free reserves of the Company. To meet the requirement of funds for financing of capital expenditure, working capital requirements and /or general corporate purposes, the company has to raise funds, avail various facilities from time to time. With increase in availability of sugar cane and general inflationary trend the requirement of funds is increasing. As per the provisions of Section 293 (1) (d) the approval of members is required by way of a Ordinary Resolution in case if the borrowing exceeds the aggregate of paid-up capital and free reserves of the Company. Presently as per the Annual General meeting approval of 25th August 1993, the Board of Directors is authorized the Borrowing Limit u/s 293 (1) (d) upto Rs. Fifty crores only. This will have restrictive effect on the borrowings limit and may affect the business opportunities. Therefore the Board of Directors proposes to seek approval of the Members to increase the borrowing powers of the Board to Rs. 100 crores (Rs. one hundred crores only) (apart from temporary loans obtained from the Company's Banker in the ordinary course of business) notwithstanding that the borrowings may exceed the aggregate of the paid up capital of the Company and its free reserves. This is accordingly an enabling resolution.

The Board of Directors recommends the resolution at item no. 5 for approval.



None of the directors is in way concerned or interested in this resolution.

Item No. 6

To meet the requirement of funds for financing of capital expenditure, working capital requirements and /or general corporate purposes, the company has to raise funds from time to time and avail various facilities like letters of credits, bank guarantees from banks and others. As the availability of sugar cane has improved and also due to general inflationary trend the requirement of funds and other non funded facilities has increased over a period. All these borrowings / facilities are normally to be secured by mortgage/ hypothecation/ pledge/lien/charge over the immovable/movable assets/properties and all such assets/properties of the Company in such form and in such manner as may be determined by the Board of Directors or its Committees from time to time in consultation with the lenders/facility providers.

Section 293 (1) (a) of the Companies Act, 1956 provides, *inter alia*, that the Board of Directors of a public company shall not without the consent of such public company in general meeting, sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking of the whole, or substantially the whole, of any such undertaking.

Since the mortgaging/ charging etc. by the Company of its immovable and movable properties as aforesaid in favour of the Lenders/Facility Providers may be regarded as lease, otherwise disposal of the Company's properties/undertaking, for creation of mortgage, pledge, charge, lien & hypothecation on the Company's Assets, the Board of Directors need approval of members by Ordinary resolution. At the Annual General Meeting of the Company held on 25th August, 1993 a resolution was passed by the Shareholders, wherein the limit was set at Rs.50 crores (Rupees fifty crores only).

In view of above, the Board of Directors proposes to seek approval of the members for a limit of Rs. 100 crores (Rs. One Hundred crores only under Section 293 (1) (a) of the Companies Act, 1956 to create mortgage, charge etc. to secure loans, credit facilities, other borrowings. This is accordingly an enabling resolution.

The Board of Directors recommends the resolution at item no.6 for approval.

None of the directors is in way concerned or interested in this resolution.

By Order of the Board of Directors

H. B. DOSHI
CHAIRMAN & MANAGING DIRECTOR

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

Dated : 30th June, 2008

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DIRECTORS' REPORT

To,
The Members of
THE RAVALGAON SUGAR FARM LTD.

Your Directors present the 74th Annual Report together with the Audited Accounts of the Company for the financial year ended 31st March, 2008.

FINANCIAL RESULTS:

	Year Ended 31st March, 2008 (Rs. in Lacs)	Year Ended 31st March, 2007 (Rs. in Lacs)
Net Profit/loss(-) is after providing for	167.64	-304.25
i) a) Depreciation	213.17	206.78
b) Provision for impairment loss	32.90	-
ii) Prior Period Items	-144.62	68.72
iii) Provision for Taxation	157.73	-129.28
Less Transfer from General Reserve	-	304.25
Add: Surplus brought forward	90.00	90.00
Amount available for appropriation	257.64	90.00
Appropriations:		
Proposed Dividend	34.00	-
Tax on Proposed Dividend	5.78	-
Transfer to General Reserve	117.86	-
Balance carried to Balance Sheet	100.00	90.00

DIVIDEND:

The Board of Directors recommends Dividend of 100% on 68000 equity shares of Rs.50/- each for the year ended 31st, March, 2008.

OPERATIONS:**SUGAR**

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

	Current Year 2007-2008	Previous Year 2006-2007
Sugarcane crushed in MT	4,07,352	3,66,356
Sugar Bags Nos.	4,66,500	3,87,650
Recovery	11.45%	10.58%

Good monsoon in plantation areas improved the availability of sugarcane for the season 2007-08 and the recovery ratio is also good. With good monsoon season and resultant increase in plantation areas it is expected that the availability of sugar cane for the season 2008-09 would also be good.

**CANDY SUGAR:**

The unhealthy competition from unorganized sector poses problems for candy sugar business. During the year an amount of Rs.32.90 Lacs is provided towards impairment loss in respect of plant and machinery of this division.

CONFECTIONERY:

Production of confectionery was 2832 MT during the financial year under review as compared to the production of 2567 MT during the previous year. The Company concentrated on brands such as Pan Pasand, Mango Mood, and Coffee Break etc. These brands along with other traditional brands are receiving good response.

POLLUTION, ENVIRONMENT AND SAFETY:

The norms prescribed by the Government in the matter are adhered to. Various equipments are installed as an anti-pollution measure for the protection of environment at the factory. Necessary industrial safety measures have also been taken at your factory, which has resulted in better protection of workers and no major accident has taken place in the factory.

FIXED DEPOSITS:

The total amount of Fixed Deposits as at 31st March, 2008 was Rs. 281.74 Lacs. There are no overdue deposits except unclaimed deposits amounting to Rs.8.85 Lacs as at 31st March, 2008 out of which deposits amounting to Rs. 2.00 Lacs have since been repaid / renewed. Company deposited Rs.0.36 lacs in the Investor Education and Protection Fund.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors confirm that –

- (a) In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed with explanatory notes relating to material departures.
- (b) Appropriate accounting policies have been selected and applied consistently and judgements and estimates made 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 period.
- (c) Proper and sufficient care has been taken for maintaining 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.
- (d) The Annual Accounts have been prepared on a going concern basis.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS:

Pursuant to clause 49 of the Listing Agreement with the Stock Exchange, a "Management Discussion and Analysis" and a report on "Corporate Governance" are given as annexure 'A' and 'B' respectively to the report. A certificate from the Statutory Auditors of the Company on "Corporate Governance" is also annexed thereto.

SECRETARIAL COMPLIANCE CERTIFICATE:

A Secretarial Compliance Certificate pursuant to Section 383A of the Companies Act, 1956 is annexed herewith as Annexure – 'C'.

AUDITORS' REPORT:

Auditors in their report have made observations/comments in para (iv) and (vi)-(a), (b), (c), in respect of non-recomputation of depreciation, non-provision of Excise Duty on closing stock of finished goods and non-provision for the present value of accrued gratuity liability. Suitable explanation has been provided by way

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of note 9, 11 and 13a) respectively in Schedule N (B) forming part of the Accounts. These notes should be considered as explanation by the Board of Directors as part of the Directors' Report. Further as regards observations /remarks in para (i)(b), (iv), (vii), (ix)(a) of Annexure referred to in para 3 of the Auditors' Report, steps are taken/ being taken to compare physical records & book records of fixed assets for necessary accounting if any, for reconciliation & adjustment of advances given to cultivators, harvestors, transporters and liabilities there against, to strengthen internal audit scope in the areas of fixed assets & sales and for payment of tax dues.

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 are being circulated to all the shareholders excluding the aforesaid information. Shareholders, interested in obtaining this information, 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 Earning and outgo as required under Companies (Disclosure of Particulars in Report of Board of Directors) Rules, 1988 is annexed to and forms part of this Report, as per Annexure - 'D'.

DIRECTORS:

Director Shri. Y.P. Dandiwala retires by rotation under Article 152 of Articles of Association and being eligible offers himself for re-appointment.

AUDITORS:

M/s. K. S. Aiyar & Co., Chartered Accountants, Mumbai, the existing Auditors retire at the ensuing Annual General Meeting of your Company. They have however, intimated to the Company that they do not wish to seek re-appointment. M/s. V. Sankar Aiyar & Co. Chartered Accountants, Mumbai, have indicated their availability and willingness to be appointed as Statutory Auditors of your Company. A resolution seeking your approval for the appointment of the said Auditors has been included in the notice (item no. 4 of the notice) convening the Annual General Meeting.

ACKNOWLEDGEMENTS:

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 and various Government Agencies / Bodies and look forward to receive their continuous support.

Your Directors also wish to place on record their appreciation for the co-operation extended / services rendered by the workmen, staff, executives, customers, dealers and all others concerned.

Your Directors also wish to place on record their sincere thanks to the shareholders for their continuing support.

For THE RAVALGAON SUGAR FARM LTD.

H. B. DOSHI
Chairman & Managing Director

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

Dated : 30th, June, 2008.