



76th
Annual Report
&
Accounts
2009-2010

Ravalgaon®

The Ravalgaon Sugar Farm Ltd.

The Ravalgaon Sugar Farm Ltd.

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| BOARD OF DIRECTORS | Mr. HARSHAVARDHAN B. DOSHI (Chairman & Managing Director) Mr. Y. P. DANDIWALA Mr. M. B. BHIDE Mr. MOORAD FAZALBHOY Dr. D.S. KULKARNI (Upto 30.09.2009) Mr. NIHAL H.DOSHI Mr. ASHOK S. ASHTEKAR (w.e.f. 1.10.2009) |
| 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 Plot no. 101/102, 19th street, MIDC Industrial Area, Satpur, Nasik-422001. Tel. (0253) 2354032. Fax (0253) 2351126. |

ANNUAL GENERAL MEETING: at 10.00 A.M. on Thursday, 30th September 2010 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 SIXTH ANNUAL GENERAL MEETING of the Members of the Company will be held on Thursday, 30th September 2010 at 10.00 A.M. at Krida Mandal Hall, Ravalgaon – 423108, Taluka Malegaon, Dist Nasik, Maharashtra to transact the following business:-

ORDINARY BUSINESS:

- 1 To consider and adopt the Audited Balance Sheet as at 31st March 2010, Profit and Loss Account for the year ended 31st March 2010 and the reports of the Directors and Auditors thereon.
- 2 To declare a dividend, on equity shares.
- 3 To appoint a Director in place of Mr. Moorad Fazalbhoj who retires by rotation and being eligible, offers himself for reappointment.
- 4 To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.

Ordinary Resolution

"RESOLVED THAT M/s V Sankar Aiyar and Co, Chartered Accountants, be and are hereby appointed as the 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 on such remuneration as shall be fixed by the Board of Directors of the company"

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 in accordance with the provisions of section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mr. Ashok Ashtekar who was appointed by the Board of Directors as an additional Director of the company and who holds office up to the ensuing Annual General Meeting under section 260 of the Companies Act 1956 and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, be & is hereby appointed as Director of the Company, liable to retire by rotation."

6. To consider and if thought fit to pass, with or without modifications, the following resolution as a Special Resolution:

"Resolved that pursuant to the provisions of Section 314 and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accords its consent to Mr. Ashok S. Ashtekar a Director of the Company holding or continuing to hold an office or place of profit under the Company and being nominated as an Occupier under the Factories Act, 1948 effective from 1st October 2009 till such time as the Board of Directors in its absolute discretion deem fit and proper and upon the following terms and conditions :

- i) That Mr. Ashok S. Ashtekar will in his capacity as an Occupier, in relation to the factory of the Company, take all such steps and perform all such duties as are required under the applicable provisions of law including under the Factories Act;
- ii) That the Company shall pay to Mr. Ashok S. Ashtekar such amount/amounts from time to time, not exceeding in aggregate Rs.2 lakhs per annum, as may be decided from time to time by the Board of Directors in its absolute discretion."

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

Registered Office :
Ravalgaon – 423 108
Taluka Malegaon,
Dist. Nasik, Maharashtra.
Dated : 27th July 2010

NOTES:

- 1 A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING.
- 2 The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 15th September 2010 to Thursday, 30th September 2010 (both days inclusive) for the payment of dividend.
- 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 such change to the Depository Participant.
- 4 (a) Any dividend for the financial years ended 31st March 1996, 30th September 1997, 30th September 1998, 30th September 1999, 30th September 2000, 30th September 2001 and 30th September 2002, 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.
(b) 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 dematerialization procedure.
- 6 Details of Directors seeking Re-appointment at the forthcoming Annual General Meeting in pursuance of Clause 49 of the Listing Agreement.

| | | | |
|---|---|---------------------------|-----------------------------|
| 1 | Name of Director | Mr. Ashok Ashtekar | Mr. Moorad Fazalbhoj |
| 2 | Date of Birth | 15.05.1945 | 04.12.1944 |
| 3 | Experience in Specific Functional area and Position Held: | More than 30 years | More than 20 years |
| 4 | Qualification | D.E.E/D.M.E./F.I.M.E | B.A(Hons.) |
| 5 | Directorship in other Companies (Excluding foreign Companies) | Yes | Yes |
| 6 | Shareholding | NIL | NIL |

On behalf of the Board of Directors

H. B. DOSHI
CHAIRMAN & MANAGING DIRECTOR

Registered Office :
Ravalgaon – 423 108
Taluka Malegaon,
Dist. Nasik, Maharashtra.
Dated : 27th July 2010

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EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No 5:

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

The Board of Directors of the Company (Board), by circular resolution dated Oct.01, 2009 appointed Mr.Ashok Ashtekar as an additional director with effect from 1st October 2009 pursuant to provisions of Section 260 of the Companies Act, 1956 read with Articles of Association of the Company.

In terms of provisions of section 260 of the Act, Mr. Ashok Ashtekar would hold office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member along with deposit of Rs 500/- for proposing the candidature of Mr. Ashok Ashtekar to the office of director under the provisions of section 257 of the Act.

Mr. Ashok Ashtekar is not disqualified from being appointed as Director in terms of section 274(1)(g) of the Act. The Company has received the requisite Form DD-A from Mr. Ashok Ashtekar in terms of the Companies (Disqualification of Directors under Section 274(1)(g) of the Companies Act, 1956) Rules 2003 confirming his eligibility for such appointment.

Item No. 6

Mr. Ashok S. Ashtekar has been associated with the Company for over One decade. He retired from the Company in the year 2006 as *General Manager (Tech.)*. Mr. Ashok S. Ashtekar is an experienced and qualified engineer. Mr. Ashok Ashtekar has agreed to act as an Occupier as provided in the Factories Act, in relation to the factory of the Company situated at Ravalgaon.

To compensate Mr. Ashok Ashtekar for the duties to be performed by him as an Occupier, the Board has considered it fair and reasonable to pay him such amounts as the Board may, from time to time, decide but not exceeding, in aggregate, Rs.2 lakhs per annum.

None of the directors other than Mr. Ashok Ashtekar is directly or indirectly interested or concerned in this resolution.

DIRECTORS' REPORT

To,
The Members of
THE RAVALGAON SUGAR FARM LTD.

Your Directors have pleasure in presenting the 76th Annual Report together with the Audited Accounts of the Company for the financial year ended 31st March 2010

FINANCIAL RESULTS:

(Rs. in Lacs)

| | Year Ended 31st March 2010 | Year Ended 31st March 2009 |
|---|---------------------------------------|---------------------------------------|
| Net Profit /Loss (-) after providing for | 614.74 | 693.18 |
| (a) Depreciation | 225.16 | 213.29 |
| (b) Prior Period Items | 0.53 | 201.08 |
| (c) Provision for Taxation (including Deferred Tax) | 269.28 | 284.11 |
| Add: Surplus brought forward | 663.51 | 100.00 |
| Amount available for appropriation | 1,278.25 | 793.18 |
| Appropriations: | | |
| Proposed Dividend | 51.00 | 51.00 |
| Tax on Proposed Dividend | 8.47 | 8.67 |
| Transfer to General Reserve | 62.00 | 70.00 |
| Balance carried to Balance Sheet | 1,156.78 | 663.51 |

DIVIDEND :-

Your Directors have recommended Dividend of Rs.75/- for each Equity Share on 68,000 equity shares of Rs 50/- each for the financial year ended 31st March 2010

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 | 28,416 | 46,754 |
| Sugar Bags (Nos.) | 24,250 | 44,250 |
| Recovery | 8.53% | 9.46% |

Good monsoon in plantation areas improved the availability of sugarcane for the season 2009-10. The encouraging monsoon season and resulting increase in plantation areas is expected to improve further and thus increase the availability of sugar cane for the season 2010-2011. However the cost of sugarcane vis-à-vis sugar prices continues to be a matter of concern.

CANDY SUGAR:

The unhealthy competition from unorganized sector poses problems for the 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 3,219 MT during the financial year under review as compared to 3,242 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.

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 strictly adhered to. Necessary industrial safety measures have also been taken wherever necessary at your factory, which has resulted in better protection of workers. During the year under review, no major accident has taken place in the factory.

FIXED DEPOSITS:

The total amount of Fixed Deposits as at 31st March 2010 was Rs.615.25 Lacs. There are no overdue deposits except unclaimed deposits amounting to Rs.6.31 Lacs as on 31st March 2010, of which deposits amounting to Rs.1.35 Lacs have since been repaid / renewed.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- I.) In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed with explanatory notes relating to material departures.
- II.) Appropriate accounting policies have been selected and applied consistently and judgments and estimates that are made 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.
- III.) 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.
- IV.) 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 compliance with 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, and non-provision of Excise Duty on closing stock of finished goods. Suitable explanation has been provided by way of note 7 and 10 respectively in Schedule N (B) forming part of the Accounts. These notes

are 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 are being circulated to all the shareholders excluding the aforesaid information. Shareholders, interested in obtaining this information, may write to the Company at its Registered Office.

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:

Mr. Moorad Fazalbhoj retires by rotation under Article 152 of Articles of Association and being eligible offers himself for re-appointment.

Mr. Ashok Ashtekar retires by rotation under Article 152 of Articles of Association and being eligible offers himself for re-appointment. The Company has received requisite notice in writing from a member proposing his candidature for the office of Director liable to retire by rotation.

AUDITORS:

You are requested to appoint Auditors for the current financial year 2010-11 and authorize the Board of Directors 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 receiving their continued 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 and the confidence placed 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 : 27th July 2010

ANNEXURE - A

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENT:

The Company is engaged in the manufacture of Sugar and various Confectionery Products. It has a manufacturing facility in Ravalgaon (Maharashtra) and a Corporate Office in Mumbai.

BUSINESS OUTLOOK:

The Sugar Industry in India comes under The Essential Commodities Act, 1955 and is therefore regulated by the Government. Being an agriculture based industry, performance is largely dependant on weather and rainfall in the area of operation.

There has been an improvement in the availability of sugarcane and further improvement is possible due to good monsoon and the resulting increase in plantation areas. However the prices of sugar have been very unfavorable. The sales of confectionery division were affected by various factors such as competition, increase in costs etc.

OPPORTUNITIES AND RISKS:

There is good demand for the products of the Company. Efforts are made to improve its operating efficiency by taking various steps like installing balancing equipments, more efficient use of the available resources. The products of the Company have been well accepted in the market.

Sugar Industry by nature is a seasonal industry, dependent on the sugarcane crop. Sugarcane needs good rainfall. This year the rainfall was not satisfactory resulting in lower availability of sugar cane.

However sugar prices have also been volatile and have been very unfavorable. These are not controlled by any single player due to large number of units in the country. Prices are also affected by the sales allocations made by the Government of India on a monthly basis as well as stocks held by the sugar mills.

Uncertainties in Government policies and regulations governing sugar industry in India also continue to pose risks to the sugar industry. The price for sugarcane to be paid to farmers by a manufacturer is also decided by the Government through its policy from time to time. The Company is therefore vulnerable to the changes in Government Policy.

As regards confectionery, the competition from outside sources has increased over the last few years. The competition and increase in costs, mainly material costs affect the sales and margins.

HUMAN / INDUSTRIAL RELATIONS:

The Company believes that manpower is the most valuable resource for its growth. Industrial relations have been very cordial. The Company has recruited competent managerial personnel. The Company continues to adopt progressive personnel policies to ensure strengthening the involvement of all in the development of company.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company maintains adequate internal control systems and makes suitable changes as needed to strengthen the same. The system provides among other things, reasonable assurance of recording the transactions of its operations in all material respects and of providing protection against significant mis-use or loss of Company's assets.

CAUTIONARY STATEMENT:

Statements made in Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable security laws or regulations. These statements are based on certain assumptions and expectations of future events. Actual results could however differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and domestic demand-supply conditions, finished goods prices, raw material availability and costs thereof, change in Government regulations, tax structure and economic developments within India .

The Company assumes no responsibility with respect to forward-looking statements which may be amended or modified in the future on the basis of subsequent developments, information or events.