

75th

Annual Report

2008-2009

Report of the Directors

Ravalgaon®

The Ravalgaon Sugar Farm Ltd.



SETH WALCHAND HIRACHAND

75th Annual Report

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 Shri NIHAL H.DOHSI (Since 18th August 2008) |
| AUDITORS | M/s. V. SANKAR 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 Tel. Nos.: (02554) 270274 / 270238, Fax no.: (02554) 270284 |
| CORPORATE OFFICE | Showroom no. 10, Arcade, Ground Floor, World Trade Centre, Cuffe Parade, Mumbai 400 005. Tel. Nos.: (022) 22184291/ 22186479, Fax No.: (022) 22184294 |
| FACTORY | Ravalgaon – 423 108, Taluka Malegaon, Dist. Nasik, Maharashtra. Tel. Nos.: (02554) 270274 / 270238, Fax No : (02554) 270284 |
| REGISTRAR & SHARE TRANSFER AGENT | Freedom Registry Limited (Amtrac Management Services Ltd.) TRANSFER AGENT, Plot no. 101/102, 19th street, MIDC Industrial Area, Satpur, Nasik-422001. Tel. (0253)2354032. Fax (0253)2351126. |

ANNUAL GENERAL MEETING: at 11:30 A.M. on Tuesday, 29th September 2009 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.

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NOTICE

NOTICE IS HEREBY GIVEN that the **Seventy Fifth** ANNUAL GENERAL MEETING of the Company will be held as scheduled below,

DATE : Tuesday, 29th September 2009 TIME: 11:30 A.M.
PLACE : Krida Mandal Hall, 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 financial year ended 31st March 2009 together with the Schedules and Notes attached thereto, along with the Directors' Report and the Auditor's Report.
- 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 Auditors and to fix their remuneration.

SPECIAL BUSINESS

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

“RESOLVED THAT pursuant to the provision of section 257 and all other applicable provisions, if any of the Companies Act 1956 Mr. Nihal H. Doshi. who was appointed as an additional director of the company and who under section 260 of the Companies Act, 1956 holds office only upto the date of this Annual General Meeting and being eligible, offers himself for appointment and in respect of whom the company has received notice in writing from one of the members pursuant to the provisions of section 257 of the companies Act, 1956 signifying his intention to propose the candidature of Mr. Nihal H. Doshi for the Director, be and is hereby appointed as a Director of the company, liable to retire by rotation”

By Order of the Board,

H. B. DOSHI

Chairman & Managing Director

Dated : 26th June 2009

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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 15th September 2009 to 29th September 2009 both days inclusively
- 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) 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, 30th September, 2001 which remained unclaimed for 7 years from the date of declaration have been transferred to the Investor Education and Protection Fund established by the Central Government pursuant to Section 205C of the Companies Act, 1956.
 - ii) Dividend for the financial year ended 30th September, 2002 which remains unclaimed, will be due for transfer to the Investor Education and Protection Fund of the Central Government on 25th, January, 2010 pursuant to the provisions of Section 205 A & 205 C of the Companies Act, 1956. The shareholders are requested to apply for unclaimed Dividend for the financial year ended 30th September 2002 before the same is transferred to IEPF.
 - iii) 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 At the ensuing Annual General Meeting, director Shri M.B.BHIDE 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 in the notes :

EXPLANATORY STATEMENT :

(Pursuant to section 173(2) of the Companies Act 1956).

The following explanatory statement sets out all material facts relating to the Special Business under item No 5 of the accompanying notice dated 26th June 2009

- (1) Item No 5 of the Notice.

The Board of Directors, at their meeting held on 18th August 2008, appointed Mr. Nihal H. Doshi, as an additional Director.

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Pursuant to section 260 of the Companies Act 1956, read with Articles of Association of the company, Mr. Nihal H. Doshi will hold office only upto the date of the forthcoming Annual General Meeting. The company has received a notice in writing from a member under the provisions of section 257 of the companies Act 1956, proposing the candidature of Mr. Nihal H. Doshi for the office of Director along with a deposits of Rs.500/-

Mr. Nihal H. Doshi is MBA from Wharton School of Business, USA. He has wide experience in finance. He has worked with reputed firms like Credit Swiss, USA and Private Equity company Quadrangle USA. Nihal Doshi is son of Mr. H. B. Doshi.

The Board of Directors recommaned passing of the above resolution regarding appointment of Mr. Nihal H. Doshi.

Except Mr. H. B. Doshi, Chairman and Managing Director of the company and Mr. Nihal H. Doshi, none of the Directors is in any way concerned or interested in this resolution.

On behalf of the Board of Directors

H. B. DOSHI

CHAIRMAN & MANAGING DIRECTOR

Registered Office :

Ravalgaon – 423 108

Taluka Malegaon,

Dist. Nasik, Maharashtra.

Dated : 26th June 2009

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DIRECTORS' REPORT

To,
The Members of
THE RAVALGAON SUGAR FARM LTD.

Your Directors present the **Seventy Fifth** Annual Report together with the Audited Accounts of the Company for the financial year ended 31st March 2009

FINANCIAL RESULTS:

(Rs. in Lacs)

| | (Rs. in (Lacs) Year Ended 31st March 2009 | (Rs. in (Lacs) Year Ended 31st March 2008 |
|--|---|---|
| Net Profit /(Loss) is after providing for | 693.17 | 167.64 |
| i) Depreciation | 213.29 | 246.07 |
| ii) Prior Period Items | 201.08 | -144.62 |
| lii) Provision for Taxation (including Deferred Tax) | 284.11 | 157.73 |
| Add: Surplus brought forward | 100.00 | 90.00 |
| Amount available for appropriation | 793.17 | 257.64 |
| Appropriations: | | |
| Proposed Dividend | 51.00 | 34.00 |
| Tax on Proposed Dividend | 8.67 | 5.78 |
| Transfer to General Reserve | 70.00 | 117.86 |
| Balance carried to Balance Sheet | 663.50 | 100.00 |

DIVIDEND:

Your Directors have recommended **Dividend of Rs.75/-** for each equity share (Rs.50/- as normal dividend plus Rs.25/- as special dividend) on 68,000 equity shares of Rs 50/- each for the year ended 31st March 2009

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 | Previous Year |
|-------------------------|--------------|---------------|
| Sugarcane crushed in MT | 163,482 | 407,352 |
| Sugar MTs | 19,340 | 46,650 |
| Recovery | 11.83% | 11.45% |

Late monsoon reduced the availability of sugarcane for the season 2008-09. This resulted in low area under Sugar cane plus low yields per acre. However we expect increase in both area under plantation as well as better yields per acre for season 2009-10.

CANDY SUGAR:

The unhealthy competition from unorganized sector poses problems for candy sugar business. The company is taking steps to use the candy plant for production of high-grade sugar as in the past. Production of Candy sugar and Bura was Nil during the financial year.

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CONFECTIONERY:

Production of confectionery was 3,242 MT during the financial year under review as compared to 2,832 MT during the previous year. The Company concentrated on brands such as Pan Pasand, Mango Mood, Coffee Break etc. These brands along with other traditional brands are receiving good response. This year after a gap of almost 3 years, the company resumed sales in the state of Kerala. We expect good business from Kerala as well as other states.

POLLUTION, ENVIRONMENT AND SAFETY:

Various equipments are installed as an anti-pollution measure for the protection of environment at your factory. The norms prescribed by the Government are also adhered to. 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 2009 was Rs.295.12 Lacs. There are no overdue deposits except unclaimed deposits amounting to Rs. 6.72 Lacs as on 31st March 2009 out of which deposits amounting to Rs. 2.42Lacs have since been repaid / renewed.

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 regarding compliances of conditions of 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 in respect of non-provision for the present value of accrued gratuity liability, non-recomputation of depreciation and non-provision of Excise Duty on closing stock of finished goods. Suitable explanation has been provided by way of note 5, 9 and 13 respectively in Schedule N (B) forming part of the Accounts. These notes should be considered as explanation by Directors as part of their report. Further as mentioned in clause (iv) of Annexure referred to in Para 3 of Audit Report,

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measures are taken /being taken to strengthen the internal controls to avoid weaknesses observed in sale of goods and services or any other area.

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 M.B.BHIDE retires by rotation under Article 152 of Articles of Association and being eligible offer themselves for re-appointment.

AUDITORS:

You are requested to appoint Auditors for the current financial year 2009-10 and authorise the Board to fix their remuneration. The retiring Auditors, M/s. V. Sankar Aiyar & Co, being eligible, offer themselves for re-appointment.

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, 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

Registered Office :

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

Dated : 26th June 2009