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**The Ravalgaon Sugar Farm Ltd.**  
**78th Annual Report**

BOARD OF DIRECTORS	MR. HARSHAVARDHAN B. DOSHI (Chairman & Managing Director)
	MR. NIHAL DOSHI (Executive Director)
	MR. Y. P. DANDIWALA
	MR. M. B. BHIDE
	MR. M. Y. FAZALBHOY
	MR. A. S. ASHTEKAR
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. No.: (02554) 270274 / 270238, Fax No.: (02554) 270284
CORPORATE OFFICE	52, 5th Floor, Maker Tower 'F', Cuffe Parade, Mumbai - 400 005. Tel No.: (022) 22184291 / 22186479, Fax No.: (022) 22184294
FACTORY	Ravalgaon - 423 108, Taluka Malegaon, Dist. Nasik, Maharashtra. Tel. No.: (02554) 270274 / 270238, Fax No.: (02554) 270284
REGISTRAR & SHARE TRANSFER AGENT	Freedom Registry Ltd. Plot No. 101/102, 19 th Street, MIDC Industrial Area, Satpur, Nasik - 422007. Tel No. : (0253) 2354032. Fax : (02353) 2351126.

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ANNUAL GENERAL MEETING: at 10:30 A.M. on Thursday, 20th December 2012 at Krida Mandal Hall, Ravalgaon - 423108, 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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## The Ravalgaon Sugar Farm Ltd.

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### NOTICE

NOTICE is hereby given that the 78th Annual General Meeting of the Company will be held as scheduled below,

DATE : Thursday, 20th December 2012 TIME: 10:30 A. M.  
PLACE : Krida Mandal Hall, Ravalgaon-423 108,  
Taluka Malegaon, Dist. Nasik, Maharashtra.

To transact the following business :

### ORDINARY BUSINES:

- 1 To consider and adopt the Audited Balance Sheet for the period of 18 months ended 30th September 2012 and Profit and Loss Account for the period of 18 months ended 30th September 2012 alongwith the reports of the Auditors and the Board of Directors.
- 2 To declare dividend on equity shares of the Company.
- 3 To appoint a Director in place of Mr. M. B. Bhide 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, (Regn. No. 109208W), be and are hereby 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 of the company on such remuneration as shall be fixed by the Board of Directors of the company”

By Order of the Board

**HARSHAVARDHAN B. DOSHI**  
Chairman & Managing Director

Dated : 7th November 2012

**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 IT'S 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, 12th December 2012 to Thursday, 20th December 2012 (both days inclusive).
- 3 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 30th September, 1997, 30th September, 1998, 30th September, 1999, 30th September, 2000, 30th September, 2001, 31st March 2004 and 31st March 2005 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) 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 Details of Director seeking Re-appointment at the forthcoming Annual General Meeting in pursuance of Clause 49 of the Listing Agreement.

1	<b>Name of Director</b>	<b>Mr. M. B. Bhide</b>
2	Date of Birth	18th September 1932
3	Experience in Specific Functional area and Position held	Associated with Sugar Industry for last many years
4	Qualification	Mechanical & Electrical Engineer
5	Directorship in other Companies (Excluding foreign Companies)	Yes
6	Shareholding	Nil

On behalf of the Board of Directors

**HARSHAVARDHAN B. DOSHI**  
Chairman & Managing Director

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

Dated : 7th November 2012

## The Ravalgaon Sugar Farm Ltd.

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### DIRECTORS' REPORT

To,  
The Members of  
**THE RAVALGAON SUGAR FARM LTD.**

Your Directors present the 78th Annual Report together with the Audited Accounts of the Company for the period of 18 months ended 30th September 2012.

<b>FINANCIAL RESULTS:</b>	18 months ended 30th Sept. 2012 (Rs. In Lacs)	Year Ended 31 st March 2011 (Rs. In Lacs)
Net Profit / (Loss) after providing for	(844.65)	3.33
i) Depreciation	338.39	225.56
ii) Prior Period Items	-	0.23
iii) Provision for Taxation (including Deferred Tax)	(37.61)	8.14
Add: Surplus brought forward	1099.84	1156.78
Amount available for appropriation	255.19	1106.11
<u>Appropriation:-</u>		
Proposed Dividend	3.40	51.00
Tax on Proposed Dividend	0.55	8.27
Transfer to General Reserve	-	1.00
<b>Balance carried to Balance Sheet</b>	<b>251.24</b>	<b>1099.84</b>

### DIVIDEND:

Your Directors have recommended Dividend of 10% (Rs. 5/- per equity share on 68,000 equity shares of 50/- each) for the period of 18 months ended 30th September 2012. The dividend, if declared at AGM, will be paid to those shareholders whose names appear in the Register of Members of the Company on 20th December 2012 or on the Register of Beneficial Owners maintained by the Depositories as per the details furnished by National Securities Depository Ltd. and Central Depository Services (India) Ltd. for the purpose of payment of dividend.

### OPERATIONS:

#### SUGAR:

The following table gives the comparative figures of sugarcane crushed, sugar bags produced and the rate of recovery for the period of 18 months under review and previous financial year.

	<b>Current Period</b>	<b>Previous Year</b>
Surgarcane crushed in MT	182195	149938
Sugar MTs	19508	15557
Recovery	10.70%	10.47%

Late monsoon reduced the availability of sugarcane for the season 2011-12. this resulted in low area under Sugarcane plus low yields per acre.

#### 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, Production for candy sugar and Bura was nil during the period.

#### CONFECTIONERY:

Production of confectionery was 2708 MT during the period under review as compared to 2569 MT during the previous year. The Company concentrated on brands such as Pan Pasand, Mango Mood, Coffee Break, etc.

**POLLUTION AND 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 deposit as at 30th September 2012 was 488.79 lacs. There are no overdue deposits except unclaimed deposits amounting to Rs.6.77 Lacs as on 30th September 2012.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

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

- a) In the preparation of 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 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 period 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 & 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 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. Suitable explanation have been provided by way of note 32 forming part of Financial Statement. This note should be considered as explanation by Directors as part of their report.

**PARTICULARS REGARDING EMPLOYEES:**

The information required under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rule 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 EARNING AND OUTGO:**

Statement giving particulars regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and outgo as required under Companies (Disclosure of Particulars in Report of Board of Directors) Rules, 1988 is annexed to and forms part of this Report, as per Annexure-'D'.

**DIRECTORS:**

Mr. M. B. Bhide, director retires by rotation under Article 152 of Articles of Association and being eligible offers himself for re-appointment.

**AUDITORS:**

You are requested to appoint Auditors for Current financial year 2012-13 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 SUGSR FARM LTD.**

**HARSHAVARDHAN B. DOSHI**  
Chairman & Managing Director

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

Dated : 7th November 2012

**ANNEXURE “A” TO DIRECTORS’ REPORT****MANAGEMENT DISCUSSION AND ANALYSIS****INDUSTRY STRUCTURE AND DEVELOPMENT:**

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

**BUSINESS OUTLOOK:**

The Sugar Industry in India comes under The Essential Commodities Act, 1955 and therefore is regulated by the Government. Being an agro based industry, performance is largely dependant on weather and rainfall in the area of operation. However the prices of sugar have been very unfavourable. The sales of confectionery division was affected by various factors like 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, etc. 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 sugarcane.

More so the sugar prices have also been volatile and have been very unfavourable. 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 continues to pose risk to the sugar industry. The sugarcane to be paid to farmers by a manufacturer is also decided by the Government policy from time to time. The Company is therefore vulnerable to the changes in Government Policy and climatic conditions.

As regards confectionery, the competition from outside sources has been increasing. 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 at various levels and personnel policies aim 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 need based suitable changes therein 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 misuse 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, economic developments within India.

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

**ANNEXURE “B” TO DIRECTORS’ REPORT****REPORT ON CORPORATE GOVERNANCE**

This report on Corporate Governance forms part of the Directors’ Report. This report besides being in compliance of the mandatory requirement of the Listing Agreement gives an insight into the process of functioning of the Company.

## CORPORATE GOVERNANCE

### Company's Philosophy on Code of Corporate Governance.

The Company's Corporate Governance principles have a strong pedigree of fairness, transparency, ethical processes and good practices. The core values of the organization include Quality, Trust, Leadership and Excellence. At RSFL, Governance has been a journey and we are continuously benchmarking our governance standards to global practices. These efforts give us the confidence of having put in place the right building blocks for future growth in prudent and sustained manner. This emanates from our strong belief that sound governance is integral to creating value on a sustainable basis.

Company complies with the requirements as laid down in Clause 49 of the Listing Agreement with the Stock Exchanges.

#### 1 Governance Structure

**i) Board of Directors** - The Member of the Board are free to bring up any matter of discussion at the Board Meeting and the functioning is democratic. The Board is equipped to perform its role of business assessment through inputs from time to time. Directors are fully briefed on all business related matters, risk assessment and minimization procedures and new initiatives proposed by the company. The Board thus play a key role in framing policies for ensuring and enhancing good governance. Besides its primary role of setting corporate strategies and goal and monitoring corporate performance, the Board directs and guides the activities of the Management towards achieving corporate goals, seeks accountability with a view to achieve sustained and consistent growth aimed at adding value for its stakeholders.

**ii) Committees of Directors** - The Board has constituted the following committees viz. Audit Committee, Remuneration Committee and Shareholders / Investors Grievance Committee. Each of the Committee has been mandated to operate within a given framework.

#### 2 Board of Directors

##### Composition of Board of Directors

The Board of Directors consists of professionals drawn from diverse fields, who bring in a wide range of skills and experience to the Board. The Board is broad-based and consists of eminent individuals drawn from management, technical, financial and marketing fields. The Company is managed by the Board of Directors in coordination with the senior management team. The day-to-day operations of the Company are conducted by the Chairman and Managing Director, subject to overall supervision and control of the Board of Directors. The Non-Executive Directors and Independent Directors bring external and wider perception and independence in the decision making process. The composition of the Board of Directors, meets with the requirement of Clause 49 (1) (A) of the Listing Agreement. None of the Directors on the Board is a member of more than ten Committees and Chairman of more than five Committees ( as specified in Clause 49 ), across all companies in which they are Directors.

### BRIEF PROFILE:

Brief resume of all the Directors, nature of their expertise in the specific functional areas and also the numbers of other companies in which they hold directorships, memberships/chairmanships of Board Committees and their shareholding in the company is given hereunder.

#### 1 Mr. Harshavardhan B. Doshi - Chairman & Managing Director

Mr. Harshavardhan B. Doshi is a science graduate from University of Mumbai. He is son of late Mr. Bharat Gulabchand Doshi, one of the Founder Members of the company. He joined the Board in 1984. He has been associated with Sugar Industry for over three decades.

Mr. Harshavardhan B. Doshi is also Chairman of Acrow India Limited.

Mr. Harshavardhan B. Doshi is the promoter of the company and holds 2070 shares of the company in his name as on 30th September 2012.

#### 2 Mr. Yazdi P. Dandiwala - Director

Mr. Yazdi P. Dandiwala is a senior partner of M/s Mulla & Mulla & Craigie Blunt & Caroe, a leading firm of Advocates and Solicitors in Mumbai. He has been in practice for over three decades and has vast experience in the legal field and in particular on matters relating to corporate laws, banking and taxation.

Mr. Yazdi P. Dandiwala joined the Board in 1991.

Mr. Yazdi P. Dandiwala is a member of Audit Committee. He is also member of the Shareholders / Investor Grievance Committee and Remuneration Committee.

Mr. Yazdi P. Dandiwala is Non Executive Independent Director of the Company and he does not hold any share of the company in his name as on 30th September 2012.



**3 Mr. Moorad Fazalbhoy - Director**

Mr. Moorad Fazalbhoy, is B.A (Hons) from York University, Toronto. He has been associated with the company since 1992. He has held several senior positions in his career including Chairman & Managing Director of Photophone Limited and Chairman of Photophone Comel Private Limited.

Mr. Moorad Fazalbhoy is a member of Audit Committee and member of Remuneration Committee.

Mr. Moorad Fazalbhoy is Non Executive Independent Director of the company and he does not hold any shares of the company in his name as on 30th September 2012.

**4 Mr. Manohar B. Bhide - Director**

Mr. Manohar B. Bhide is a Mechanical & Electrical Engineer having passed with distinction and has secured 2nd rank in the Pune University. He is fellow of the Institute of Engineers of India. Mr. Bhide had a long tenure with Walchandnagar Industries Limited before he retired as General Manager ( Marketing).

Mr. Bhide also worked as Resident Director in Sugar Corporation of Uganda for two and half years.

Mr. Bhide is Chairman of Audit Committee of the company and member of Remuneration Committee.

Mr. Bhide is Non Executive Independent Director of the company and he does not hold any shares of the company in his name as on 30th September 2012.

**5 Mr. Nihal H. Doshi - Executive Director**

Mr. Nihal H. Doshi joined the Board of Directors in 2008. Prior to joining Ravalgaon on an executive basis in 2011, Mr. Doshi was an Associate at Quadrangle Group, a private equity firm headquartered in New York, USA, focused on investments in media, communications and information services. Prior to joining Quadrangle Group, Mr. Doshi worked for Credit Suisse in the Mergers and Acquisitions group.

Mr. Doshi graduated with a Bachelor of Science, magna cum laude, in economics from the Wharton School at the University of Pennsylvania.

Mr. Nihal Doshi is son of Mr. H. B. Doshi. He does not hold any shares of the company in his name as on 30th September 2012.

**6 Mr. Ashok S. Ashtekar - Director**

Mr. Ashok Astekar joined the Board of Directors in October 2009. He is an Engineer.

Mr. Ashok Astekar is Non Executive Independent Director of the company and he does not hold any shares of the company in his name as on 30th September 2012. He is a member of the Audit Committee.

**ATTENDANCE OF EACH DIRECTOR AT THE BOARD MEETINGS AND THE LAST ANNUAL GENERAL MEETING.**

Seven Board of Directors Meeting were held during period of 18 months ended 30th September 2012 on:

25th April 2011, 25th July 2011, 12th August 2011, 21st October 2011, 25th January 2012, 9th May 2012 and 27th July 2012

The details in regard to attendance of Directors at the Board Meeting / Shareholders Meetings, the number of Directorship(s) held in Indian, public limited companies and the position of Membership/Chairmanship of Audit Committees and shareholders' investors grievance in such Indian public limited companies are given below.

Name of the Director	Category	No. of Board Meetings attended	Attendance at the last AGM	Directorship in other Public Ltd. companies	No. of Board Committee positions held in other companies	
					Chairman	Member
Mr. H. B. Doshi	Promoter	7	Yes	2	1	-
Mr. M. B. Bhide	Independent	1	No	1	-	-
Mr. Y. P. Dandiwala	Independent	3	No	2	-	-
Mr. Moorad Fazalbhoy	Independent	7	No	0	-	-
Mr. Ashok Astekar	Independent	5	No	1	-	-
Mr. Nihal H. Doshi	Promoter	7	Yes	2	-	-

**Note:** \* This excludes directorship in Foreign Companies, Private Companies, Companies formed under section 25 of the Companies Act, 1956, Govt. Bodies and Directorship in The Ravalgaon Sugar Farm Ltd.

It is to be noted that the Non Executive Independent Directors of the company have no stake in the shareholding of the company.

## The Ravalgaon Sugar Farm Ltd.

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### Board Procedures

The Board generally meets once in quarter to review the quarterly business and financial performance of the Company. These Meetings are scheduled well in advance and the notice of each Board Meeting is given in writing to each Director. All the items on the Agenda are accompanied by notes giving comprehensive information on the related subject and in certain matters such as financial / business plans financial results and the same are tabled at the meeting.

The Agenda and the relevant notes are sent in advance separately to each Director and only in exceptional cases, the same is tabled at the meeting. The Minutes of the Board Meetings are also circulated in advance to all Directors and confirmed at subsequent Meeting. The Board reviews the performance of the Company every quarter vis-a-vis the targets set by them and helps in a major strategic decisions and policy formulations. The Members of the Board are also free to recommend the inclusion of any matter for discussion in consultation with the Chairman.

The Board members are briefed at every Board Meeting, on overall performance of the Company, with presentations by Business Heads and Senior Management. The performance vis-a-vis budgets are also presented to the Members of the Board. The information as specified in Annexure (1) (A) to Clause 49 of the Listing Agreement is regularly made available to the Board. The Minutes of Audit Committee and other Committees of the Board are circulated in advance to all Directors, regularly placed before the Board and noted by the Board.

### Audit Committee :

The composition, quorum, powers, role, review of information, scope, etc., of the Audit Committee is in accordance with the Section 292A of the Companies Act, 1956 and the provisions of Clause 49 II. (A), (B), (C), (D) and (E) of the Listing Agreement. The Audit Committee acts as a link between the Statutory and Internal Auditors and the Board of Directors. The Audit Committee inter-alia provides assurance to the Board on the adequacy of the internal control systems and financial disclosures. The Terms of Reference of the Audit Committee are as per the provisions and requirements of the Listing Agreements with the Stock Exchanges and in accordance with the Section 292A of the Companies Act, 1956. These broadly include approval of Annual Internal Audit Plan, review of financial reporting system, internal controls system, discussion on quarterly, half-yearly and annual financial results, interaction with Statutory and Internal Auditors, In-camera meeting with Statutory and Internal Auditors, recommendation for the appointment of Statutory and Cost Auditors and fixing their remuneration, appointment and remuneration of Internal Auditors, Review of Business Risk Management Plan, Management Discussions & Analysis, Review of Internal Audit Reports, significant related party transactions. The Company has framed the Audit Committee Charter for the purpose of effective compliance of Clause 49 of the Listing Agreement. In fulfilling the above role, the Audit Committee has powers to investigate any activity within its terms of reference, to seek information from employees and to obtain outside legal and professional advice. Additionally, the following terms of reference were issued to the Audit committee by the Board of Directors:

(a) to consider and recommend to the Board the following:

- (i) investment guidelines for treasury operations;
- (ii) Capital expenditure for enhancement of production capacity (excluding capital expenditure for normal maintenance / repairs / replacement).

(b) to review the Annual Budget.

(c) to take note of the significant decisions taken, or important developments considered at the Management Committee/Working Board Meetings.

(d) to carry out any other duties that may be delegated to the Audit Committee by the Board of Directors from time-to-time.

The Audit Committee, while reviewing the Annual Financial Statements also reviewed the applicability of various Accounting Standards (AS) referred to in sub-section (3C) of Section 211 of the Companies Act, 1956. Compliance of the Accounting Standards as applicable to the company has been ensured in the preparation of the Financial Statements for the period of 18 months ended 30th Sep. 2012. The Company has appointed a firm of Chartered Accountants as Internal Auditors to review the internal control systems of the Company and to report thereon. The report of the Internal Auditors is reviewed by the Audit committee.

### The Members of the Audit Committee comprised of the following:

Name	Designation	Category & Status	Qualification required to be a member
Mr. M. B. Bhide	Chairman	Non-Executive Independent Director	He has requisite accounting and managerial expertise
Mr. Y. P. Dandiwala	Member	Non-Executive Independent Director	He has requisite accounting and managerial expertise
Mr. M. Y. Fazalbhoy	Member	Non-Executive Independent Director	He has requisite accounting and managerial expertise
Mr. A. S. Ashtekar	Member	Non-Executive Independent Director	He has requisite accounting and managerial expertise

**Meeting and Attendance:**

During the period of 18 months, seven meetings of the Audit Committee were held on the dates mentioned hereinafter viz 25th April 2011, 25th July 2011, 12th August 2011, 21st October 2011, 25th January 2012, 9th May 2012 and 27th July 2012. The Attendance of the Members at the Audit Committee Meetings are as under:

Name of the Audit Committee Member	No. of meetings held	No. of Audit Committee Meetings Attended
Mr. M. B. Bhide	7	1
Mr. Y. P. Dandiwala	7	3
Mr. Moorad Fazalbhoy	7	7
Mr. A. S. Ashtekar	7	5

**Remuneration Committee:**

The terms of reference of the Remuneration Committee are:

- (1) Reviewing the overall compensation policy, service agreements and other employment conditions of Managing / Whole Time Director(s).
- (2) Reviewing the performance of the Managing / Whole time Director(s) and recommending to the Board the quantum of annual increments and annual commission.

**Composition, Meetings and Attendance**

The Remuneration Committee comprises of 3 directors, all of whom are Independent Non Executive Directors, the Chairman of the Committee is an Independent Non Executive Director nominated by the Board.

The Composition of the Remuneration Committee is as follows.

Name of Director	Designation	Status
Mr. Y. P. Dandiwala	Chairman	Independent, Non Executive
Mr. M. B. Bhide	Member	Independent, Non Executive
Mr. Moorad Fazalbhoy	Member	Independent, Non Executive

**Remuneration Policy****a) Remuneration to Non-Executive Directors**

The Non Executive Directors are paid sitting fees @ Rs. 2000/- for each meeting of the Board or any committee thereof attended by them.

The compensation of Non Executive Directors is approved unanimously by the Board. None of the Non Executive Directors has any material pecuniary relationship or transactions with the company.

**b) Remuneration to Chairman and Managing Director and Whole Time Director(s)**

The appointment of Chairman & Managing Director and Whole Time Director(s) is governed by resolutions passed by the Board by Directors and shareholders of the company, which covers the terms of such appointment and remuneration read with service rules of the company. Payment of remuneration to Chairman and Managing Director and Whole Time Director(s) is governed by the respective agreements executed between them and the company. Remuneration paid to Chairman and Managing Director and Whole Time Director(s) is recommended by the Remuneration Committee, approved by the board and is within the limits set by the shareholders at the Annual General Meetings.

The remuneration package of Chairman and Managing Director and Whole Time Director(s) comprises of salary, perquisites and allowances, commission and contribution to Provident and other retirement benefit funds as approved by the shareholders at the Annual General Meetings. Annual increments are linked to performance and are decided by the Remuneration Committee and recommended to the Board for approval thereof.

The remuneration policy is directed towards rewarding performance, based on review of achievements, it is aimed at attracting and retaining high caliber talent.

There is no separate provision for payment of severance fees under the resolutions governing the appointment of Chairman and Managing Director and Whole time Director(s).

## The Ravalgaon Sugar Farm Ltd.

Presently the company does not have a scheme for grant of stock options or performance-linked incentives for its Directors.

### Remuneration to Directors.

Details of remuneration paid to Chairman & Managing Director, Mr. H. B. Doshi, and Executive Director, Mr. Nihal H. Doshi, for the period of 18 months ended 30th September 2012 are as follows:

Particulars	Current Period Rs. in Lacs	Previous Year Rs. in Lacs
Salary and Allowances	86.56	36.75
Perquisites	0.17	1.78
Contribution to Superannuation and Provident Fund	7.02	3.24
<b>Total Remuneration</b>	<b>93.76</b>	<b>41.77</b>

- a) Severance fees-not applicable. b) Service contract for three years. c) Notice period 6 months. No remuneration was paid to any non-executive director.
- b) Sitting fees aggregating Rs. 64,000/- for attending the Board Meetings and Committee Meetings.

NAME	Rs.
Mr. Y. P. Dandiwala	12000
Mr. M. B. Bhide	4000
Mr. Moorad Fazalbhoj	28000
Mr. Ashtekar	20000
<b>Total</b>	<b>64000</b>

### Shareholders / Investors Grievance Committee:

As a measure of good Corporate Governance and to focus on the investors' grievances and to expedite the transfer process in the physical segment, the Board has constituted a Shareholders / Investors Grievance Committee which comprises of three non-executive Directors Mr. Y. P. Dandiwala, Mr. A. S. Ashtekar and Mr. M. B. Bhide.

During the year no complaint was received from Shareholders / Investors. The letters relating to dividend warrant, etc. were also attended to promptly. On periodical basis a report on share transfers and complaints were submitted to the Committee Members. No complaints were pending at the end of the period.

### Compliance officer

The Board has designed Mr. Sanjay Patil as the Compliance Officer.

### DETAILS OF SHAREHOLDERS' COMPLAINTS RECEIVED, NOT SOLVED AND PENDING SHARE TRANSFERS.

Number of Shareholders complaints received during the year	Nil
Number of complaints not solved to the satisfaction of shareholders	Nil
Number of pending share transfer:	Nil

(Except those rejected on technical grounds)

### RISK MANAGEMENT

The Company has set in motion 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.

**General Body Meetings:**

The details of Annual General Meetings held in last five years are as follows:

AGM	Day	Date	Time	Venue
73rd	Saturday	29.09.2007	10.00 a.m.	Krida Mandal Hall, Ravalgaon - 423 108, Taluka : Malegaon, Dist. Nasik, Maharashtra
74th	Thursday	14.08.2008	09.00 a.m..	
75th	Thursday	29.09.2009	11.30 a.m.	
76th	Thursday	30.09.2010	10.00 a.m.	
77th	Thursday	29.09.2011	10.30 a.m.	

During the Financial Year ended March 2006, an Extra Ordinary General Meeting (EOGM) was held on 13th June 2005 wherein a Special Resolution was passed for approval of appointment of Mr. H. B. Doshi as CMD for a period of three years from 16th January 2005 to 15th January 2008.

During the Financial Year ended 31st March 2009, an Extra Ordinary General Meeting was held 21st April 2008 for extending the appointment of Mr. H. B. Doshi as CMD for further period of three years from 16th January 2008 to 15th January 2011.

During the Financial Year ended 31st March 2011, an Extra Ordinary General Meeting was held on 31st March 2011 for re-appointment of Mr. H. B. Doshi as Chairman and Managing Director for 3 years from 16th January 2011 and Mr. Nihal H. Doshi as Executive Director for 5 years from 1st January 2011.

**SUBSIDIARIES**

There are no subsidiaries of the company.

**DISCLOSURES**

During the last three years, no penalty or structures have been imposed on the company by the Stock Exchange / SEBI / Statutory Authorities on matters related to capital markets.

There are no materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large, except as reported elsewhere in the report / accounts.

The Company has not issued any GDRs/ADRs/Warrants or any convertible instrument during the period and there are no such instruments, which are outstanding as of the date of this Report.

The Company has complied with the mandatory requirements and has not adopted any non-mandatory requirement of Clause 49 of the Listing Agreements.

**INSIDER TRADING**

The Compliance Officer designated by the Board is responsible for ensuring compliance with Insider Trading Regulations.

**CODE OF CONDUCT**

The Board of Directors have adopted a Code of Business Conduct and Ethics for Directors and Senior Management. The said code has been communicated to the directors and Senior Management. The code is also uploaded on the company's website [www.ravalgaonindia.com](http://www.ravalgaonindia.com)

**Means of Communication**

The approved financial results are forthwith sent to Listed Stock Exchange and are published in the leading national newspaper namely Free Press Journal and Navshakti (Marathi) within forty-eight hours of approved thereof. These results and other official releases are also available at the company's website [www.ravalgaonindia.com](http://www.ravalgaonindia.com) and of the Bombay Stock Exchange Ltd., Mumbai at [www.bseindia.com](http://www.bseindia.com)

(Management Discussions and Analysis Report forms part of this Annual Report.)

**Compliance Certificate of the Auditors**

The Statutory Auditors' Certificate, as stipulated in clause 49 of the listing agreement with Stock Exchanges, that the company has complied with the conditions of Corporate Governance is annexed to the Report of the Directors and management Discussion and Analysis.

The certificate will be sent to the stock exchange where company's shares are listed.

## The Ravalgaon Sugar Farm Ltd.

### General Shareholder Information :

Date, time and Venue of AGM	: Thursday, 20th December 2012 at 10.30 A.M. : Krida Mandal Hall, Ravalgaon-423 108,
Taluka	: Malegaon, Dist. Nasik
Dates of Book Closure	: Wednesday, 12th December 2012 to Thursday, 20th December 2012 (both days inclusive)
Listing on Stock Exchanges	: The Stock Exchange, Mumbai
ISIN NO.	: INE 615 A01017
Registered office	: P. O. Ravalgaon, Taluka-Malegaon, Dist. Nasik, ravalgaon-423 108.
Company's E-Mail ID	: accounts.factory@ravalgaon.in
Compliance Officer	: Mr. Sanjay Patil

Exclusive Email ID for redress of investor complaints :  
in terms of clause 47(f) of the Listing Agreement following email address is exclusive for shareholders complaints :  
snehal.shah@ravalgaonindia.com

### Share price on Mumbai Stock Exchange :

High / Low during the period of 18 months ended 30th September 2012: High Rs. 6500 / Low Rs. 4677

Month	Share Price (Rs.)	
	High	Low
April, 2011	6500.00	5952.00
May, 2011	6372.50	5676.90
June, 2011	6134.00	5650.00
July, 2011	6494.80	5730.50
August, 2011	6300.00	5661.00
September, 2011	6427.00	5577.00
October, 2011	5940.00	5580.00
November, 2011	5954.95	5202.00
December, 2011	5597.00	4731.00
January, 2012	5641.00	4900.00
February, 2012	6446.00	5421.00
March, 2012	5894.80	5300.05
April, 2012	5698.00	5050.00
May, 2012	5400.00	4677.00
June, 2012	5225.00	4861.00
July, 2012	5695.00	5005.00
August, 2012	5399.00	4950.00
September, 2012	5555.00	5001.00

### Shareholding Pattern as on 30th September 2012

Category	% of Shareholding	No. of shares held
Promoters & Persons acting in concert	52.88	35956
NRI & Foreign Institutional Investors	0.46	314
Nationalised Banks, Financial Institutions & Insurance Cos.	0.06	38
Indian Public	46.60	31692
<b>Total</b>	<b>100.00</b>	<b>68000</b>

**Distribution of Sahreholding as on 30th September 2012**

No. of Equity Shares	Number of Shareholders	% of Shareholders	No. of Shares	% of Shares
1-500	4395	99.91	30386	44.69
501-1000	0	0.00	0	0.00
1001-2000	1	0.02	1345	1.98
2001-3000	1	0.02	2883	4.24
3001-4000	0	0.00	0	0.00
4001-5000	0	0.00	0	0.00
5001-10000	1	0.02	5020	7.38
10001- and above	1	0.02	28366	41.71
Total	4399	100.00	68000	100.00

**Additional Shareholders Information :**

78th ANNUAL GENERAL MEETING

DAY, DATE &amp; TIME

: Thursday, 20th December at 10.30 A.M.

PLACE

: Krida Mandal Hall, Ravalgaon-423 108, Taluka Malegaon, Dist. Nasik, Maharashtra

**BOOK CLOSURE:**

The dates of book closure are from Wednesday, 12th December 2012 to Thursday 20th December 2012 (both days inclusive)

**Calender for Financial results****: Financial Year Oct. 2012 - Sept. 2013**

First quarter results

: Second week of Feb., 2012

Second quarter and half yearly results

: Second week of May, 2012

Third quarter results

: Last week of July, 2012

Fourth quarter results

: Last week of Oct., 2012

Yearly results

: Last week of Nov., 2012

**LISTING AND STOCK CODES :**

The Company's equity shares are listed on The Stock Exchange, Mumbai (BSE). The stock code at the said Stock Exchange is 507300.

**PLANT LOCATIONS:**

The Ravalgaon Sugar Farm Ltd.

P. O. Ravalgaon - 423 108, Taluka Malegaon, Dist. Nasik, Maharashtra

**ADDRESS FOR CORRESPONDENCE:****Registered Office :**

The Ravalgaon Sugar Farm Ltd.

P. O. Ravalgaon - 423 108,

Taluka Malegaon, Dist. Nasik, Maharashtra

Tel.: (02554)270238 / 270274, Fax : (02554)270284

Email: accounts.factory@ravalgaon.in

**Registered & Share transfer Agents:**

Freedom Registry Ltd.

Plot No. 101/102, 19th Street

MIDC Industrial Area, Satpur, Nasik-422 007,

Tel: (0253)2354032. Fax : (0253)2351126

Email: support@freedomregistry.in

**Declaration on compliance of the Company's Code of Conduct :**

It is hereby confirmed that all the non-executive directors, executive directors &amp; senior management personnel of the Company have affirmed due observance of the code of conduct in so far as it is applicable to them and there is no non-compliance thereof for the period of 18 months ended 30th September 2012

For **The Ravalgaon Sugar Farm Ltd.**

Mumbai

Dated : 7th November 2012.

**HARSHVARDHAN B. DOSHI**

Chairman &amp; Managing Director

## The Ravalgaon Sugar Farm Ltd.

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### ANNEXURE "C" TO DIRECTORS' REPORT

To,  
The Members,  
The Ravalgaon Sugar Farm Limited  
P.O Ravalgaon - 423108  
Taluka – Malegaon, Dist Nasik,  
Maharashtra

CIN L01110MH1933PLC001930  
Nominal Capital Rs 6.00 CRORES

We have examined the registers, records, books and papers of THE RAVALGAON SUGAR FARM LIMITED (the company) as required to be maintained under the Companies Act, 1956 (the Act) and rules made there under and also the provisions contained in the Memorandum and Articles of Association of the company for the period of 18 months ended on 30<sup>th</sup> September 2012. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers, agents, we certify that in respect of the period of 18 months ended on 30<sup>th</sup> September 2012

1. The company has kept and maintained all the registers as stated in the Annexure "A" to this certificate, as per the provisions of the Act and the rules made there under and all the entries therein have been duly recorded.
2. The company has duly filed the forms and returns as stated in Annexure "B" to this certificate with the Registrar of Companies, Regional Director, Central Government, Company Law Board, or other authorities within the time prescribed under the Act and the rules made there under.
3. The company is a public limited company and has paid up capital of Rs 34,00,000/ (Rupees Thirty Four Lacs only) as on 30<sup>th</sup> September 2012
4. The Board of Directors duly met 7 times on 25<sup>th</sup> April 2011, 25<sup>th</sup> July 2011, 12<sup>th</sup> August 2011, 21<sup>st</sup> October 2011, 25<sup>th</sup> January 2012, 9<sup>th</sup> May 2012 and 27<sup>th</sup> July 2012 and in respect of such meetings proper notices were given and proceedings were properly recorded and signed.
5. The company closed its Register of Members from Wednesday, 21<sup>st</sup> September 2011 to Thursday, 29<sup>th</sup> September 2011 (both days inclusive).
6. The Annual General Meeting for the financial year ended 31st March 2011 was held on 29<sup>th</sup> September 2011 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in the Minutes book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the period of 18 months ended on 30<sup>th</sup> September 2012
8. The company has not advanced any loans to its Directors or persons or firms or companies referred to under section 295 of the Act.
9. The company has duly complied with the provisions of section 297 of the Act in respect of contracts specified in that section
10. The company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or the Central Govt.
12. The company has issued duplicate share certificates during the period after complying with the provisions laid down in the Act.



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13. During the period of 18 months ended 30<sup>th</sup> September 2012, the Company has:
- (i) Delivered all the certificates on lodgement thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act. The company has not made any allotment of securities during the period.
  - (ii) Deposited the amount of dividend declared in a separate Bank account in accordance with the provisions of the Act.
  - (iii) Posted warrants for dividends to all the members within a period of 30 (thirty) days from the date of declaration and that all unclaimed/unpaid dividend has been transferred to Unpaid dividend account of the company within the stipulated time.
  - (iv) Transferred the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid to Investor Education and Protection Fund/Central Govt in accordance with the provisions of the Act.
  - (v) Duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the company is duly constituted. There was no appointment of Additional Directors, Alternate Directors and Directors to fill casual vacancies during the period of 18 months ended 30<sup>th</sup> September 2012.
15. The appointment of Chairman and Managing Director has been made in compliance with provisions of the Act read together with schedule XIII.
16. The company has not made any appointment of sole selling agents during the period.
17. The company has sought approval of the Central Govt. for reappointment and payment of remuneration to Chairman and Managing Director.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The company has not issued any shares/debentures/other securities during the period of 18 months.
20. The company has not bought back any shares during the period of 18 months.
21. There was no redemption of preference shares/debentures during the period of 18 months.
22. There was no transaction necessitating the company to keep in abeyance the right to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The company has complied with the provisions of section 58A and 58AA read with Companies (Acceptance of Deposit) Rules, 1975/the applicable directions issued by the Reserve Bank of India/any other authority in respect of deposits accepted including unsecured loans taken, raised by the company during the period and the company has filed the copy of advertisement with the Registrar of Companies, Maharashtra on 25<sup>th</sup> January 2012. The Company has also filed return of deposit with the Registrar of Companies.
24. The amount borrowed by the company from directors, members, public, financial institutions, banks and others during the period of 18 months ended 30<sup>th</sup> September 2012 is within the borrowing limits of the company.

## The Ravalgaon Sugar Farm Ltd.

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25. The company has given loans and made investments in other bodies corporate in compliance with the provisions of section 372A and has made necessary entries in the register kept for that purpose.
26. The company has not altered the provisions of the Memorandum with respect to situation of the company's registered office from one state to another during the period under scrutiny.
27. The company has not altered the provisions of the Memorandum with respect to the objects of the company during the period under scrutiny.
28. The company has not altered the provisions of the Memorandum with respect to name of the company during the period under scrutiny.
29. The company has not altered the provisions of the Memorandum with respect to share capital of the company during the period under scrutiny.
30. The company has not altered any of the provisions of its Articles of Association during the period under scrutiny.
31. There were no prosecutions initiated against or show cause notices received by the company and no fines or penalties or any other penalties or punishments were imposed on the company during the period of 18 months for any of the offences under the Act.
32. The company has not received any money as security from its employees during the period under certification.
33. The company has deposited both employees' and employer's contribution to Provident Fund with the prescribed authority pursuant to section 418 of the Companies Act, 1956

Place: Mumbai

Signature:

Date: 7<sup>th</sup> November 2012

Name: BIPIN RAJE  
C.P No 6147

**ANNEXURE A**

- (1) Register of Members u/s 150 of the Act
- (2) Register of Directors shareholding u/s 307 of the Companies Act, 1956
- (3) Register of Directors, Managing Director, Manager and Secretary u/s 303 of the Companies Act, 1956
- (4) Books of accounts and cost records u/s 209(1) of the Act
- (5) Register of Particulars of Contracts in which Directors are interested u/s 301
- (6) Register of Directors Attendance
- (7) Minutes of the General Meetings and Board Meetings u/s 193 of the Act
- (8) Register of charges u/s 143 of the Act
- (9) Register of Fixed Deposits u/s 58A of the Companies Act, 1956

**ANNEXURE B**

Forms and Returns as filed by the Company with the Registrar of Companies, Maharashtra, Mumbai during the period of 18 months ended 30<sup>th</sup> September 2012. The Company has extended its accounting year for a period of 18 months vide ROC approval dated 23<sup>rd</sup> May 2012.

Sr No*	Form No/	Filed Under Return	Purpose Section	Date of Filing	Whether filed in time	Requisite late filing fees If delay in Filing
1	Form 20B	159	Annual Return for the financial year ended 31st March 2011 – SRN P80643893	26/11/2011	Yes	NA
2	Form 23AC & ACA	210	For the Year Ended 31st March 2011 – P82388745	09/12/2011	Yes	NA
3	Form 66	383 A	Compliance certificate for the year ended year ended– P74133570	31/03/2011	Yes	NA
4	Form 1		Cost Audit Report for the year ended 31 <sup>st</sup> March 2011 - B24867475	15/11/2011	Yes	NA
5	Form 1 INV	205 C	Transfer of unpaid dividends of the year 2004 – SRN B25456625	23/11/2011	Yes	NA
6	Form 1 INV	205 C	Transfer of unclaimed fixed deposits as on 31 <sup>st</sup> March 2012 – SRN B37180031	19/04/2012	Yes	NA
7	Form 62	58 A	Copy of advertisement inviting public deposits – SRN B30487094	25/01/2012	Yes	NA
8	Form 62	58 A	Copy of Fixed Deposit Return for the period April 2011 to March 2012 - SRN B41961269	26/06/2012	Yes	NA
9	Form 61	210(4)	Extending period of Annual Accounts to 18 months – SRN B39591227	22/05/2012	Yes	NA
10	Form 5 INV	Rule 3 of IEPF	Statement of unclaimed and unpaid	31/07/2012	Yes	NA
11	Form 8		Creation of charge-SRN B36256857	05/04/2012	No	Yes
12	Form 21		SRN B42442954	02/07/2012	Yes	NA
13	Form 8		Creation of charge-SRN B36281509	05/04/2012	No	Yes
14	Form 17		Satisfaction of charge-SRN B41732595	22/06/2012	No	Yes
15	Form 21		SRN B56467582	30/08/2012	Yes	NA
16	Form 17		Satisfaction of charge-SRN B40678096	06/06/2012	Yes	NA

\*Arrangement is not in Chronological Order

## The Ravalgaon Sugar Farm Ltd.

Annexure "D" to Directors' Report

### 1) Disclosure of Particulars with respect to Conservation of Energy

	Current period	Previous year
A. Power and Fuel Consumption:		
1) Electricity:		
(a) Purchased (from M.S.E.B.)		
Units (KWH in lacs)	20.51	15.08
Rate / Unit (Rs.)	6.65	5.75
Total amount (Rs. in lacs)	136.49	86.71
(b) Own Generation	-	-
D) Diesel Generator		
Units (KWH in lacs)	2.04	1.92
Units (KWH) per litre of Diesel Oil	3.27	3.29
Cost/per Unit (Rs.)	13.77	12.11
ii) Steam Turbine / Generator		
Unit (KWH in lacs)	42.04	29.28
Unit (KWH) per M.T. Of Bagasse	186.02	166.56
Cost / per Unit (Rs.)	13.43	10.81
2) <b>Coal:</b>		
Quantity (MTs)	-	-
Total Cost (Rs. in lacs)	-	-
Rate per MT (Rs)	-	-
3) <b>Furnace Oil:</b>		
Quantity (MTs)	-	-
Total Cost (Rs. in lacs)	-	-
Rate per MT (Rs)	-	-
4) <b>Others / Internal Generation:</b>		
i Fire wood consumed:		
Quantity (MTs)	90.00	205.60
Total Cost (Rs. in lacs)	2.79	6.49
Rate per MT (Rs)	3100.00	3155.14
ii Bagasse / Maka buds		
Quantity (MTs)	-	1053.54
Total Cost (Rs. in lacs)	-	25.58
Rate per MT (Rs)	-	2428.57
B. Consumption per Unit of Production (Electricity/Power in KWH)		
Sugar (per M. T.)	23.97	22.77
Confectionery (per M.T.)	382.77	317.48

**2) Disclosure of Particulars with respect to Technology Absorption:**

A. Research and Development (R & D)

1. Specific areas in which R & D carried out by the Company
  - a) Production & process improvement / developments
  - b) Development of new products and improvement in existing products.
2. Benefits derived as a result of above R & D
  - a) Quality improvement of existing products
  - b) Development of new products
3. Future Plan of action:  
The ongoing programme of R & D will continue for development of new products processes and improvement of existing products and processes.
4. Expenditure on R & D  
There is no capital expenditure on account of R & D and the recurring expenditure is not significant as compared to total turnover.

B. Technology Absorption, Adaptation and Innovation:

The Company did not enter into any foreign collaboration for the purpose of technical assistance and technology was not imported for the purpose of product improvement, development of new products or new process.

**3) Foreign Exchange Earning and Outgo:**

During the year there are no export sales. Details of Foreign Exchange outgo are given in Notes 22,26.1 and 26.2 forming part of the Financial Statements.

**AUDITOR'S REPORT**

The Shareholders

**The Ravalgaon Sugar Farm Limited,**

1. We have audited the attached Balance Sheet of The Ravalgaon Sugar Farm Limited as at September 30, 2012, and the Profit & Loss Account and Cash Flow Statement for the period 18 months ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003, issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 ("The Act"), as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 on the basis of the information and explanation given to us, and on the basis of such checks as we considered appropriate, we give in the Annexure, hereto a statement on the matters specified in paragraphs 4 & 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above we report that:
  - (a) We have obtained all the information and explanations, which, to the best of our knowledge and belief, were necessary for the purpose of our Audit.
  - (b) In our opinion, proper Books of Account as required by Law have been kept by the Company so far as appears from our examination of those books.
  - (c) The Balance Sheet and Profit & Loss Account referred to in this report are in agreement with the Books of Account.
  - (d) On the basis of written representation received from the Directors of the Company as at September 30, 2012 and taken on record by the Board of Directors, none of the Directors is disqualified as on September 30, 2012 from being appointed as Director in terms of clause {g} of sub section {1} of section 274 of the Companies Act, 1956.
  - (e) In our opinion, the Balance Sheet, Profit and Loss Account and Cash flow statement dealt with by this report comply with the mandatory Accounting Standards referred to in sub - section (3C) of section 211 of the Companies Act, 1956 **except for the accounting standard relating to employee benefits referred in para 4(f) below.**
- (f) **No provision has been made for the present value of the accrued Gratuity liability (net of adhoc partial provision of Rs. 34 Lacs and funds lying with LIC of India) and valued actuarially by a independent actuary as at September 30, 2012 amounting to Rs. 528.55 Lacs as detailed in Note 32 of financial statements. Therefore the profit for the period is over stated by Rs.139.62 lacs and the Reserves and Surplus of the company as at September 30, 2012 are higher by Rs. 528.55 lacs.**
- (g) Subject to the effect of matters contained in para 4(f) above, In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and other notes thereon give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (i) In so far as it relates to the Balance Sheet, of the state of affairs of the Company as at 30th September 2012;
  - (ii) In so far as it relates to the Profit and Loss Account, of the loss of the Company for the period ended on that date; and

(iii) In the case of Cash Flow Statement, of the cash flows of the Company for the period ended on that date.

For **V.Sankar Aiyar & Co.**  
**Chartered Accountants**  
**Firm Regn No: 109208W**

Place : Mumbai  
Dated : November 07, 2012

**Arvind Mohan**  
**Partner**  
**M.No.124082**

**Annexure to Auditors' Report**

**Referred to in Paragraph 3 of our report of even date**

1. In respect of its fixed assets:

- a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
- b. As explained to us, the fixed assets have been physically verified by the management as per the phased programme of physical verification of fixed assets. As informed to us programme is such that all the fixed assets will get physically verified in two years time which in our opinion is reasonable having regard to the size of the Company and the nature of its fixed assets.
- c. In our opinion, the Company has not disposed of substantial part of fixed assets during the period and the going concern status of the Company is not affected.

2. In respect of inventory;

- a. The stock of finished goods and raw material has been physically verified during the year by the Management. The Company has a perpetual inventory system in respect of stores and spare parts. In our opinion, the frequency of verification is reasonable.
- b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and nature of its business.
- c. In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material having regard to the size of the operations of the Company.

3.

- a. The company has not granted any loans secured or unsecured to any party covered in the register maintained under section 301 of the Act. Therefore, the requirements of Clause 4(iii) (b), (c) and (d) of the Order are not applicable to the Company.
- b. The company has taken loans from two companies amounting to Rs. 155 Lacs, renewable on quarterly basis, covered in register maintained under section 301 of Companies Act, 1956. The existing unsecured loans have on outstanding balance of Rs. 175 Lacs and maximum balance of Rs. 290 Lacs during the period.
- c. The rate of interest and other terms and conditions of loan taken are not prima-facie prejudicial to the interest of the Company.
- d. The company is regular in repayment of the principal amount of loan taken and interest as stipulated.

4.

In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventories, fixed assets and also for the sale of goods and services. During the course of audit, we have not observed any other continuing failure to correct major weaknesses in the internal control.

## The Ravalgaon Sugar Farm Ltd.

5. In respect of transactions covered under Section 301 of the Companies Act, 1956:
- In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956, have been entered in the register required to be maintained under that section.
  - In our opinion and according to the information and explanations given to us, the transactions made in pursuance of aforesaid contracts or arrangements in excess of Rs.5 lacs in respect of any party, have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has complied with the provisions of Section 58A, 58AA or any other relevant provisions of the Act and the rules framed under for deposits Accepted from public. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
7. In our opinion, the company has an internal audit system commensurate with its size and the nature of its business.
8. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant to the rules made by the Central Government for the maintenance of the Cost records under Section 209(1)(d) of the Act and we are opinion that prima-facie, the prescribed accounts and records have been made and maintained.
9. In respect of the statutory dues:
- According to the records of the Company, undisputed statutory dues including, Investor Education and Protection Fund, Income Tax, Wealth Tax, Service Tax, Customs Duty, Excise duty, cess and other material statutory dues have been regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at September 30, 2012 for a period of more than six months from the date of becoming payable.
  - According to the information and explanations given to us, the following disputed statutory dues on account of Excise duty, Purchase tax, Income Tax and Provident Fund on Contract Labour have not been deposited with the appropriate authorities:

Nature of dues	Amount not deposited in Rs. In lacs	Period to which the amount relates	Forum where dispute is pending
Sugarcane Purchase Tax Act. Sugarcane Purchase tax payable on harvesting and transport charges.	60.92	1995 to 1999.	High Court Mumbai
The Bombay Electricity Duty Act, 1958. Electricity duty on own generation.	76.33	April, 2005 to March, 2009.	High Court Mumbai
The Central Excise Act, 1944.	136.36	March, 2002 to October, 2006	Customs, Excise and Service Tax Appellate Tribunal and Commissioner (Appeals)
Income Tax Act, 1961	4.20 6.58 14.95	A.Y 2005-06 A.Y 2006-07 A.Y 2008-09	I.T.A.T (Mumbai) CIT Appeals (Mumbai) CIT Appeals (Mumbai)
Provident Fund on Contract Labour	140.00	2001-2002 to 2008-2009	Provident Fund Commissioner, Nasik



10. The Company does not have accumulated losses as per the Balance Sheet as the end of the reporting period and has not incurred any cash loss during the period and during the immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to banks.
12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a Nidhi / mutual benefit fund / society. Accordingly, clause 4(xiii) of the Order does not apply.
14. The Company has not traded in securities, debentures and other investments. Accordingly, clause 4(xiv) of the Order does not apply.
15. In our opinion and according to information and explanations provided to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
16. The Term loans were applied for the purpose for which they were raised.
17. According to the information and explanations given to us, and on an overall examination of the Balance Sheet of the company, funds raised on short-term basis have, prima facie, not been used during the year for making long-term investments.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures. Accordingly, clause 4(xix) of the Order does not apply.
20. The Company has not raised any money by way of public issue during the year. Accordingly clause 4(xx) of the Order does not apply.
21. According to the information and explanations given to us, and based on audit procedures performed and representations obtained from the management, we report that no material fraud on or by the Company, has been noticed or reported during the year under audit.

**For V.Sankar Aiyar & Co.**  
**Chartered Accountants**  
**Firm Regn No: 109208W**

Place : Mumbai  
Dated : November 07, 2012

**Arvind Mohan**  
**Partner**  
**M.No.124082**

The Ravalgaon Sugar Farm Ltd.

Balance Sheet as at 30-September-2012

	Note No.	As at 30-September-2012	(Rs. in Lacs) As at 31-March-2011
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
(a) Share capital	2	34.00	34.00
(b) Reserves and surplus	3	<u>2,496.00</u>	<u>3,344.60</u>
		2,530.00	3,378.60
<b>Non-current liabilities</b>			
(a) Long-term borrowings	4	943.37	1,399.84
(b) Deferred tax liabilities (net)	5	339.44	377.05
(c) Long-term provisions	6	<u>50.76</u>	<u>51.48</u>
		1,333.57	1,832.37
<b>Current liabilities</b>			
(a) Short-term borrowings	7	186.95	1,541.01
(b) Trade payables	8	161.12	157.29
(c) Other current liabilities	9	1,011.93	1,600.49
(d) Short-term provisions	10	<u>32.91</u>	<u>72.94</u>
		<u>1,392.91</u>	<u>3,371.73</u>
		<b><u>5,256.48</u></b>	<b><u>8,578.70</u></b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Fixed assets - Tangible Assets	11	2,906.24	3,026.53
(b) Non-current investments	12	28.92	26.41
(c) Long-term loans and advances	13	<u>121.00</u>	<u>185.56</u>
		3,056.16	3,238.51
<b>Current assets</b>			
(a) Current investments	14	259.26	346.59
(b) Inventories	15	1,197.73	4,310.37
(c) Trade receivables	16	257.85	206.83
(d) Cash and bank balances	17	95.10	168.19
(e) Short-term loans and advances	18	390.02	306.31
(f) Other current assets	19	<u>0.36</u>	<u>1.89</u>
		<u>2,200.32</u>	<u>5340.19</u>
		<b><u>5,256.48</u></b>	<b><u>8,578.70</u></b>
See accompanying notes forming part of the financial statements	1		

As per our report of even date  
**For V. SANKARAIYAR & CO**  
Chartered Accountants  
Firm Registration # 109208W

**For and on behalf of the Board of Directors**

**H. B. Doshi**  
Chairman & Managing Director

**N. H. Doshi**  
Executive Director

**Arvind Mohan**  
**Partner**  
Membership No. 124082  
Mumbai  
07-Nov-12

**A. S. Ashtekar**  
Director

Mumbai  
07-Nov-12

## Statement of Profit and Loss for 18 months ended 30-September 2012

(Rs. In Lacs)

Particulars	Note No.	Eighteen Months Ended 30-September-2012	Year Ended 31-March-2011
<b>Income</b>			
Revenue from operations (gross)	20	11,244.23	2,923.88
Less: Excise duty		<u>521.03</u>	<u>165.12</u>
Revenue from operations (net)		10,723.20	2,758.76
Other income	21	<u>310.73</u>	<u>276.14</u>
<b>Total Revenue</b>		<b><u>11,033.93</u></b>	<b><u>3,034.90</u></b>
<b>Expenditure</b>			
Cost of materials consumed	22	5,081.14	3,859.46
Changes in inventories of finished goods and work-in-progress	23	3,088.35	(3,268.32)
Employees benefit expenses	24	1,263.94	675.60
Finance costs	25	500.92	156.40
Depreciation and amortisation expenses		338.39	225.56
Other expenses	26	<u>1,643.45</u>	<u>1,374.74</u>
<b>Total Expenses</b>		<b>11,916.19</b>	<b>3,023.43</b>
<b>Profit before Tax</b>		<b>(882.26)</b>	<b>11.47</b>
<b>Tax expense:</b>			
Current tax			
Income Tax		-	3.70
Wealth Tax		-	1.40
Taxes for Earlier Years		-	25.69
Deferred tax		<u>(37.61)</u>	<u>(22.65)</u>
<b>Profit after tax for the period</b>		<b>(844.65)</b>	<b>3.33</b>
<b>Earnings per share</b>			
Basic and Diluted earning per share (Rs.)		(1,242.13)	4.90
Face Value per share fully paid up (Rs.)		50.00	50.00
See accompanying notes forming part of the financial statements	1		

As per our report of even date

**For V. SANKARAIYAR & CO**

Chartered Accountants

Firm Registration # 109208W

**For and on behalf of the Board of Directors****H. B. Doshi**

Chairman &amp; Managing Director

**N. H. Doshi**

Executive Director

**Arvind Mohan****Partner**

Membership No. 124082

Mumbai

07-Nov-12

**A. S. Ashtekar**

Director

Mumbai

07-Nov-12

## The Ravalgaon Sugar Farm Ltd.

### Cash Flow Statement for 18 months ended 30-September-2012

(Rs. In Lacs)

	18 months ended 30-September-2012	Year ended 31-March-2011
<b>A. Cash flow from operating activities</b>		
Net Profit / (Loss) before extraordinary items and tax	(882.26)	11.47
<u>Adjustments for:</u>		
Depreciation and amortisation	338.39	225.56
Interest Paid	500.92	156.40
(Profit) / loss on sale / write off of assets	-	(29.69)
(Profit) / loss on sale / write off of Investments	(7.17)	-
Interest income	(1.93)	(10.28)
Dividend income	(12.01)	(93.23)
	<b>818.20</b>	<b>248.76</b>
<b>Operating profit / (loss) before working capital changes</b>	<b>(64.06)</b>	<b>260.23</b>
<u>Adjustments for:</u>		
Inventories	3,112.64	(3,370.64)
Trade and other receivables	(28.45)	(39.33)
Trade Payables and Deposits	(570.81)	629.39
Net income tax (paid) / refunds	(49.97)	(197.46)
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>2,399.35</b>	<b>(2,717.81)</b>
<b>B. Cash flow from investing activities</b>		
Capital expenditure on fixed assets, including capital advances	(218.10)	(1,180.44)
Proceeds from sale of fixed assets	-	0.26
Inter-corporate deposits (net)	(65.00)	-
Interest received	3.46	93.23
Dividend received	12.01	10.28
Investment (made) / sold	91.99	2,034.66
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>(175.64)</b>	<b>957.99</b>
<b>C. Cash flow from financing activities</b>		
Net increase / (decrease) in Long Term Borrowings	(456.47)	-
Net increase / (decrease) in Short Term Borrowings	(1,289.06)	1,786.16
Finance cost	(500.92)	(144.88)
Dividends paid	(50.35)	(49.95)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>(2,296.80)</b>	<b>1,591.33</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>(73.09)</b>	<b>(168.49)</b>
<b>Cash &amp; Cash Equivalent</b>		
Opening	168.19	336.68
Closing Balance	95.10	168.19

Note: Previous period figures have been regrouped / recast wherever necessary

As per our report of even date  
**For V. SANKARAIYAR & CO**  
Chartered Accountants  
Firm Registration # 109208W

**For and on behalf of the Board of Directors**

**H. B. Doshi**  
Chairman & Managing Director

**N. H. Doshi**  
Executive Director

**Arvind Mohan**  
**Partner**  
Membership No. 124082  
Mumbai  
07-Nov-12

**A. S. Ashtekar**  
Director

Mumbai  
07-Nov-12

**Notes forming part of the financial statements****Note 1:****Significant Accounting Policies:****a) Basis of Accounting:**

The financial statements are prepared in accordance with generally accepted accounting principles in India. The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standard) Rules 2006 issued under subsection 3C of Section 211 of The Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

During the financial period ended September, 2012 the revised Schedule VI notified under the Companies Act, 1956 has become applicable to the company, for preparation and presentation of its financial statements. The company has also re-classified the previous year figures in accordance with the requirements applicable in the current period.

**b) Use of Estimates:**

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. Differences between actual results and estimates are recognized in the period in which they materialize.

**c) Fixed Assets:**

Fixed Assets are stated at cost less accumulated depreciation. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use including borrowing cost and incidental expenditure during construction incurred up to the date of commissioning.

**d) Depreciation:**

- i. Depreciation on assets as on 31st March 1993 is charged in the accounts on the Written Down Value Method in accordance with Schedule XIV of the Companies Act, 1956.
- ii. Depreciation on additions to Fixed Assets from 1st April 1993 is charged in the Accounts on the Straight Line Method in accordance with the Schedule XIV of the Companies Act, 1956.
- iii. Depreciation in respect of each individual item of asset costing up to Rs. 5000/- is provided @ 100% in the year of purchase.

**e) Investments:**

Long Term Investments are valued at costs. Provision for diminution in value of investments is made if, in the opinion of the management, the diminution is of a permanent nature. Current Investments are valued at lower of cost or fair value.

**f) Inventories:**

- i. Stores, spares, packing materials, loose tools and raw materials are valued at cost or net realisable value whichever is lower, by applying the First In First Out (FIFO) Method.
- ii. Finished goods are valued at Cost or Net Realisable Value whichever is lower.
- iii. Work in progress / process is valued at lower of cost or net realisable value.
- iv. Estimated quantities of saleable by-products i.e. Molasses, Bagasse and Treated Dry Press mud are valued at estimated Net Realisable Value.

**g) Revenue Recognition:**

- i. The company recognizes revenue from sale of products upon dispatch/delivery of the goods coupled with transfer of title to the customers.
- ii. Revenue from service is recognized on rendering of services to customers.
- iii. Interest Income is recognized on time proportion basis.
- iv. Dividend Income is recognized, at the time when they are declared.

**h) Foreign Currency Transaction:**

- i. Foreign currency transactions are accounted at the rates prevailing on the date of transaction.
- ii. Monetary Assets and Liabilities denominated in foreign currencies are translated at the exchange rate prevailing on the Balance Sheet date. Any gains or losses arising due to exchange differences at the time of translation or settlement are accounted for in the Profit and Loss Account.

**Notes forming part of the financial statements**

**i) Employee Benefits:**

- i. Short Term employee benefits are recognized as an expense at the undiscounted amount in the Profit and Loss Account for the period in which the related service is rendered.
- ii. In respect of Post employment benefits viz. Gratuity, the Company has a master policy with LIC under Group Gratuity Scheme for its employees. The company provides / contributes to LIC Group Gratuity Scheme for future payments of retirement gratuity to the employees as determined by Management.
- iii. Other Long term benefits viz. Leave Encashment are recognized as an expense in the Profit and Loss Account for the period in which the employee has rendered service. The expense is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses are charged to the Profit and Loss Account.
- iv. Company's contribution paid / payable to defined contribution schemes such as Provident Fund, Superannuation are charged to Profit and Loss Account.

**j) Taxation:**

Provision for current tax is made after taking into consideration benefits admissible under the provisions of Income Tax Act, 1961. Deferred Tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the Balance Sheet date. The deferred tax asset is recognized and carried forward only to the extent there is reasonable certainty / virtual certainty as the case may be, that the asset will be realized against future taxable profits.

**k) Impairment of Assets:**

At each Balance sheet date, the management reviews the carrying amount of its assets and goodwill included in each Cash generating Unit to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount of an asset is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value and the risks specific to the asset. Reversal of impairment loss is recognized immediately as income in the profit and loss account.

**l) Operating Lease Granted:**

Lease arrangements where the risk and rewards incident to the ownership of an asset substantially vest with the lessor, are recognized as operating lease. Lease rentals under operating lease are recognized in profit and loss account on a straight-line basis.

**m) Accounting for Provisions, Contingent Liabilities and Contingent Assets:**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the Notes to Accounts. Contingent assets are neither recognized nor disclosed in the financial statements.

**n) Earning per Share:**

The Basic & Diluted Earnings Per Share ("EPS") is computed by dividing the net profit after tax for the period by weighted average number of equity shares outstanding during the period.

**o) Cane Price:**

Purchases of sugarcane for the season are accounted for on an estimated basis as per the Sugarcane price policy announced by the Company. The difference in price, if adjusted in the books of account in the year the final price is determined by the Company, as and when it crystallize and in certain cases at a fixed price as agreed upon.

## Notes forming part of the financial statements

## 2 Share capital

	As at 30-September-2012	(Rs. In Lacs) As at 31-March-2011
(a) Authorised		
3,00,000 Preference Shares of Rs. 100/- each	300.00	300.00
6,00,000 Equity shares of Rs. 50 each	<u>300.00</u>	<u>300.00</u>
	<b>600.00</b>	<b>600.00</b>
(b) Issued, Subscribed and fully paid up		
68,000 Equity shares of Rs.50 each	<u>34.00</u>	<u>34.00</u>
	<b>34.00</b>	<b>34.00</b>

## Details of Shareholders holding more than 5% shares:

Name of shareholder	As at 30-September-2012		As at 31-March-2011	
	Number of Shares Held	% holding in	Number of Shares Held	% holding in
Lanica Financial Services Private Limited	28366	41.71	28366	41.71
Carina Finvest Limited	5020	7.38	5020	7.38

There is no change in the shares outstanding at the beginning and at the end of the reporting date & immediately preceding reporting date

## Terms Rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 50 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the no. of equity shares held by the shareholder.

## 3 Reserves and surplus

	As at 30-September-2012	(Rs. In Lacs) As at 31-March-2011
(a) Capital Redemption Reserve	20.00	20.00
(b) Cash Subsidy Reserve	20.00	20.00
(c) General Reserve		
Opening balance	2,204.76	2,203.76
Add: Transferred from surplus in Statement of Profit and Loss	-	1.00
Less: Utilised / transferred during the period for:	-	-
Closing balance	<u>2,204.76</u>	<u>2,204.76</u>
(d) Surplus / (Deficit) in Statement of Profit & Loss		
Opening balance	1,099.84	1,156.78
Add: Profit/(Loss) for the period	(844.65)	3.33
Less: Proposed Dividend	3.40	51.00
Tax on Proposed Dividend	0.55	8.27
Transfer to General Reserve	-	1.00
Closing balance	<u>251.24</u>	<u>1,099.84</u>
	<b>2,496.00</b>	<b>3,344.60</b>

## 4 Long-term borrowings

	As at 30-September-2012	(Rs. In Lacs) As at 31-March-2011
<b>Secured</b>		
Term Loan from Bank (refer Note 4.1)	417.68	869.65
From Financial Institutions (refer Note 4.2)	<u>-</u>	<u>37.82</u>
	<b>417.68</b>	<b>907.47</b>
<b>Unsecured</b>		
Deferred sales tax liability (refer Note 4.3)	164.24	217.66
Public Fixed Deposit	<u>361.45</u>	<u>274.70</u>
	<b>525.69</b>	<b>492.36</b>
	<b>943.37</b>	<b>1,399.84</b>

## 4.1 Term loan from Bank

The term loan from Dena Bank is secured by the hypothecation of the Harvesting Machines / Tractors Trolleys / Metallic Bullock Carts and other assets and residual charge on other fixed assets of the company. Repayable in equal quarterly installment from July, 2012 to September, 2014. Average rate of borrowing for the period is 13 % p.a. The term loan from HDFC Bank is secured by the equitable mortgage of Office Property and carries interest @ 12.55 % p.a. the loan is repayable in monthly installments from January, 2011 to November, 2019.

# The Ravalgaon Sugar Farm Ltd.

## Notes forming part of the financial statements

4.2 Term loan from Financial Institutions.  
The term loan from Urban Sugar Development Fund for modernisation of Sugar Mill is secured by way of hypothecation of all movable properties of the company, including plant and machinery, spares, tools and accessories.

Term loan from State Government is secured against Bank Guarantee and further secured by residual charge on fixed assets.

4.3 The total amount outstanding from SICOM is Rs. 217.66 Lacs out of which Rs.36.42 lacs is repayable from April 2011 to April 2014 and the balance amount to be repaid within 5 years from the date of completion of the assessment of the relevant years.

### 5 Deferred Tax Liabilities (Net)

	As at 30-September-2012	As at 31-March-2011
(Rs. In Lacs)		
<b>Deferred Tax Assets</b>		
Expenses allowable on payment basis under Income Tax Act,1961	42.11	41.39
	<u>42.11</u>	<u>41.39</u>
<b>Deferred Tax Liabilities</b>		
Depreciation	381.55	418.44
	<u>381.55</u>	<u>418.44</u>
	<u>339.44</u>	<u>377.05</u>

### 6 Long-term provisions

	As at 30-September-2012	As at 31-March-2011
(Rs. In Lacs)		
Provision for employee benefits:		
Leave Encashment	16.76	17.48
Gratuity Liability	34.00	34.00
	<u>50.76</u>	<u>51.48</u>

### 7 Short-term borrowings

	As at 30-September-2012	As at 31-March-2011
(Rs. In Lacs)		
<b>Secured</b>		
Working Capital Loan from Bank (Refer Note 7.1)	11.95	1,301.01
	<u>11.95</u>	<u>1,301.01</u>
<b>Unsecured</b>		
Inter Corporate Deposit (Refer Note 7.2)	175.00	240.00
	<u>175.00</u>	<u>240.00</u>
	<u>186.95</u>	<u>1,541.01</u>

7.1 Working Capital borrowings from the banks are secured by way of joint hypothecation of inventory including stock of sugar, confectionary and other items and second charge by way of equitable mortgage of company's immovable property situated at factory.

7.2 Inter Corporate Deposit bears interest at 11% p.a.

### 8 Trade payables

	As at 30-September-2012	As at 31-March-2011
(Rs. In Lacs)		
Trade payables:		
Payable to Micro, Small and Medium Enterprises	-	-
Payables to Others	161.12	157.29
	<u>161.12</u>	<u>157.29</u>

The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the Company is as under:

	As at 30-September-2012	As at 31-March-2011
(Rs. In Lacs)		
<b>The principal amount and the interest due thereon remaining unpaid to Suppliers</b>		
Principal	-	-
Interest due thereon	-	-
The delayed payments of principal paid beyond the appointed date during the entire accounting period	-	-
Interest actually paid under section 16 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-
Normal interest accrued during the period, for all the delayed payments, as per the agreed terms	-	-
Normal interest payable for the period of delay in making payment, as per the agreed terms	-	-
Total interest accrued during the period	-	-
Total interest accrued during the period and remaining unpaid	-	-



**Notes forming part of the financial statements****9 Other current liabilities**

	As at 30-September-2012	(Rs. In Lacs) As at 31-March-2011
(a) Current maturities of long-term debt		
Term Loan from Bank (Refer note 4.1)	136.75	282.54
From Government of India (Refer note 4.2)	37.82	21.16
Deferred sales tax liability (Refer Note 4.3)	21.38	36.91
Public Fixed Deposit	<u>127.34</u>	<u>255.47</u>
	323.29	596.08
(b) Unpaid dividends (Refer Notes 9.1)	5.71	5.06
(c) Statutory dues	77.80	110.56
(d) Advances from customers	39.09	21.71
(e) Cane Liabilities	139.55	550.62
(f) Other Liabilities	204.33	116.80
(g) Unclaimed Public Deposits	6.77	10.80
(h) Interest on Unclaimed Public Deposits	2.23	1.60
(i) Sundry Deposits	160.79	134.57
(e) Interest Accrued and not Due	<u>52.37</u>	<u>52.70</u>
	<b><u>1,011.93</u></b>	<b><u>1,600.49</u></b>

9.1 There is no amount due and outstanding to be credited to the Investor Education and Protection Fund.

**10 Short-term provisions**

	As at 30-September-2012	(Rs. In Lacs) As at 31-March-2011
(a) Provision for employee benefits:		
(i) Provision for bonus	15.06	10.03
(ii) Provision for leave encashment	<u>13.90</u>	<u>3.64</u>
	28.96	13.67
(b) Provision - Others:		
(i) Provision for proposed equity dividend	3.40	51.00
(ii) Provision for tax on proposed dividends	<u>0.55</u>	<u>8.27</u>
	<u>3.95</u>	<u>59.27</u>
	<b><u>32.91</u></b>	<b><u>72.94</u></b>

**12 Non-current investments**

	As at 30-September-2012	(Rs. In Lacs) As at 31-March-2011
Investment in equity instruments		
<b>(i) Quoted</b>		
2,419 (PY: 2,419) shares of Rs. 20 each fully paid up in The Scindia Steam Navigation Co. Ltd.	0.20	0.20
5,101 (PY: 15,101) shares of Rs. 10 each fully paid up in Dena Bank	1.51	4.51
17,600 (PY: 17,600) shares of Rs 10 each fully paid up in Acrow India Limited	8.80	8.80
<b>(ii) Unquoted</b>		
36,190 (PY: 36,190) shares of Rs.10 each fully paid up in Carina Finvest Limited	<u>18.61</u>	<u>18.61</u>
	<b><u>29.12</u></b>	<b><u>32.12</u></b>
Less: Provision for diminution in value of investments	<u>0.20</u>	<u>5.71</u>
	<b><u>28.92</u></b>	<b><u>26.41</u></b>
Aggregate amount of quoted investments	10.51	10.51
Aggregate market value of quoted investments	19.66	26.81
Aggregate amount of unquoted investments	18.61	18.61

Notes forming part of the financial statements.

**11 FIXED ASSETS AS AT 30-SEPTEMBER-2012**

PARTICULARS	Rs. In Lacs											
	GROSS BLOCK ( AT COST )					DEPRECIATION			IMPAIRMENT OF ASSETS		NET BLOCK	
	AS AT 01.04.2011	ADDI TIONS	DEDUC TIONS	AS AT 30.09.2012	AS AT 01.04.2011	FOR THE YEAR	DEDUC TIONS	AS AT 30.09.2012	AS AT 01-04-2011	DURING THE YEAR	AS AT 30-09-2012	AS AT 31.03.2011
<u>Tangible</u>												
FREEHOLD LAND	5.10	-	-	5.10	-	-	-	-	-	-	5.10	5.10
BUILDINGS & GODOWNS	1,964.51	111.92	-	2,076.43	350.29	58.77	-	409.06	-	-	1,667.37	1,614.22
PLANT & EQUIPMENTS	4,908.44	79.66	-	4,988.10	3,582.61	258.02	-	3,840.63	32.90	32.90	1,114.57	1,292.93
FURNITURE & FIXTURES	147.92	6.42	-	154.34	81.04	10.82	-	91.86	-	-	62.48	66.88
VEHICLES	106.42	6.25	-	112.67	76.34	8.09	-	84.43	-	-	28.24	30.08
OFFICE EQUIPMENT	46.40	13.85	-	60.25	29.08	2.69	-	31.77	-	-	28.48	17.32
	<b>7,178.79</b>	<b>218.10</b>	<b>-</b>	<b>7396.89</b>	<b>4,119.36</b>	<b>338.39</b>	<b>-</b>	<b>4,457.75</b>	<b>32.90</b>	<b>32.90</b>	<b>2,906.24</b>	<b>3,026.53</b>
PREVIOUS YEAR	5,996.09	1,183.25	0.56	7,178.79	3,893.87	225.56	0.07	4,119.36	32.90	32.90	3,026.53	

## Notes forming part of the financial statements

## 13 Long-term loans and advances

	As at 30-September-2012	(Rs. In Lacs) As at 31-March-2011
Capital Advances	4.92	0.26
Balances with government authorities - Unsecured, considered good		
Security Deposits	-	0.17
Balances with Others - Unsecured, considered good		
Security Deposits	116.08	185.13
	<u>121.00</u>	<u>185.56</u>

## 14 Current investments

	As at 30-September-2012	(Rs. In Lacs) As at 31-March-2011
<b>Unquoted</b>		
Investment in mutual funds		
1,039.366 (PY: Nil) units of DWS Ultra Short Term Funds	0.10	-
4,81,419.314 (PY: Nil) units of DWS Treasury Fund- Investment-Regular Plan-Monthly Dividend-Payout	50.01	-
4,94,512.807 (PY: Nil) units of IDFC Money Manager Fund- Investment Plan -Plan A Monthly Div.	50.01	-
15,16,674.084(PY:Nil) units of Templeton India Ultra Short Bond Fund Retail Plan	151.84	-
2,096.54 (PY: 52,096.54) units of HDFC Short Term M Fund	0.22	5.38
7,012.26 (PY: 6,254.51) units of HDFC Treasury ADVG Fund	0.71	0.64
1,430.749 (PY: 43,849.16) units of ICICI Short Term M Fund (Monthly)	0.18	5.31
59,258.576 (PY: 54,684.378) units of UTI Bond Fund (Dividend Fund)	6.70	6.17
Nil (PY: 10,00,000) units of Kotak Quaterly Int Plan Series 6	-	100.00
Nil (PY: 22,85,095.491) units of Kotak Quaterly Int Plan Series 7	-	228.52
Nil (PY: 5,395.576) units of Reliance Short Term	-	0.57
	<u>259.77</u>	<u>346.59</u>
Less: Provision for diminution in value of investments	0.51	-
	<u>259.26</u>	<u>346.59</u>
Aggregate amount of unquoted investments	259.77	346.59
Aggregate market value of unquoted investments	259.55	347.31

## 15 Inventories

(At lower of cost and net realisable value)

	As at 30-September-2012	(Rs. In Lacs) As at 31-March-2011
Raw materials	206.19	169.23
Work-in-progress	23.60	61.85
Finished goods	677.51	3,727.61
Stores and spares	290.43	351.68
	<u>1,197.73</u>	<u>4,310.37</u>

The Ravalgaon Sugar Farm Ltd.

Notes forming part of the financial statements

**16 Trade receivables**

	As at 30-September-2012	(Rs. In Lacs) As at 31-March-2011
Unsecured, considered good		
Trade Receivables outstanding for a period exceeding six months	2.85	7.89
Others	<u>255.00</u>	<u>198.94</u>
	<u><b>257.85</b></u>	<u><b>206.83</b></u>

**17 Cash and Bank Balance**

	As at 30-September-2012	(Rs. In Lacs) As at 31-March-2011
Cash & Cash Equivalent		
(a) Cash on hand	0.58	0.62
(b) In current accounts	76.84	40.84
Other Bank Balance		
(a) In deposit accounts	11.97	121.67
(b) In earmarked accounts		
- Unpaid dividend accounts	<u>5.71</u>	<u>5.06</u>
	<u><b>95.10</b></u>	<u><b>168.19</b></u>

**18 Short-term loans and advances**

	As at 30-September-2012	(Rs. In Lacs) As at 31-March-2011
Loans and advances to employees		
Secured, considered good	2.79	0.24
Prepaid expenses - Unsecured, considered good	2.09	7.53
Balances with government authorities		
Unsecured, considered good		
CENVAT credit receivable	0.08	1.45
VAT credit receivable	22.53	23.73
Advances to Suppliers		
Unsecured, considered good	5.49	9.14
Others		
Advance Recoverable	96.32	45.20
Advance tax (net of provisions )	260.72	219.02
	<u><b>390.02</b></u>	<u><b>306.31</b></u>

18.1 Includes Security deposit of Rs. 15.00 Lacs (Previous Year Rs. 15.00 Lacs) given to companies in which directors are interested against lease of premises.

**19 Other current assets**

	As at 30-September-2012	(Rs. In Lacs) As at 31-March-2011
Interest accrued on deposits & loans	<u>0.36</u>	<u>1.89</u>
	<u><b>0.36</b></u>	<u><b>1.89</b></u>

## Notes forming part of the financial statements

## 20 Revenue from operations

	For 18 months ended 30-September-2012	(Rs. In Lacs) For the year ended 31 March 2011
(a) Sale of products	10,710.87	2,709.67
(b) Other operating revenues		
Scrap Sales	15.47	11.47
Sale of By-Products	517.89	202.74
	<u>11,244.23</u>	<u>2,923.88</u>

Details of Product sold  
Finished Goods Sold

	For 18 months ended 30-September-2012	(Rs. In Lacs) For the year ended 31 March 2011
Sugar	8,148.10	369.05
Confectionary	2,562.77	2,340.61
	<u>10,710.87</u>	<u>2,709.66</u>

## 21 Other income

	For 18 months ended 30-September-2012	Rs. In Lacs) For the year ended 31 March 2011
(a) Interest income (Refer Note 21.1)	1.93	10.28
(b) Dividend income from long term investments (Refer Note 21.2)	12.01	93.23
(c) Other non-operating income	284.62	142.71
(d) Profit on sale of Assets	-	29.92
(e) Profit on sale of Investments	7.17	-
(f) Provision no longer required	5.00	-
	<u>310.73</u>	<u>276.14</u>

## 21.1 Interest income comprises:

Interest from banks on deposits	1.68	8.66
Interest from others	0.25	-
Interest on Bonds	-	1.62
	<u>1.93</u>	<u>10.28</u>

## 21.2 Dividend income comprises:

Dividend Income from Long Term Investments	1.68	8.66
Dividend Income from Current Investments	10.33	92.35
	<u>12.01</u>	<u>93.23</u>

## 22 Cost of materials consumed

	For 18 months ended 30-September-2012	(Rs. In Lacs) For the year ended 31 March 2011
Opening stock	169.23	50.56
Add: Purchases	5,118.10	3,978.13
	<u>5,287.33</u>	<u>4,028.69</u>
Less: Closing stock	206.19	169.23
	<u>5,081.14</u>	<u>3,859.46</u>

## Breakup of Material Consumed

	For 18 months ended 30-September-2012	(Rs. In Lacs) For the year ended 31 March 2011
Sugarcane	4,461.98	3,252.01
Liquid Glucose	266.58	214.82
Wrapping Papers	152.66	212.80
Components & Others	199.92	179.83
	<u>5,081.14</u>	<u>3,859.46</u>

## Value of Imported &amp; Indigenous Consumption of Raw Materials

	For 18 months ended 30-September-2012		For the year ended 31 March 2011	
	Rs.	%	Rs.	%
Imported	-	-	-	-
Indigenous	5,081.14	100.00%	3,859.46	100.00%

## 23 Changes in inventories of finished goods and work-in-progress

	For 18 months ended 30-September-2012	(Rs. In Lacs) For the year ended 31 March 2011
Inventories - Finished goods / WIP at the end of the period	701.11	3,789.46
Inventories - Finished goods / WIP at the beginning of the period	3,789.46	521.14
Net (increase) / decrease	<u>3,088.35</u>	<u>(3,268.32)</u>

## The Ravalgaon Sugar Farm Ltd.

### Notes forming part of the financial statements

#### Breakup of Finished Goods

	For 18 months ended 30-September-2012	(Rs. In Lacs) For the year ended 31 March 2011
Sugar	541.84	3,434.34
Confectionary	135.67	142.67
Molasses	-	137.28
Others	-	13.32
	<b>677.51</b>	<b>3,727.61</b>

#### Breakup of Work in Progress

	For 18 months ended 30-September-2012	(Rs. In Lacs) For the year ended 31 March 2011
Sugar	18.90	61.20
Confectionary	4.70	0.65
	<b>23.60</b>	<b>61.85</b>

#### 24 Employees benefit expenses

	For 18 months ended 30-September-2012	(Rs. In Lacs) For the year ended 31 March 2011
Salaries and wages	1,111.48	560.33
Contributions to provident and other funds	122.30	96.36
Staff welfare expenses	30.16	18.91
	<b>1,263.94</b>	<b>675.60</b>

#### 25 Finance costs

	For 18 months ended 30-September-2012	(Rs. In Lacs) For the year ended 31 March 2011
(a) Interest expense on:		
(i) Working Capital	168.29	24.27
(ii) Term Loan	199.95	33.75
(iii) Others	102.45	78.52
(b) Other borrowing costs	30.23	19.86
	<b>500.92</b>	<b>156.40</b>

#### 26 Other expenses

	For 18 months ended 30-September-2012	(Rs. In Lacs) For the year ended 31 March 2011
Consumption of stores and spare parts	288.69	262.85
Packing & Process Material Consumed	299.61	325.84
Power and fuel	153.27	112.57
Rent including lease rentals	52.47	43.89
Repairs and maintenance - Buildings	12.80	11.26
Repairs and maintenance - Machinery	63.88	39.50
Repairs and maintenance - Others	36.26	39.32
Insurance	8.35	5.55
Rates and taxes	41.86	16.50
Travelling and conveyance	139.82	166.93
Printing and stationery	6.85	8.83
Freight and forwarding	169.26	137.48
Advertisement, Publicity & Selling Expenses	23.99	19.51
Postage & Telephone	13.40	12.17
Director Fees	0.64	0.44
Commission & Discount	18.47	14.27
Donations	6.56	1.08
Legal and professional	44.10	25.31
Excise Duty & Sugar Cess	20.98	20.32
Sales Tax	35.44	4.41
Remuneration To Auditors		
For Audit Fees	3.37	2.34
For taxation matters	0.84	-
For other services	1.69	1.10
Reimbursement of expenses	0.06	0.15
Loss on fixed assets sold / scrapped / written off	-	0.23
Other Manufacturing Expenses	94.13	41.78
Miscellaneous expenses	106.66	61.09
	<b>1,643.45</b>	<b>1,374.74</b>

## Notes forming part of the financial statements

## 26.1 Value of Imported &amp; Indigenous Consumption of Stores &amp; Spares

	For 18 months ended 30-September-2012		For the year ended 31 March 2011	
	Rs.	%	Rs.	%
Imported	3.46	1.20%	6.12	2.33%
Indigenous	285.23	98.80%	256.73	97.67%

## 26.2 Expenditure in Foreign Currencies

	For 18 months ended 30-September-2012		For the year ended 30-March-2011	
	Rs.	%	Rs.	%
Traveling Expenses		8.87		19.8
Subscription		-		0.19
Others		0.02		5.48

## 27 Contingent Liabilities

	Current Period	Previous Year
	Rs. Lacs	Rs. Lacs
a Guarantees given by Banks	45.97	45.97
b Sales Tax / Other Liability for the years 1995-1999 not acknowledged as debt. (Cane Purchase Tax)	60.90	60.90
c Show Cause notices cum demand for Excise Duty	136.36	136.36
d Electricity Duty on own Generation	76.33	76.33
e Income Tax Demands in appeal	25.73	25.73
f Construction House Employees Union's workmen wage demands against the order of industrial tribunal - Mumbai	Unascertained	Unascertained
g Provident Fund on contract labour	140.00	-
<b>28 Managerial Remuneration</b>		
a Salary & allowances	86.56	36.75
b Company's Contribution to Provident Fund	7.02	3.24
c Perquisites	0.17	1.78
<b>Total</b>	<b>93.76</b>	<b>41.77</b>

29 Cane, Transport and Harvesters advances and liabilities, Debtors and Creditors balances are subject to confirmation and reconciliation.

30 As per the accounting practice followed by the Company, excise duty is accounted for at the point of Sales / transfer of goods.

31 In the opinion of the board, current assets, loans and advances have a value on realisation in the ordinary course of the business at least equal to the amount at which they are stated.

## 32 AS 15 - Employee benefits:

- a. The present value of accrued Gratuity liability as determined by an Actuary as at 30th September 2012 was Rs.565.11lacs (Previous year Rs. 485.24 lacs). The balance lying in the contributory fund with the Life Insurance Cooperation of India (LIC) as at 30th September 2012 is Rs. 2.56 lacs (Previous Year Rs. 62.31 lacs). The net liability of Rs.528.55 lacs as at year end (Previous Year Rs. 388.93 lacs) has not been recognised in the Accounts as required under the Accounting Standard - 15 i.e. Employee Benefits, notified by Companies Accounting Standards Rules, 2006. Consequently as against the charge to the profit and loss account of Rs. Nil (Previous Year Rs. 34 Lacs), the expense determined by the Actuarial Valuation is Rs. 139.62 Lacs (Previous Year Rs. 84.72 lacs). However the Company expects to meet this liability in due course with enhanced funding of the Contribution to L.I.C. or upon actual payment to employees as has been done in earlier years.
- b. Subject to above, however the disclosure required under AS 15 "Employee Benefits" notified in the Companies (Accounting Standard) Rules 2006, are given below:

## The Ravalgaon Sugar Farm Ltd.

### Notes forming part of the financial statements

#### I. General description :

(i) **Gratuity** : The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of services gets a gratuity on death or resignation or retirement at 15 days salary (last drawn) for each completed year of service. The scheme is funded with Insurance Company in the form of qualifying insurance policy.

(ii) **Leave Wages** : The leave wages are payable to all eligible employees at the rate of daily salary for each day of accumulated leave on death or on resignation or upon retirement on attaining superannuation age.

#### II. Defined Benefit Plan :

The employees' Gratuity Fund scheme managed by a Trust is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognized in the same manner as gratuity.

#### III. Defined Contribution plan :

Contribution to defined contribution plan is recognized and charged off the the year as under:

Particulars	2011-12	2010-11
Employer's Contribution to Provident Fund	113.27	54.78
Employer's Contribution to Superannuation Fund	9.03	2.73

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Current Period	Previous Year	Current Period	Previous Year
<b>IV Expense to be recognised in the Statement of Profit &amp; Loss for 18 months ended 30-September-2012</b>				
1 Current Service Cost	35.03	21.55	20.37	12.53
2 Interest Cost	58.23	35.53	2.53	2.62
3 Expected Return on plan assets	(7.48)	(2.57)	-	-
4 Past Service Cost	-	5.69	-	-
5 Net Actuarial (Gains)/Losses	53.84	24.52	0.58	(24.59)
6 Total Expense	139.62	84.72	23.48	(9.44)
<b>V Net Assets / (Liability) to be recognised in the Balance Sheet as at 30-September-2012</b>				
1 Present Value of Defined Obligation as at 30th September 2012	565.11	485.24	30.66	21.12
2 Fair Value of plan assets as at 30th September 2012	2.56	62.31	-	-
3 Funded Status [Surplus / (Deficit)]	(562.55)	(422.93)	(30.66)	(21.12)
4 Provision made	-	34.00	-	-
5 (Net Assets/ (liability) as at 30th September 2012	(562.55)	(388.93)	(30.66)	(21.12)
<b>VI Change in Obligation during 18 months ended 30-September-2012</b>				
1 Present value of defined Benefit Obligation at the beginning of the year	485.24	444.16	21.12	32.80
2 Current Service Cost	35.03	21.55	20.37	12.53
3 Interest Cost	58.23	35.53	2.53	2.62
4 Post Service Cost	-	5.69	-	-
5 Actuarial (Gains) / Losses	49.96	26.39	0.58	(24.59)
6 Benefits Payments	(63.35)	(48.08)	(13.94)	(2.24)
7 Present value of Defined Benefit Obligation at the end of the year	565.11	485.24	30.66	21.12
<b>VII Change in Assets during 18 months ended 30-September-2012</b>				
1 Fair Value of Plan Assets at the beginning of the year	62.31	32.16	-	-
2 Expected return on Plan assets	7.48	2.57	-	-
3 Contribution by Employer	-	73.79	-	-
4 Actual benefits paid	(63.35)	(48.08)	-	-
5 Actuarial Gains / (Losses) on Plan Assets	(3.88)	1.87	-	-
6 Fair Value of Plan Assets at the end of the year	2.56	62.31	-	-
Category of Plan Assets: Insurer managed Fund. 100%				
<b>VIII Balance Sheet reconciliation 30-September-2012</b>				
1 Opening Net Liability	388.93	412.00	-	-
2 Expenses as above	139.62	84.72	-	-
3 Employers Contribution	-	(73.79)	-	-
4 Provision made	-	(34.00)	-	-
5 Amount to be Recognised in Balance Sheet	528.55	388.93	-	-
<b>IX Actuarial Assumptions as at 30-September-2012</b>				
Discount Rate	8.00%	8.00%	8.00%	8.00%
Rate of Return on Plan Assets	8.00%	8.00%	-	-
Salary Escalation rate	5.00%	5.00%	5.00%	5.00%



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**Segment Reporting:**

a The Company has disclosed Business segment as the primary segment. Segments have been identified taking into account the nature of the products, the differing risks and returns, the organisation structure and internal reporting system.

b The Company's operation predominantly relate to manufacture of Sugar and Confectionery.

c The Company mainly caters to the needs of the domestic market. As such there are no reportable geographical segments.

d Inter Segment Transfer Pricing Policy : The Sugar supplied to Candy & Confectionery division and Bura supplied to Confectionery division is based on market price. All other Inter Segment transfers are at cost.

**Segment Information for 18 months year ended 30-September-2012**

(Rs. In Lacs)

	Sugar		Confectionery		Total	
	Current Period	Previous Year	Current Period	Previous Year	Current Period	Previous Year
<b>1 External Sales (Net of Excise)</b>						
a Domestic	8,298.38	522.57	2,409.35	2,224.71	10,707.73	2,747.28
b Exports	-	-	-	-	-	-
<b>Total Sales</b>	<b>8,298.38</b>	<b>522.57</b>	<b>2,409.35</b>	<b>2,224.71</b>	<b>10,707.73</b>	<b>2,747.28</b>
c Add.: Other Income	257.43	40.20	16.62	18.13	274.05	58.33
d Add.: Inter Segmental Sales	536.02	497.87	-	-	536.02	497.87
	<b>9,091.83</b>	<b>1,060.64</b>	<b>2,425.97</b>	<b>2,242.84</b>	<b>11,517.80</b>	<b>3,303.48</b>
e Less.: Eliminations	536.02	497.87	-	-	536.02	497.87
<b>Total Sement Revenue</b>	<b>8,555.81</b>	<b>562.77</b>	<b>2,425.97</b>	<b>2,242.84</b>	<b>10,981.78</b>	<b>2,805.61</b>
<b>2 Profit / (Loss) before Interest &amp; Corporate Expenses</b>						
a Segment Result	(521.05)	(71.13)	623.50	370.11	102.45	298.98
b Less: Unallocated Corporate Expenses					534.81	361.31
<b>c Operating Profit</b>					<b>(432.36)</b>	<b>(62.33)</b>
d Less: Cane price and Other Expenses for Earlier Years					1.14	0.23
e Less: Interest Expenses					500.93	156.40
f Add: Other Income (including Dividend)					52.15	230.43
g Less: Taxes paid / provided						
i) Current Tax					-	3.70
ii) Deferred Tax (Net)					(37.61)	(22.65)
iii) Wealth Tax					-	1.40
iv) Tax Provision for earlier years					-	25.69
<b>Net Profit / (Loss)</b>					<b>(844.67)</b>	<b>3.33</b>
<b>3 Other Information:</b>						
Segmental Assets	2,642.24	5,689.72	538.96	722.83	3,181.20	6,412.55
Unallocated Corporate Assets					1,406.38	2,173.15
<b>Total Assets</b>					<b>4,587.58</b>	<b>8,585.70</b>
Segmental Liabilities	371.35	794.61	321.86	269.63	693.21	1,064.24
Unallocated Corporate Liabilities					168.39	169.47
<b>Total Liabilities</b>					<b>861.60</b>	<b>1,233.71</b>
Capital Expenditure	74.31	106.62	2.30	-	76.61	106.62
Unallocated Corporate Capital Expenditure					141.49	1,076.63
<b>Total Capital Expenditure</b>					<b>218.10</b>	<b>1,183.25</b>
Depreciation & Impairment	269.11	175.66	22.91	29.34	292.02	205.00
Unallocated Corporate Depreciation					46.37	20.56
<b>Total Depreciation</b>					<b>338.39</b>	<b>225.56</b>
Total Assets Exclude						
- Investments					288.16	372.99
- Advance Tax (Net)					260.72	219.02
Total Liabilities Exclude						
- Deferred Tax (Net)					339.44	377.05
- Secured Loans					604.20	2,512.18
- Unsecured Loans					849.41	1,024.74

# The Ravalgaon Sugar Farm Ltd.

## Notes forming part of the financial statements

### 34 Related Party Disclosures:

<b>A. Associate Companies</b>	Lanica Financial Services Limited Carina Finvest Limited Acrow India Limited	Associate Company Associate Company Associate Company
<b>B. Key Management Personnel</b>	Mr. Harshavardhan B Doshi Mr. Nihal H Doshi	Chairman & Managing Director Executive Director
<b>C. Relative of Key managerial personnel</b>	Mrs. Lanya H Doshi Miss Carina H Doshi	Spouse of Chairman & Managing Director Daughter of Chairman & Managing Director

(Rs. In Lacs)

	Associate Companies		Key Management Personnel		Relative of Director	
	Current Period	Previous Year	Current Period	Previous Year	Current Period	Previous Year
1 Purchase of Goods / Spares	1.75	3.81	-	-	-	-
2 Sale of Goods	3.44	-	-	-	-	-
3 Rendering of services	5.76	5.70	-	-	-	-
4 Receiving of Services	26.21	13.32	-	-	-	-
5 Purchase of Fixed Assets	-	-	-	-	-	-
6 Sale of Fixed Assets	-	-	-	-	-	-
7 Reimbursement of Expenses	0.74	1.11	-	-	-	-
8 Amount received towards Deputation of Staff	87.22	51.33	-	-	-	-
9 Royalty received	-	-	-	-	-	-
10 Rent Received	0.83	0.55	-	-	-	-
11 Rent paid	30.32	27.80	-	-	-	-
12 Outstanding balance in Current Assets, & Loan & Advance	88.54	134.85	-	-	-	-
13 Outstanding balance in Current Liabilities	13.63	-	-	-	-	-
14 ICD received during the period	155.00	140.00	-	-	-	-
15 ICD repaid during the period	220.00	-	-	-	-	-
16 ICD balance at the end of the period	175.00	240.00	-	-	-	-
17 Interest paid on ICDs during the period	36.88	16.85	-	-	-	-
18 Dividend paid during the period	25.04	25.04	1.55	1.55	-	-
19 Dividend Received	0.88	0.88	-	-	-	-
20 Remuneration paid	-	-	93.76	41.77	-	1.18

### 35 Lease Rentals:

- Future lease rentals payable within one year in respect of premises taken on lease Rs.12.00 Lacs. (Previous Year Rs. 24.93 Lacs)
- Rent includes payment of lease rent in respect of premises of Rs.30.32 Lacs.(Previous Year Rs. 24.93 Lacs)
- General Description of Lease Terms:  
Lease rentals are recognised on the basis of agreed terms  
Assets are taken on lease for a period of 12/ 33/ 60 months

### 36 Earnings per Share (EPS)

	Current Year	Previous Year
a) Profit computation for both Basic & Diluted Earnings per Share of Rs. 50/- each		
Net Profit / (Loss) as per Profit & Loss Account available for Equity Shareholders	(844.65)	3.33
b) Weighted Average number of Equity Shares for EPS computation (for Basic & Diluted EPS)	68,000.00	68,000.00
c) EPS (Weighted Average in Rs.) (Basic & Diluted)	(1,242.13)	4.90

37 Since current reporting period is of 18 months, previous figures are not comparable with current reporting period

As per our report of even date

**For V. SANKARAIYAR & CO**  
Chartered Accountants  
Firm Registration # 109208W

**For and on behalf of the Board of Directors**

**H. B. Doshi**  
Chairman & Managing Director

**N. H. Doshi**  
Executive Director

**Arvind Mohan**  
**Partner**  
Membership No. 124082  
Mumbai  
07-Nov-12

**A. S. Ashtekar**  
Director

Mumbai  
07-Nov-12

## Financial Snapshot

Rs. in lacs

	Equity	Reserves & Surplus	Fixed Assets		Sales	Net Profit	Dividend	
			Gross	Net			Amount	%
1994-95	34.00	1003.29	3373.43	2618.16	4406.48	248.00	13.60	40%
1995-96	34.00	1254.18	3576.56	2638.94	7042.19	301.89	17.00	50%
1996-97	34.00	1282.22	3646.24	2484.62	12507.82	46.75	17.00	50%
[ 18 months ]								
1997-98	34.00	1605.86	3678.64	2355.72	8749.39	342.33	17.00	50%
1998-99	34.00	1965.98	3931.38	2413.07	9345.84	358.99	17.00	50%
1999-2000	34.00	2509.95	4224.84	2507.43	10241.07	585.45	34.00	100%
2000-01	34.00	2671.94	4879.78	2917.06	10083.86	199.46	34.00	100%
2001-03	34.00	1694.41	5089.23	2675.78	11411.74	(488.87)	-	-
[ 18 months ]								
2003-04	34.00	1771.85	5126.97	2469.09	5879.17	96.62	17.00	50%
2004-05	34.00	2187.16	5176.01	2298.69	6572.65	454.08	34.00	100%
2005-06	34.00	2388.14	5174.84	2102.97	4531.93	239.75	34.00	100%
2006-07	34.00	2083.90	5344.62	2126.54	4776.34	(304.25)	-	-
2007-08	34.00	2211.76	5399.19	1904.80	6691.18	167.64	34.00	100%
2008-09	34.00	2845.26	5942.88	2222.10	9189.03	693.17	51.00	150%
2009-10	34.00	3400.54	5996.09	2069.32	6133.17	614.74	51.00	150%
2010-11	34.00	3344.60	7178.78	4119.36	2747.28	3.33	51.00	150%

# The Ravalgaon Sugar Farm Ltd.

Regd. off.: Ravalgaon 423108, Taluka Malegaon, Dist. Nasik, Maharashtra

## ATTENDANCE SLIP

**78TH ANNUAL GENERAL MEETING ON THURSDAY, 20TH DECEMBER 2012**

Folio No./DPID/Client ID No.....

Shri/Smt.....

am a registered shareholder / proxy for the registered shareholder of the Company

I hereby record my presence at the 78<sup>th</sup> ANNUAL GENERAL MEETING of the Company held at Krida Mandal Hall, Ravalgaon 423108, Taluka Malegaon, Dist. Nasik, Maharashtra on Thur. 20th December 2012 at 10.30 A.M.

Proxy's Name.....

(In BLOCK letters)

Member's/Proxy's Signature

**Note :** Please fill in the attendance slip and hand it over at the ENTRANCE OF THE MEETING HALL

..... CUT HERE .....

# The Ravalgaon Sugar Farm Ltd.

Regd. off.: Ravalgaon 423108, Taluka Malegaon, Dist. Nasik, Maharashtra

## PROXY FORM

I/We \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_  
being a member / members of the above named Company hereby appoint \_\_\_\_\_  
of \_\_\_\_\_ in the district of \_\_\_\_\_  
or failing him \_\_\_\_\_  
of \_\_\_\_\_ in the district of \_\_\_\_\_  
or failing him \_\_\_\_\_  
of \_\_\_\_\_ in the district of \_\_\_\_\_

as my/our proxy to vote for me/us on my/our behalf at the 78th ANNUAL GENERAL MEETING of the Company to be held on Thursday, 20th December, 2012 at 10.30 A.M. and at any adjourned thereof.

Signature \_\_\_\_\_

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2012

Please  
affix Re. 1/-  
Revenue  
Stamp

- Notes:
- a. Revenue Stamp of Rupees 1/- is to be affixed on this form.
  - b. The form should be signed across the stamp as per specimen signature registered with the Company.
  - c. The proxy form must be deposited at the Registered office of the Company not less than 48 hours before the time for holding the Meeting.
  - d. A Proxy need not be a member