



**2012-2013  
ANNUAL  
REPORT**

**RIGA SUGAR COMPANY LIMITED**

**RIGA SUGAR COMPANY LIMITED**  
**Annual Report : 2013**

**Board of Directors** : Shri O. P. Dhanuka – Chairman & Managing Director  
Shri N. C. Majumdar  
Shri Pankaj Tibrawalla  
Shri S. Borar  
Shri Sarad Jha  
Shri S. K. Goenka

**CEO & Company Secretary** : Shri S. Prasad

**Auditors** : K. N. Gutgutia & Co.  
Chartered Accountants  
Kolkata

**Bankers** : Bank of India  
Union Bank of India

**Registered Office** : 14, Netaji Subhas Road  
2nd Floor  
Kolkata-700 001

**Works** : Dhanuka Gram  
P. O. Riga  
Dist. Sitamarhi  
Bihar-843 327

**Registrars & Share Transfer Agent** : S. K. Infosolutions Pvt. Ltd.  
34/1A, Sudhir Chatterjee Street  
Kolkata-700 006  
Phone : 22194815

**Shares Listed at** : The Calcutta Stock Exchange Ltd.  
7, Lyons Range,  
Kolkata-700 001

Bombay Stock Exchange Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai-400 001

**Legal Advisor and Soliciator** : Khaitan & Co.  
Emerald House  
1B, Old Post Office Street  
Kolkata-700 001

## NOTICE

NOTICE is hereby given that the Thirty Second Annual General Meeting of the Members of RIGASUGAR COMPANY LIMITED will be held on Friday, the 27th September, 2013 at 10.00 a.m. at SITARAM SEKSARIA SABHAGAR (Auditorium), Bhartiya Bhasa Parishad, 36A, Shakespeare Sarani, Kolkata-700 017 to transact the following business :

### ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended 31st March, 2013 and the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Pankaj Tibrawalla, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Suyash Borar, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

### **Registered Office :**

14, Netaji Subhas Road  
2nd Floor  
Kolkata-700 001  
Dated : 31st May, 2013

*By Order of the Board*

**S. PRASAD**  
*Company Secretary*

### **NOTES :**

1. A Member entitled to attend and vote is entitled to appoint a Proxy to attend and vote on poll instead of himself and the Proxy need not be a member of the Company. The enclosed Proxy Form, if intended to be used, should reach the Registered Office of the Company, duly completed, not less than forty eight hours before the scheduled time of the Meeting.
2. The Register of Members and the Register of Transfer will remain closed from 24.09.2013 to 27.09.2013(both days inclusive).
3. Members intending to require information about accounts to be explained at the meeting are requested to write to the Company at least ten days in advance of the Annual general Meeting.
4. Members are requested to bring copy of the Annual Report to the Meeting.
5. The Equity Shares of the Company is under compulsory dematerialization and the same have been activated in demat form on both the Depositories i.e NSDL and CDSL. Members are advised to get their Shares dematerialised. The ISIN No. is INE 909 C01010.
6. Members are hereby informed that Dividend(s) which remain unclaimed/un- encashed over a period of 7 years have to be transferred by the Company to Investor Education & Protection Fund of the Central Government. The shareholders who have not encashed their Dividend Warrant are requested to claim the outstanding dividend declared by the Company for the financial year 2005-06 and 2008-09.
7. Members holding shares in physical form are requested to advise the Company and the members holding shares in dematerialized form are requested to advise their Depository Participants immediately about any change in their address.

8. Members holding Shares in Physical Form and desirous of making a nomination in respect of their Shareholding in the Company, as permitted under Section 109A of the Companies Act, 1956 are requested to submit to the Company's Registered Office.

9. Appointment/Re-appointment of Director :-

Mr. Pankaj Tibrawalla and Mr. Suyash Borar, Directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, following information is furnished about the Director(s) proposed to be appointed/re-appointed :

Mr. Pankaj Tibrawalla 38 years old, a Commerce Graduate, having done M.Sc. in Business Management at the Stathclydo Graduate Business School, Glasgow, U. K. is presently director in Shree Shyam Coal Co. Ltd., Accent Industries Ltd., Mica Pvt. Ltd., Ishaan Properties & Inv.Pvt. Ltd., Kejriwal Investment Co. Pvt. Ltd., Garima Developers Pvt. Ltd., Ramsarup Towers Ltd. and Invictus Infrastructure Pvt. Ltd. Mr. Pankaj Tibrawalla does not hold any share of the Company.

Mr. Suyash Borar 50 years old a Chartered Accountant having knowledge in Accounting, finance and Corporate Management. Mr. Suyash Borar does not hold any share of the Company.

10. As per Section 53 of the Companies Act, 1956, which provides for service of documents under 'Certificate of Posting' as one of the accepted mode of service, whereas the 'Department of Posts' has discontinued the postal facility under 'Certificate of Posting' vide their letter dated 23.02.2011. 'The Information Technology Act, 2000' also permits service of documents etc. in electronic mode. Keeping this in view the Ministry of Corporate Affairs vide their circular no. 17/2011 and 18/2011 dated 21.04.2011 and 29.04.2011 respectively clarified that a Company would have complied with Section 53 of the Companies, Act, 1956, if the service of document has been made through electronic mode provided the Company has obtained email addresses of its members. However such members have given option to receive the documents in physical form.

Members holding shares in electronic mode are therefore requested to ensure to keep their email addresses updated with the Depository Participants. Members holding shares in physical mode are also requested to update their email addresses by writing to the Registrar and Transfer Agent of the Company at the address as mentioned below quoting their folio number(s).

S. K. Infosolutions Pvt. Ltd.  
34/1A, Sudhir Chatterjee Street,  
Kolkata - 700 006

## DIRECTORS' REPORT

To

The Shareholders,

Your Directors have pleasure in presenting their Report and audited Accounts of the Company for the financial year ended 31st March, 2013.

### FINANCIAL & OPERATIONAL RESULTS

#### FINANCIAL RESULTS

	(Rs. in Lacs)	
	Financial Year 31st March, 2013	Financial Year 31st March, 2012
(a) Gross Turnover	19,999.76	14,989.55
(b) Operating Profit Before Finance Cost & Depreciation	1,979.14	1,708.37
(c) Finance Cost	1,559.36	1,570.65
(d) Cash Accruals	419.78	137.72
(e) Depreciation & Amortization	679.53	662.18
(f) Profit (Loss) before extraordinary items	(259.75)	(524.46)
(g) Extraordinary Item of Exp.	90.83	—
(h) Profit (Loss) Before Tax	(350.58)	(524.46)
(i) Provision for Tax – Deferred Tax	(29.25)	(51.15)
– Income Taxes of earlier year	(0.42)	(4.27)
(j) Profit (Loss) After Tax	(320.91)	(469.04)
(k) Balance brought forward from last year	(411.24)	57.80
(l) Profit (Loss) Carried Forward to Balance Sheet	<u>(732.15)</u>	<u>(411.24)</u>

#### DIVIDEND :

In view of losses company is unable to pay Dividend.

#### OPERATIONAL RESULTS

##### SUGAR UNIT

The comparative figures in regard to duration of season, cane crush and sugar recovery and production for the year ended 31st March, 2013 vis -a-vis previous financial year ended 31st March, 2012 in respect of the Sugar Factory of your Company are given below :-

	Financial Year 31st March, 2013	Financial Year 31st March, 2012
1. Duration of crushing (gross days)	115	113
2. Cane crushed (Lac Qtls.)	46.85	46.54
3. Recovery (%)	8.91	9.31
4. Production (Lac Qtls.) – From Sugarcane	4.17	4.37
5. Production from Raw Sugar	0.24	—
6. Total Production of Sugar	4.41	4.33

During the season 2012-13 due to prolonged fog and severe cold in season period the temperature dipped extremely and affected the sugar content in sugarcane. Thus the recovery went down sharply. The overall recovery in Bihar was 8.77 against 9.23 last year. Due to decrease of recovery from 9.31% last year to 8.91% the company's production loss went down by 0.19 Lac qtl. which translates into loss of about Rs. 5.9 Cr.

Due to lower availability of cane the sugar factory run at lower capacity which increased cost of production owing to lower economy of scale. To compensate the lower production the company purchased and processed raw sugar and produced 0.24 Lac Qtls. of sugar. Thus for whole year the company produced 4.41 Lac qtls. of sugar against 4.33 Lac qtls. last year.

The sales of sugar unit increased from Rs.116 Cr. to Rs. 158 Cr. i.e. an increase of 36%.

During first half of the financial year 2012-13 the sugar price remains steady at around Rs. 3,600 -3,700 per qtls and touched Rs. 3800 per qtls. in August, 2012. The estimated all India production for the season 2012-13 is more than domestic

consumption, with this is the high carry forward stock of sugar from last year. Thus there is more than comfortable stock of sugar in the country. In spite of surplus availability of sugar the government of India allowed import of sugar and reduced the import duty progressively from 60% to 10%. Due to reduction of import duty raw and white sugar began imported into the country and thus sugar price depressed in 2nd half of the reporting financial year and tumbled down to Rs. 3200 per qtl. Though the Central Government was well aware of the fall in sugar prices and consequent acute hardship caused to the domestic Sugar Industry due to such cheap and unrestricted sugar imports in the country, but did not take any step in the matter.

The world sugar production for the year 2012-13 poised to outpace the consumption and there will be worldwide surplus production of sugar. The surplus production also reflected in bearish international market for white sugar which plummeted down from USD 650 per MT to USD 490 from March, 2012 to March, 2013.

India yet again fumbled and floundered during 2011-12 to capitalize on buoyant world sugar prices. By restricting and controlling export quotas, India could not export sufficient quantity of sugar at then lucrative international price and thus also could not reduce the ballooning inventory level. The export was restricted on unfounded fear of domestic shortage and to contain inflation, although it has been amply proved that sugar has no role in inflation during last 3 years.

Meanwhile the sugarcane price increased by state government over and above FRP announced by central government of Rs. 170 per qtl. linked with recovery of 9.5%, disregarding the facts about the sugar price prevailing. This increase of sugarcane price has no link with sugar price and was disproportionately very high.

In Bihar the cane Price for the season 2012-13 was increased from Rs. 225 to Rs. 255 per qtl. for normal varieties (about 35%), from Rs. 210 to Rs. 245 per qtl. for rejected varieties (about 62%) and from Rs. 230 to Rs. 265 for premium Variety (about 3%). On the other hand the Transport rebate on out center cane has been increased from Rs. 10 to Rs. 15 per qtls.

The result of government's above ill conceived policies are reflected in the form of glut of sugar in the country, falling sugar price well below cost of production, consequent unmanageable losses to sugar industry eroding their net worth, cane price arrears to farmers and disillusionment of investment from sugar sector by Lenders and Investors.

The molasses price in Bihar during the year remained unchanged at Rs. 190 per qtls.

The higher interest rate during the year was another dampener. For sugar industry due to downgrading of rating the bank increased the interest rate which further increased interest burden.

Therefore higher cane price, lower realization and increase of interest burden impacted the profitability of the company and industry.

#### **DISTILLERY UNIT**

	Financial Year 31st March, 2013	Financial Year 31st March, 2012
1. Production of Industrial Alcohol (Lac BL)	129.87	105.14
2. Sale of Industrial Alcohol (Lac BL)	127.63	119.66

The Distillery Unit of your company made record production and sales during the financial year 2012-13.

The company also foray into Country Liquor and got exclusive license for 3 districts of Muzzafarpur, Seohar and Sitamarhi, which is contributing to profitability to the company.

The Rectified Spirit price of 24.55 per BL which was fixed in April, 2009 still continued. The company as well as industry is making several representation for increase in Rectified Spirit price with the state government of Bihar, which is pending for long time.

#### **ETHANOL**

The company participated in Tender floated by Oil Marketing Companies (OMC) and got LOI for supply of ethanol to the depot of OMC in Bihar. However the state government of Bihar has no policy on Ethanol and thus not allowing transfer of Rectified Spirit, which is under state control, for manufacture of Ethanol. In absence of that the production and supply of Ethanol in the state of Bihar is halted.

The ethanol price has been fixed at Rs. 34 in UP from Rs. 27 provisionally fixed last year.

#### **SEGMENT-WISE PERFORMANCE :**

During the reporting period sugar segment contributed 81 percent of net sales of the company whereas Distillery accounted for 19 percent. The company identified two business segments in line with the Accounting Standard on Segment Reporting, Segment-wise Revenue, Results and Capital Employed is stated in Note No.32 of financial statement enclosed with the Annual Report.

#### **INDUSTRY STRUCTURE & POLICY**

##### **Structure**

Sugar Industry, is seasonal in nature and directly dependent on monsoon for availability of adequate sugar cane. India is the largest consumer and second largest producer of sugar in the world, contributing over 15 percent of the world's sugar production

through over 600 sugar factories situated in different parts of the country. The sugar Industry is the largest agro based industries in India. This industry also provides valuable by-products like bagasse, molasses and press mud. The availability of these by-products had led to setting up of Alcohol/Ethanol/co-generation of Power and Organic Manure plants. Over 5 Crore farmers, large number of agricultural labourer are involved in sugarcane cultivation and its harvesting operations. The growth of sugar industry has a powerful impact on the rural economy. Integrated Sugar Industry (comprising sugar, molasses, alcohol, power and bio-fertilizer) enjoys annual turnover of about Rs. 85,000 Crore and contribute about Rs. 3,000 crore to the Central Government Exchequer by way of central excise duty every year beside state taxes on sugarcane and hefty taxes collected by state as excise and VAT on sale of spirit in the state which run an estimated Rs.10,000 crores annually. Beside the direct taxes by way of income tax is additional source of revenue to the government from sugar industry. Sugar Industry accelerates rural development through farm employment as well as business opportunities in transport and communication.

Sugar has been declared as an 'essential commodity' under the Essential Commodities Act, 1955. Under Sugarcane (Control) Order, 1966, the Government of India fixes cane price called Fair and Remunerative Price (FRP) for sugarcane every year based on the recommendations of the Commission on Agricultural Costs & Prices.

### **Sugar Cycle**

The Indian sugar industry is characterized by cycle of high and low sugar production. This cycle of 5-7 years is broadly of two types viz. Natural comprising climatic variation, water availability and pest attacks. The other is induced cyclicity which have sequence like – higher sugar production and accumulation of stock – decline in sugar prices & profitability – higher sugarcane arrears – decline in area under cultivation & Lower cane production – lower sugar production – lower sugar availability and stock and thus increase in sugar prices – improved profitability & low cane arrears – higher cane production – higher sugar production and so on. Every time the cyclicity reaches its low government have to step in to provide Fiscal support in the form of Export subsidy, Buffer Stock creation, Interest Free Loans etc.

The fundamental problem of the Indian Sugar Industry is that there is no parity between the price of raw material i.e. sugarcane and its finished goods i.e. Sugar. In some states cane price is fixed by the state government unreasonably high. Illogical intervention of state government cause wide economical distortion in sugar industry. In almost all major sugar producing countries of the world the price of cane paid to the farmers depends on realization from sugar.

### **Rangrajan Committee Report**

An Expert Committee was set up by Government of India under the Chairmanship of Dr. C. Rangarajan to recommend reforms in sugar sector, submitted its report to the Government on 12th October, 2012. The recommendations made by the said Committee, inter alia, were as under :-

- (a) Removal of obligation from the sugar industry to supply levy sugar for the PDS at a discounted price and the Government to procure the same from open market.
- (b) Abolition of regulated release mechanism under which the Government uses to decide how much each mill would sell every month/quarter.
- (c) A stable trade policy on sugar with appropriate tariff on imports and exports.
- (d) Removal of sugar industry from the purview of Jute Packaging and Materials Act, 1987 thereby giving freedom to the sugar industry to choose its packing material.
- (e) A market determined pricing of by-products.
- (f) Revenue sharing model under which 70% of sugar value and each of its major three by-products would be paid to farmers.
- (g) Removal of the minimum distance criterion of 15 kms/25 kms between two sugar mills.
- (h) Discontinuing the practice of cane area reservation and allow farmers the freedom to sell their produce to any mill of their choice.

### **Sugar Decontrol**

The central Government has finally taken the crucial decision to liberate the sugar sector from the clutches of excessive control. Pursuant to the recommendation of Dr. C. Rangrajan Committee, CCEA on 4th April, 2013 decided the followings :-

- (a) To do away with the levy obligation for sugar produced from October, 2012. While government would continue with PDS sugar for BPL families, the subsidy burden would henceforth shift from industry to the government.
- (b) Sugar release mechanism has been dismantled to confer greater freedom on industry for managing its cash flows. This indeed is a watershed decision to bring about greater certainty, stability and rationality into the system and has the potential to propel the sugar sector to higher trajectory.

The above decontrol move is well begun but is just half done. The major decision on parity of sugarcane price with sugar price has been left out. The centre has pragmatically left certain major decision to states like linking of sugarcane price to realization

of sugar, cane area reservation and minimum distance criteria between two sugar mills and pushed ahead with only the first phase of reforms. It is however imperative that a long term formula on cane price with linkage to revenue from sugar and its by-products is evolved soon to decisively address the cyclicity in sugar production and built a long term healthy and prosperous relationship between industry and cane farmers.

Even the government can work on well devised existing Bhargava Formula which state that whenever there is extra realization over and above the Base sugar price fixed on the basis of SMP (now FRP) the same should be shared equally between the farmers and factory.

#### **Linkage of Raw Material Costs and Sugar Realization**

Rangrajan Committee has indicated a derived cane price formula. It indicates that cane price will not be an absolute but linked to another variable. Cane price will be linked to the price of sugar in the market place. The higher the rise in the sugar realizations, the greater the cane price will be paid to farmers. This is an internationally tested model. This ensures that any increase in sectors profitability is equitably shared between its manufactures and growers. The cane grower will not be treated vendor, but as partner. The Rangrajan committee has gone a step further in this proposed linkage; it has proposed a sharing percentage at a level higher than what is practiced abroad, which more than secures the interest of farmers. Since this is an individual state-based subject, this may be more difficult to implement than decision taken at the centre. However the Karnataka Government moved ahead with the proposed linkage to deregulate raw material pricing from arbitrary government pricing, a responsible step for the industry. When it will happen in all states , which will lead to complete decontrol.

#### **Distillery & Ethanol**

Movement and distribution of Molasses and Alcohol (co-products) are governed by the State Governments. The ethanol blending program also suffer as states are reluctant to allow permission for allocation of alcohol for production of ethanol. The state authority put hurdles on ethanol production due to perceptible fear of losing revenue and meeting state requirement for potable.

#### **Co-Gen of Power**

The Company is in the process of setting up Co-generation Plant for producing additional 3 MW of Electricity through purchase of turbine and related equipments. The Company has received all statutory approval for signing of Power Purchase Agreement (PPA). The power supply to grid will start from next sugar season 2013-14. This forward integration will significantly contribute to the profitability of the company.

#### **CANE & SUGAR POLICY**

- The ratio of levy and free-sale sugar at 10:90 has been changed to 100% free. The levy and the release requirement was abolished from season 2012-13 onwards.
- The Fair and Remunerative Price (FRP) price for the season 2012-13 was 170 ( last year Rs. 145) linked with basic recovery of 9.5% subject to premium of Rs. 1.70 per qtl. for every 0.1% increase.
- The monthly release system of sugar abolished.
- Compulsory jute packaging stand reduced from 100% to 40% of sugar production for the year 2012-13 upto 30th June, 2013. It is first ever occurrence of such major relaxation.
- Ad-hoc price of ethanol fixed at Rs. 27/- litre by CCEA in 2010 now stand revised to Rs. 34/litre. Oil Marketing Companies having floated tenders would buy ethanol at this price.
- Tariff rate of export duty was introduced by Finance Act, 2013 at 20% and standard import duty retained at 100%. Effective rate is 10% for import and 0% for export.

#### **OPPORTUNITIES AND THREATS**

##### **OPPORTUNITIES**

###### **Sugar**

India is largest consumer and second largest producer of sugar in world. Sugar is an essential item of mass consumption and with increase in income and spending power the consumption pattern of rural India is changing. The consumption of sugar is on increasing trend and there are huge scope for further increase in demand as India is still lagging behind from many advanced countries in respect of per capita consumption of sugar. Thus there are opportunity in production and consumption of higher quantity of sugar in coming period. Further there is no alternative to sugar as sweetener is having mass value which add weight to products.

###### **Distillery**

The consistent increase of demand of Rectified Spirit /Ethyl Alcohol in varied segment and mandatory provision of ethanol doping of 5% and its proposed increase to 10% will have strong support for growth of sugar industry. Ethanol production



improves oil security and contributes to environmental protection. The increase in ethanol price to Rs. 34 per BL and proposed parity price with petroleum will have positive impact on sugar sector.

#### **Power**

Sugar Industry offer immense scope for renewal energy project on co-generation basis, which provide clean energy. Due to this the increased demand of surplus bagasse has added imputes to revenue generation.

#### **Bio-Compost Fertiliser**

The bio-compost and vermi-compost fertilizers being produced by the company has got immense scope of demand in all major agriculture cultivation as it not only preserve the soil from excessive use of chemical fertilizer but also increase its fertility. The company is using distillery effluent and press mud from sugar and other agricultural waste to produce bio-compost which is very cost efficient. Thus the company apart from treatment of effluent and zero discharge adding value and thus expect good cash flow in near future.

#### **THREATS**

- The sugar sector is exposed to political intervention.
- Unreasonable increase in cane price in comparison to sugar selling price.
- Industry cyclicality.

#### **FUTURE PROSPECTS/OUTLOOK**

The sugar year 2012-13 opened with a stock of 65 lac M/T against 55 lac M/T in 2011-12. The production for the season 2012-13 expected at 246 Lac M/T against 263 lac MT during previous season. The domestic consumption of sugar for 2012-13 expected at 230 lac M/T against 220 Lac M/T last year. The export of sugar for 2012-13 is nil against 34 Lac M/T last year, whereas net import at 4 Lac MT against nil last year. The closing stock thus will be 85 Lac MT, which is 20 lac MT more than last year and is more than 4 months domestic consumption.

#### **RISK AND CONCERN**

##### **SUGAR**

- (a) Delay in evolving a rational Sugarcane Pricing Policy having link with sugar price is detrimental to growth of the industry.
- (b) The output of sugar, an agro-based product, is influenced by climatic vagaries.
- (c) Sugar Industry being cyclic in nature, the growth is hampered during downtrend.

##### **DISTILLERY**

- (a) Lack of clear cut policy of the State Government and time consuming regulation of the movement, distribution and pricing of molasses and Industrial Alcohol are major concerns in respect of Distillery operations.
- (b) Inconsistent policy of the State government in the implementation of the Ethanol Blending Programme is matter of concern.

#### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY :**

Your Company has adequate systems and internal control procedures to safeguard the assets of the company and to ensure maintenance of proper accounting records. Computerized Information System is available to capture, present and analysis the data for management information and decision-making. The company has installed ERP system for entire factory operation including sugarcane, raw material, Store, manpower, sales, accounting. The company has implemented GPS system for survey and measurement of cane area which gives authentic figures. The management and control of factory operation is also under computerization and automation. There is also an Internal Audit System in place which reviews the key business and controls and also test checks on routine transactions and reports deviations. Besides, an Audit Committee periodically reviews the functioning of the entire system. The company has surveillance systems at critical places to control.

#### **CHANGE IN SHARE CAPITAL**

The company on 23.11.2012 allotted 14,50,000 convertible equity share warrants to promoters and to other on preferential allotment basis as per SEBI (ICDR) Regulation, 2009 at a exercise price of Rs. 17.20 per share warrant and received application money of Rs. 4.30 per warrant. The said amount of Rs. 62.35 Lacs were utilized to meet business requirement and to strengthen the financial parameters of the company. The warrants will be converted into share within financial year 2013-14.

The company during last 4 years brought Rs.11 Cr. as equity and with above conversion it will be Rs.13.5 Cr.

#### **FIXED DEPOSITS :**

The company is complying with Fixed Deposit Rules. There is no overdue Fixed Deposit or interest thereon at the end of the year.

#### **AUDITORS' REPORT :**

The Notes on the Financial Statement referred to in the Report of the Auditors have been suitably explained by way of 'Notes on Accounts'.

**COST AUDIT :**

Cost Audit of Accounts of the Company for the year ended 31st March, 2013 in respect of Sugar and Industrial Alcohol are being conducted by M/s. Mani & Co., Cost Accountants, Kolkata, and necessary Report will be submitted to the Ministry of Corporate Affairs, Government of India.

The cost audit report for the financial year ended 31st March, 2012 was filed by the cost auditors with respect to sugar unit of the company on 09.01.2013, which was within the extended due date of 28.02.2013.

**DIRECTORS :**

Mr. Pankaj Tibrawalla, Director who retires by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment.

Mr. Suyash Borar, Director who retires by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment.

**DIRECTORS' RESPONSIBILITY STATEMENT :**

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, as amended, with respect to the Directors' Responsibility Statement, it is hereby confirmed :

- (i) That in preparation of accounts for the financial year ended 31st March, 2013, the applicable accounting standards have been followed;
- (ii) That the Directors of the Company have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2013 and of the loss of the Company for the year ended 31st March, 2013.
- (iii) That the Directors of the Company have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) That the Directors of the Company have prepared the accounts of the Company for the year ended 31st March, 2013 on 'going concern' basis.

**CORPORATE GOVERNANCE :**

The Corporate Governance form an integral part of this Report and are set out as separate annexures to this Report. The certificate from the Auditors of the company certifying compliance of condition of Corporate Governance stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges is also annexed to Report on Corporate governance. The voluntary guidelines on Corporate Governance issued by the Ministry of Corporate Affairs, Government of India, will be considered after the enactment of the new Companies Bill by the Government.

**PERSONNEL :**

There was no employee of the Company getting remuneration so as to attract the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended as on date.

**LISTING OF SHARES :**

The Shares of the Company are listed on the Stock Exchanges of Calcutta and Mumbai. The Company has been regularly paying the Listing Fees to each Stock Exchanges.

**CONSERVATION OF ENERGY :**

Particulars in respect of conservation of energy, technology absorption and Foreign Exchange earning and outgo as required under Section 217(1)(e) of the Companies Act, 1956 are given in a separate annexure hereto and forming part of this report.

**AUDITORS :**

M/s. K. N. Gutgutia & Co., Chartered Accountants, Kolkata, Auditors of the Company, retire and being eligible offer themselves for re-appointment.

**APPRECIATION :**

Your Directors express their appreciation for the support and contribution by Cane Growers, Bankers, Central and State Government, Suppliers, Customers and the valuable services rendered by the Employees at all levels.

Kolkata,  
Dated : 31st May, 2013

For and on behalf of the Board,

**O. P. Dhanuka**  
Chairman & Managing Director

Information pursuant to the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the period ended 31st March, 2013 :

**A. CONSERVATION OF ENERGY :**

**Energy Conservation measures taken :**

- a) Your Company continues to give priority to conservation of energy on an ongoing basis.
- b) Total energy consumption and energy consumption per unit of production – Given separately in Form 'A' annexed hereto.

**B. TECHNOLOGY ABSORPTION :**

Research & Development (R & D) :

- a) Specific areas in which R & D is being carried out by the Company :

**Agriculture Development :**

- 1) Soil Analysis and Nutrition
- 2) Soil Testing Lab
- 3) Tissue Culture
- 4) Microbial Culture Laboratory
- 5) Biological Control of Cane Crop
- 6) Heat Treatment Therapy to treat Sugarcane Seeds
- 7) Pest Control Measures to protect Sugar Cane from diseases.
- 8) Multiplication of foundation Cane Seeds by rearing in Nurseries
- 9) Ratoon Management for Sugar Cane crops.

**Manufacturing Process :**

- 1) Increasing the per day crushing rate.
- 2) Increase in operational efficiency of the Plant
- 3) Reduction of Sugar losses in process
- 4) Reduction in Steam consumption and power saving
- 5) Improvement in Sugar quality

**Utilisation of by-products :**

Manufacture of Bio-Compost & Vermi-Compost by using Pressmud and Distillery Effluents. Co-Gen of Power from Bagassee

- b) Benefits derived as a result of above R & D :

- 1) By the measures under caption "Agricultural Development" :  
Availability of high yielding disease-free cane and higher financial return to the Cane Growers. Microbial Lab will increase the fertility of soil by restoring its vital components.
- 2) By the measures under caption "Manufacturing Process" :  
Improvement in production efficiency and reduction in steam consumption and Co-Gen Power from Bagassee.
- 3) By the measures under caption "utilisation of by-products" :  
Advent of Bio-Fertilizer and cheaper duly treated Effluent Water, rich in nutrients, which are beneficial to the farmers, factory and environment and achievement of zero water discharge and pollution level below the maximum norms set by government and Co-Gen Power from Bagassee.

- c) Future Plans of Actions :

- 1) Continuous research of better yielding disease-free variety of cane.
- 2) Contemplating scheme to reduce sugar loss in the process and simultaneously increasing operational efficiencies.

- d) Expenditure on R & D :

- |                            |   |                                  |
|----------------------------|---|----------------------------------|
| 1) Capital                 | : | NIL                              |
| 2) Recurring               | : | Rs. 22.00 Lacs approx. per annum |
| 3) Total                   | : | Rs. 22.00 Lacs approx.           |
| 4) Total R & D Expenditure | : | 0.11% of total turnover.         |
- as percentage of total turnover

- e) Technology absorption, Adaptation and Innovation :

- i) Efforts, in brief, made towards technology absorption, adaptation and innovation :  
The Research & Development Department and Technical Personnel keep themselves abreast of the technical developments and innovations relating to the Company's product and/or products and bring about improvement in operation for better quality and cost effectiveness.

- ii) Benefits derived as a result of the above efforts : The Modernisation of Plant and smooth working ensured.  
 iii) Imported Technology : None during the year.

**C. FOREIGN EXCHANGE EARNING AND OUTGO :**

	<b>Financial Year 31st March, 2013</b>	<b>Financial Year 31st March, 2012</b>
1) Activities relating to exports initiative	None	None
2) Development of new Export Market for products and services	Nil	Nil
3) Total Foreign Exchange Earnings	Nil	Nil
4) Used (Rs. in Lacs)	182.87	6.56
<b>FORM 'A' SUGAR</b>		
	<b>Financial Year 31st March, 2013</b>	<b>Financial Year 31st March, 2012</b>
<b>A. Power &amp; Fuel consumption</b> (In the process of manufacture) :		
1. Electricity :		
a) Purchased :		
Units	NIL	NIL
Total amount (Rs.)	NIL	NIL
Rate/Unit	N.A.	N.A.
b) Own Generation :		
i) Through Diesel Generator :		
Units	3,96,635	7,21,740
Units/Litres of Diesel Oil	3.71	3.36
Diesel Oil Cost/Unit Rs.	12.10	12.77
ii) Through Steam Turbine :		
Units	1,44,95,045	1,28,36,239
Units/Qtl. of Bagasse	21.00	21.00
iii) Cost/Unit :	Bagasse being byproduct, not ascertainable.	
2. Coal, Furnace Oil & Ors :	Not directly consumed in production.	
<b>B. Consumption per Unit of Production :</b>		
Production (in Lac Qtls. including Stock in Process)	4.41	4.33
Electricity (per Qtl. of Sugar)(Units)	33.76	31.31

**NPK FERTILISER**

<b>Power &amp; Fuel Consumption :</b>	<b>Financial Year 31st March, 2013</b>	<b>Financial Year 31st March, 2012</b>
<b>1. Electricity</b>		
A. <b>Purchase</b> (Own transfer - Unit)	14,253	15,264
Total Value (Rs.)	98,175	76,320
Rate per Unit (Rs.)	5.00	5.00
B. <b>Own Generation :</b>		
Through Diesel Generation (Units)	—	—
Unit per Litre of Diesel Oil	—	—
Diesel Oil Cost/Unit	—	—
<b>2. Coal, Furnace Oil &amp; Others</b>		
(1) Production of Fertiliser (Qtls.)	4,751	5,088
(2) Electricity Power Consumed Unit/Qtls.	3.00	3.00

## CORPORATE GOVERNANCE REPORT

### COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE :

Riga Sugar Company Limited as a part of Dhanuka Group, has over the years endeavored to follow practice of Corporate Governance. Riga Sugar's business objective and that of its management and employees is to manufacture and market the Company's products so as to create value for consumers, farmers, shareholders, employees, and the national economy. In addition to compliance with regulatory requirements, Riga Sugar Company Limited endeavors to ensure that standards of ethical and responsible conduct are met throughout the organization.

### BOARD OF DIRECTORS :-

Composition, attendance at the Board meeting & last Annual General Meeting, Outside Directorship and other Board Committees.

During the financial year 2012-13 ended 31.03.2013, 7 (seven) Board Meetings were held on 17.04.2012, 30.05.2012, 23.06.2012, 14.08.2012, 08.10.2012, 12.11.2012 and 13.02.2013.

Above information for the financial year ended 31st March, 2013 as applicable, is tabulated hereunder :

Directors	No of Board Meetings Attended	Attendance At previous AGM held on 27.09.2012	No. of Outside Directorship Held (Public Ltd. Co.)	No. of Membership (Chairmanship) in Board committees	Category
Mr. O. P. Dhanuka	7	Yes	3	Nil	Promoter & Executive
Mr. Pankaj Tibrawalla	7	Yes	3	1	Non-Promoter & Non-Executive
Mr. Suyesh Borar	1	No	–	1	Independent & Non-Executive
Mr. S. K. Goenka	6	Yes	3	2	-do-
Mr. N. C. Majumdar	7	Yes	Nil	Nil	-do-
Mr. Sarad Jha	7	No	3	2	-do-

The composition of the Board and other provisions as to Board and Committees are in compliance with the clause 49. All the independent directors qualify the conditions for being independent director as prescribed under clause 49. No Director is related to any other director, except Mr. O. P. Dhanuka and Mr. Pankaj Tibrawalla, who are related to each other, as Mr. Pankaj Tibrawalla is 'son-in-law' of Mr. O. P. Dhanuka. Further, the Board periodically reviews compliance reports of all laws applicable to the Company and necessary steps are being taken to ensure the compliance in law and spirit.

As required under Annexure I to clause 49 of the Listing Agreement with the Stock Exchanges, all the necessary information were placed before the Board from time to time.

The company pays to its non-executive Directors as sitting fees, an amount of Rs. 2,500/- per meeting for attending meetings of the Board of Directors.

The company has adopted a code of conduct for its non-executive Directors and all non-executive Directors have affirmed compliances with the said code. All senior Management of the company have also affirmed compliance with the Code of Conduct. The code of conduct is also displayed on the companies website. The Annual Report of the company contains a certificate duly signed by Managing Director in this regard.

### BOARD COMMITTEES

#### AUDIT COMMITTEE

The Audit Committee of the Company met 4 times during the financial year 2012-13 on 28.05.2012, 13.08.2012, 10.11.2012 and 12.02.2013.

## TERMS OF REFERENCE

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Reviewing, with the management, the annual and quarterly financial statements before submission to the board for approval, with particular reference to :
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by management.
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Qualifications in the draft audit report.
4. Reviewing the adequacy of internal audit function & discussion with internal auditors any significant findings and follow up there on.
5. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
6. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
7. Reviewing with the management , the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
8. Approval of appointment of CFO.
9. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

As on 31.03.2013 the Audit Committee of the Company comprises 3 Directors, all of whom are independent and non-executive. Mr. Sarad Jha, who has financial and accounting knowledge, is the Chairman of the Audit Committee. The Company Secretary acts as the Secretary to the Committee. Auditors and Internal Auditors are invited to the meetings.

The constitution of Audit Committee was as follows :

Name of Members	Status	No. of Meetings attended
Mr. Sarad Jha (Chairman)	Independent & Non-Executive	3
Mr. Suyash Borar	-do-	4
Mr. S. K. Goenka	-do-	4

**SHAREHOLDERS COMMITTEE****(i) Share Transfer Committee**

The Share Transfer Committee was constituted to deal with various matters relating to share transfer/transmission, issue of duplicate share certificates, approving the split and consolidation request and other matters relating to transfer and registration of shares.

The members of the committee are Mr. O. P. Dhanuka, Mr. Pankaj Tibrawalla, and Mr. S. K. Goenka. Mr. S. Prasad, Company Secretary is Ex-officio Secretary of the Share Transfer Committee. During financial year 2012-13, 7 No. of share transfer committee meetings were held.

**(ii) Shareholders/Investors grievances committee**

The company constituted the Shareholders/Investors grievances committee to oversee the redressal of shareholders' and investors' grievances in relation to transfer of shares, non-receipt of annual report and non-receipt of dividend.

Shareholders/Investors Grievance Committee comprises of Mr. Pankaj Tibrawalla, Chairman, Mr. S. K. Goenka and Mr. S. Jha. During the financial year 2012-13, 4 No. of Shareholders/Investors Grievance Committee meetings were held.

The constitution of Shareholders/Investors Grievance Committee were as follows :

Name of Members	Status	No. of Meetings attended
Mr. Pankaj Tibrawalla (Chairman)	Non-Promoter & Non-Executive	4
Mr. S. K. Goenka	Independent & Non-Executive	4
Mr. Sarad Jha	-do-	1

Share transfer are processed fortnightly and approved by the Share Transfer committee. During the Financial Year 2012-13, there was no complaint received from shareholders and investors.

**SUBSIDIARY COMPANY**

The company has no subsidiary company.

**COMPLIANCE OFFICER**

Mr. S. Prasad, Company Secretary, is the Compliance Officer.

Address : Riga Sugar Co. Ltd.

14, Netaji Subhas Road, Kolkata - 700 001

Phone No. : 033 2231 3414/15

Fax : 033 2230 3663

E-mail : sprasad@rigasugar.com

**REMUNERATION COMMITTEE**

Matters of remuneration of Executive Directors are considered by Remuneration Committee before placing at the meeting of the Board of Directors of the Company, with the interested Executive Director(s), not participating or voting. The terms of remuneration of Executive Directors are approved by the Shareholders at the General Meeting. Remuneration Committee is comprising of Directors, Mr. S. K. Goenka, Chairman, Mr. Suyesh Borar and Mr. N. C. Majumdar, all of them independent and non-executive Directors.

The Company pays remuneration by way of salary and perquisites to the Managing Director. The remuneration is recommended by the Remuneration Committee to the Board of Directors and placed before the shareholders' meeting for approval.

The Non-executive Directors are remunerated by way of sitting fee of Rs.2,500/- for attending each Board of Directors' meeting.

**REMUNERATION OF DIRECTORS FOR FINANCIAL YEAR 2012-13**

(Amount in Rs.)

Name of the Director	Sitting Fee	Salaries	Perquisites/ Benefits	Total
Mr. O. P. Dhanuka Chairman-Managing Director	–	13,25,000	13,52,210	26,77,210
Mr. P. Tibrawalla	17,500	–	–	17,500
Mr. S. Borar	–	–	–	–
Mr. S. K. Goenka	15,000	–	–	15,000
Mr. N. C. Majumdar	17,500	–	–	17,500
Mr. Sarad Jha	17,500	–	–	17,500

The Company does not have any stock option scheme.

The present appointment of the Managing Director is for a period of five years and is effective from 1st March, 2009 to 28th February, 2014.

During the Financial Year 2012-13 no Remuneration Committee Meeting was held.

**GENERAL BODY MEETING**

Location and time of last Annual General Meetings are as under :

For Fin. Year	Venue	Date and time	No. of Special Resolution passed
31.03.2012	Sitaram Seksaria Sabhagar (Auditorium) Bhartiya Bhasa Parishad 36A, Shakespeare Sarani, Kolkata-700 017	27th September, 2012 at 10.30 a.m.	None
18 months peiord ended 31.03.2011	'Kalakunj', 48, Shakespeare Sarani Kolkata- 700 017	20th August, 2011 at 11.45 a.m.	None
30.09.2009	Sitaram Seksaria Sabhagar (Auditorium) Bhartiya Bhasa Parishad 36A, Shakespeare Sarani, Kolkata-700 017	25th February, 2010 at 4.30 p.m.	None

Three Extra-Ordinary General Body Meeting were held during last 3 years on 09.03.2011, 21.02.2012 and 06.11.2012, during last three years no deemed Extra-Ordinary General Meeting was held for declaration of result of resolution put through postal ballot.

In aforesaid Extra Ordinary General Meetings the following Resolutions were passed :

Date of Extra Ordinary General Meeting/Postal Ballot	Resolution Description	Voting pattern
EGM : 09.03.2011	Special Resolution in terms of section 81(1A) and all other applicable provisions, if any of the Companies Act, 1956 for issue of Equity Shares on Preferential basis.	By show of hands
EGM : 21.02.2012	81(1A) and all other applicable provisions, if any of the Companies Act, 1956 for issue of Equity Shares on Preferential basis.	By show of hands
EGM : 06.11.2012	Special Resolution in terms of section 81(1A) and all other applicable provisions, if any of the Companies Act, 1956 for issue of Convertible Equity Shares Warrants on Preferential basis.	By show of hands

**DISCLOSURES**

- (i) The details of related party transactions is mentioned in note no. 33 of financial statement. There was no materially significant related party transaction, which was considered to have conflict with the interest of the Company at large.
- (ii) There has not been any non-compliance, penalties or strictures imposed on the Company by the Stock Exchange, SEBI or any other statutory authority, on any matter relating to the capital markets, during the last three years.
- (iii) None of the Non-Executive Directors hold equity shares or convertible instruments of the Company as on 31.03.2013.
- (iv) The Company has followed the guidelines of Accounting Standards prescribed under the Companies (Accounting Standard) Rules, 2006 in preparation of its financial statements.
- (v) Pursuant to the provisions of sub-clause V of the revised clause 49 of the Listing Agreement with the Stock Exchanges, the Managing Director and the CEO have issued a certificate to the Board, for the financial year ended 31st March, 2013.

**MEANS OF COMMUNICATION**

The Quarterly, Half yearly and Annual Results were published in the leading English and Bengali Newspapers such as 'The Financial Express' and 'Ekdin' (Bengali). The Half-Yearly reports are not sent to household of shareholders. The Company's Website is [www.rigasugar.com](http://www.rigasugar.com), Official news release and presentations made to analysts are sent to the Stock Exchanges at Calcutta and Mumbai, where shares of the Company are listed.

The Company's Quarterly Results are available on [www.rigasugar.com](http://www.rigasugar.com)

As per Clause 52 of the Listing Agreement with stock exchanges, certain documents/information such as quarterly/annual financial results, shareholding pattern and corporate governance are accessible on the website [www.rigasugar.com](http://www.rigasugar.com)



The Company has designated separate section for redressal of the investor grievances and necessary disclosure to this effect in the Company's website [www.rigasugar.com](http://www.rigasugar.com) as well the email-id [sprasad@rigasugar.com](mailto:sprasad@rigasugar.com)

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry structure and developments, opportunities and threats, segment-wise or product-wise performance, outlook, risks and concerns of the Company and discussion on financial performance with respect to the operational performance, has been covered in the Director's Report.

The Company has an adequate system of internal controls to ensure that transactions are properly recorded, authorized and reported apart from safeguarding its assets. The internal control system is supplemented by well documented policies, guidelines and procedures and review carried out by the Company's internal audit function which submits reports periodically to the Management and the Audit Committee of the Board.

There has been no material development in Human Resources/Industrial Relations during the period covered by this Annual Report. Your Company has a favorable work environment that motivates performance, customer focus and innovation while adhering to the high degree of quality and integrity. Training programmes are being organized to impart further innovative ideas and knowledge as well as to upgrade the skill of the employees.

Manpower figures of the Company as on 31.03.2013 was 679.

### GENERAL SHAREHOLDERS INFORMATION

#### (i) Annual General Meeting

Date and Time : 27th September, 2013 at 10.00 a.m.

Venue : Sitaram Seksaria Sabhagar (Auditorium)

Bhartiya Bhasa Parishad,  
36A, Shakespeare Sarani,  
Kolkata - 700 017

#### (ii) Financial Year Calendar for 2013-2014

Results for quarter ending June, 2013	second week of August, 2013
Results for quarter ending September, 2013	second week of November, 2013
Results for quarter ending December, 2013	second week of February, 2014
Results for quarter ending March, 2014	second week of May, 2014 (Unaudited) OR last week of May, 2014 (If audited)

#### (iii) Date of Book Closure

24.09.2013 to 27.09.2013

#### (v) Outstanding ADRs/GDRs Warrants or any convertible instruments, conversion date and likely impact on equity

: 14,50,000 Equity Share Warrants allotted on 23.11.2012 on preferential basis, pending for conversion within 18 months. On full conversion the equity share will increase from 91,93,405 to 1,06,43,405.

### LISTING OF EQUITY SHARES ON STOCK EXCHANGES AT

(i) The Calcutta Stock Exchange Limited  
7, Lyons Range, Kolkata-700 001

(ii) Bombay Stock Exchange Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai-400 001

### LISTING FEES

Listing fee for the year 2012-13 and 2013-14 has been paid to the above Stock Exchanges.

### DEPOSITORIES

(i) National Securities Depository Limited  
Trade World, 4th Floor, Kamala Mills Compound  
Senapati Bapat Marg, Lower Parel, Mumbai-400 023

(ii) Central Depository Securities Limited  
Phiroze Jeejeebhoy Towers, 28th Floor  
Dalal Street, Mumbai-400 023

**STOCK CODE**

- CSE Code 10028038
- BSE Code 507508
- ISIN Code INE 909 C01010

**STOCK MARKET DATA**

## Calcutta Stock Exchange(CSE)

## Bombay Stock Exchange(BSE)

	Month's high Price	Months Low price	Volume	Month's high price	Month's low price	Volume
Apr. 2012	-	-	-	17.50	14.30	36203
May 2012	-	-	-	16.20	13.30	16295
Jun. 2012	-	-	-	17.30	13.60	14804
Jul. 2012	-	-	-	21.80	16.00	38538
Aug. 2012	-	-	-	22.50	15.65	21105
Sep. 2012	-	-	-	18.30	15.20	16178
Oct. 2012	-	-	-	25.60	16.55	1622742
Nov. 2012	-	-	-	28.10	24.15	652920
Dec. 2012	-	-	-	30.15	26.80	849932
Jan. 2013	-	-	-	33.50	26.30	902664
Feb. 2013	-	-	-	31.80	27.10	840580
Mar. 2013	-	-	-	30.70	22.50	911427

Note : There was no trading in Calcutta Stock Exchange during the year.

Share Price Performance in comparison to BSE Sensex.

BSE Sensex	
% change in RSCL share price	% change in Sensex
68.0%	(-) 23.4%

Financial Year ended 31st March, 2013

**REGISTRAR AND TRANSFER AGENTS, SHARE TRANSFER SYSTEM**

Share transfers are normally effected within a maximum period of 15 days from the date of receipt and Demat request is confirmed within a period of 14 days.

Registrars and Share Transfer Agents :

M/s. S. K. Infosolutions Pvt. Ltd.

34/1A, Sudhir Chatterjee Street, Kolkata-700 006

Phone : 033 2219 6797, Fax : 033 2219 4815

**CATEGORIES OF SHAREHOLDING AS ON 31st MARCH, 2013**

Category	Number of Shares	Percent of total shares
Promoters	53,43,378	58.12
Foreign Institutional Investors	-	-
Banks, Financial Institutions, Insurance Co.	-	-
Companies (Central/State Govt. Institutions/Non Govt. Institutions)	-	-
Mutual Funds and UTI	2,600	0.03
Private Corporate Bodies (including clearing members)	21,72,059	23.63
Non-Resident Indian(NRI) and Overseas Corporate Bodies (OCB)	14,490	0.16
Indian Public	16,60,878	18.06
TOTAL	91,93,405	100.00

**DISTRIBUTION OF SHAREHOLDING AS ON 31st MARCH, 2013**

Shareholding Range	Number of Shareholders	% of Shareholders	No. of Shares	% of Shareholding
1-500	5519	92.63	648695	07.06
501-1000	220	03.70	178257	01.94
1001-2000	98	01.64	149789	01.63
2001-3000	33	00.56	81198	00.87
3001-4000	15	00.25	55928	00.61
4001-5000	7	00.12	32013	00.35
5001-10000	24	00.40	197685	02.15
10001-50000	21	00.35	524795	05.71
50001-100000	9	00.15	590115	06.42
100001 and above	12	00.20	6734930	73.26
<b>TOTAL</b>	<b>5958</b>	<b>100.00</b>	<b>9193405</b>	<b>100.00</b>

**DEMATERIALIZATION OF SHARES AND LIQUIDITY**

97.13% equity Shares of the Company have been dematerialised as on 31st March, 2013.

**PLANT LOCATION**

- |   |   |   |
|---|---|---|
| (i) SUGAR UNIT<br>Dhanuka Gram,<br>P. O. Riga<br>Dist. Sitamarhi<br>Bihar-843 327 | (ii) DISTILLERY UNIT<br>Dhanuka Gram,<br>P. O. Riga<br>Dist. Sitamarhi<br>Bihar-843 327 | (iii) HARABHARA FERTILISER<br>Dhanuka Gram,<br>P. O. Riga<br>Dist. Sitamarhi<br>Bihar-843 327 |
|---|---|---|

**INVESTORS CORRESPONDANCE**

All share transfer cases should be forwarded to the Registrars & Share Transfer Agents of the company. All communication should be forwarded to the Registered Office of the Company marked to the attention of the Company Secretary - Mr. S. Prasad (Phone No. 2231-3414, E-mail : sprasad@rigasugar.com)

**DECLARATION BY THE MANAGING DIRECTOR ON THE CODE OF CONDUCT**

Pursuant to clause 49 of the Listing Agreement with Stock Exchanges, I, O. P. Dhanuka, Managing Director of Riga Sugar Co. Ltd., declare that all the Board Members and senior Executives of the Company have affirmed their compliance with the Code of Conduct of the Company during the financial year 2012-13.

Kolkata  
31st May, 2013

**O. P. Dhanuka**  
Chairman-Managing Director

## CMD & CEO Certification

The Board of Directors  
Riga Sugar Co.Ltd.  
Kolkata.

### Re : Financial Statements for the Financial Year 2012-13 Certification by CMD and CEO

We, O. P. Dhanuka, Managing Director and S. Prasad, Chief Executive Officer of Riga Sugar Co. Ltd, on the basis of the review of the financial statements and the cash flow statement for the year ended 31st March, 2013 and to the best of our knowledge and belief, hereby certify that :-

1. These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading.
2. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year ended 31st March, 2013 which are fraudulent, illegal or violative of the company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting, we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee those deficiencies in the design or operation of such internal controls of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
5. We have indicated to the Auditors & the Audit Committee :
  - a) there have been no significant changes in internal control over financial reporting during this period.
  - b) about the significant changes in accounting policies during this period.
  - c) there have no instances of significant fraud of which we have become aware and the involvements therein, of management or an employee having significant role in the company's internal control systems over financial reporting.

Kolkata  
31st May, 2013

S. Prasad  
Chief Executive Officer

O. P. Dhanuka  
Chairman-Managing Director

## CERTIFICATE

To the Members of Riga Sugar Company Limited

We have examined the compliance of conditions of corporate governance by Riga Sugar Company Limited for the year ended 31st March, 2013 as stipulated in Clause 49 of the Listing Agreement of the said company with the stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that in respect of investor grievances received during the financial year ended 31st March, 2013 no investor grievance is pending for a period exceeding one month against the company as per the records maintained by the Shareholders/Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

6C, Middleton Street  
Kolkata-700 071  
31st May, 2013

For **K.N. GUTGUTIA & CO.**  
*Chartered Accountants*  
**(Subhasish Pore)**  
*Partner*  
(Membership No. 55862)

## AUDITOR'S REPORT

**TO  
THE MEMBERS OF  
RIGA SUGAR COMPANY LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying financial statement of **Riga Sugar Company Limited** ("the Company"), which comprises the Balance sheet as at March 31, 2013, and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, all of which we have signed this day under reference to this report.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements 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 :-

- (a) in the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2013;
- (b) in the case of Statement of Profit and Loss, of the Loss for the year ended on that date; and
- (c) in the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

- a) 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;(and proper returns adequate for the purpose of our audit have been received from branches not visited by us)
- b) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account; (and with the returns received from the branches not visited by us).
- c) In our opinion, the Balance Sheet, Statement of Profit & Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- d) On the basis of the written representations received from the Directors as on 31st March, 2013, and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2013 from being appointed as a Director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

For K. N. GUTGUTIA & CO.  
Chartered Accountants  
(ICAI Firm Registration No. 304153E)

6C, Middleton Street  
Kolkata-700 071  
Dated : 31st May, 2013

SUBHASISH PORE  
Partner  
Membership No. 55862

## Annexure

### As referred to in paragraph no. 1 under the heading of “Report on other Legal and Regulatory Requirements” of our report of even date

- (i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) These fixed assets have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification.
- (c) No substantial part of fixed assets has been disposed off during the year.
- (ii) (a) Physical verification of inventory has been conducted at reasonable intervals by the management.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) The company has granted unsecured loans to companies covered under register maintained under section 301 of the Act; as detailed in note no. 33 of financial statement; and
- (b) The rate of interest and other terms and conditions of loans given by the company are not prime- facie prejudicial to the interest of the company; and
- (c) Receipt of the principal amount and interest are also regular; and
- (d) There is no overdue amount.
- (e) The company has taken unsecured loans from companies covered in the register maintained under section 301 of the Act; as detailed in note no. 33 of financial statement; and
- (f) The rate of interest and other terms and conditions of loan taken by the company are not prima facie prejudicial to the interest of the company; and
- (g) Payment of the principle amount and interest are also regular.
- (iv) There is an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory, fixed assets and for the sale of goods. We have not observed any continuing failure to correct major weaknesses in internal control system.
- (v) (a) The particulars of contracts or arrangement referred to in section 301 of the Act have been entered in the register required to be maintained under that section; and
- (b) Save and except the transactions reported in clause (iii) above no transaction has been made.
- (vi) In respect of deposit accepted , in our opinion and according to the information and explanations given to us, directives issued by Reserve Bank of India and the provisions of Sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules made thereunder, to the extent applicable, have been complied with. We are informed by the management that no order has been passed by the Company Law Board, National Company Law Board Tribunal or Reserve Bank of India or any court or any other Tribunal.
- (vii) The company has an internal audit system commensurate with its size and nature of its business.
- (viii) Maintenance of cost records has been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act and such accounts and records have been made and maintained.
- (ix) (a) The company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income-tax, Sales-tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and any other statutory dues with appropriate authorities.

- (b) There are no dues of sales tax, income tax, customs duty, wealth tax, excise duty, service tax and cess which have not been deposited on account of any dispute, except the following :-

Sl. No.	Nature	Amount (Rs.in Lac)	Forum where dispute is pending
1.	Excise Duty	17.76	Commissioner of Excise (Appeal)
2.	VAT	8.83	Jt. Commissioner of Commercial Taxes (Appeal)

- (x) The company has accumulated loss balance at the end of the financial year but it has not incurred any cash loss in the current and immediately preceding financial year.
- (xi) The company has not defaulted in repayment of dues to bank.
- (xii) The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The company is neither a chit fund nor a nidhi/mutual benefit fund/society.
- (xiv) The company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) The company has not given any guarantees for loan taken by others from banks or financial institutions. The terms and conditions thereof are not prejudicial to the interest of the company.
- (xvi) The term loans were applied, by and large, for the purposes for which they were obtained.
- (xvii) No funds raised on short- term basis have been used for long-term investment.
- (xviii) The company has made preferential allotment of equity shares warrants to parties and companies covered in the register maintained under section 301 of the Act as per SEBI Regulations and the price of shares issued is not prejudicial to the interest of the company.
- (xix) No debentures have been issued.
- (xx) No money has been raised by public issues during the year.
- (xxi) During the course of our examination of the books of accounts carried out in accordance with the generally accepted auditing practices in India, no fraud on or by the company has been noticed or reported.

For K. N. Gutgutia & Co.  
Chartered Accountants  
(ICAI Firm Registration No. 304153E)

6C, Middleton Street  
Kolkata-700 071  
31st May, 2013

(SUBHASISH PORE)  
Partner  
Membership No. 55862



## BALANCE SHEET AS AT 31ST MARCH, 2013

	Note	As at 31.03.2013 Rs.	As at 31.03.2012 Rs.
<b>I. EQUITY AND LIABILITIES</b>			
<b>1) Shareholders' funds</b>			
a) Share Capital	2	9,19,34,050	9,19,34,050
b) Reserve & Surplus	3	57,28,33,076	60,49,23,832
c) Money Recieved against share warrants		62,35,000	—
		<b>67,10,02,126</b>	<b>69,68,57,882</b>
<b>2) Non-current Liabilities</b>			
a) Long Term Borrowing	4	35,62,03,129	29,42,90,098
b) Long Term Provisions	5	4,74,22,000	4,45,42,000
		<b>40,36,25,129</b>	<b>33,88,32,098</b>
<b>3) Current Liabilities</b>			
a) Short Term Borrowings	6	1,04,75,77,185	1,14,53,61,018
b) Trade Payable	7	68,68,75,868	74,04,73,657
c) Other Current Liabilities	8	7,39,65,178	6,56,81,713
d) Short Term Provisions	9	70,63,437	62,70,437
		<b>1,81,54,81,668</b>	<b>1,95,77,86,825</b>
<b>TOTAL</b>		<b>2,89,01,08,923</b>	<b>2,99,34,76,805</b>
<b>II. ASSETS</b>			
<b>1) Non-current Assets</b>			
a) Fixed Assets			
i) Tangible Assets	10	1,19,15,58,423	1,22,83,00,835
ii) Intangible Assets	10	6,28,150	5,54,079
iii) Capital work-in-progress	10	72,83,076	1,88,97,871
		<b>1,19,94,69,649</b>	<b>1,24,77,52,785</b>
b) Deffered Tax Assets (Net)	11	3,43,13,925	3,13,88,292
c) Long term loans and advances	12	2,69,837	3,26,327
		<b>1,23,40,53,411</b>	<b>1,27,94,67,404</b>
<b>2) Current Assets</b>			
a) Inventories	13	1,46,00,32,249	1,48,31,42,184
b) Trade Receivables	14	1,25,76,248	18,31,410
c) Cash and Cash equivalents	15	2,09,96,710	2,63,66,462
d) Short-term loans and advances	16	1,79,19,574	3,96,07,397
e) Other current assets	17	14,45,30,731	16,30,61,948
		<b>1,65,60,55,512</b>	<b>1,71,40,09,401</b>
<b>TOTAL</b>		<b>2,89,01,08,923</b>	<b>2,99,34,76,805</b>

Significant Accounting Policies

1

Notes on Financial Statements

2 to 36

In terms of our Report of even date attached herewith

For K. N. Gutgutia &amp; Co.

Chartered Accountants

SUBHASISH PORE

(Membership No. 55862)

6C, Middleton Street, Kolkata-700 071

31st May, 2013

S. Prasad

**Company Secretary**

O. P. Dhanuka

**Chairman & Managing Director**

S. Jha

S. K. Goenka

P. Tibrawalla

**Directors**

## STATEMENT OF PROFIT &amp; LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

	Note	2012-13 Rs.	2011-12 Rs.
<b>INCOME</b>			
Revenue from operation	18	1,98,02,81,507	1,48,44,60,543
Other Income	19	21,75,755	62,27,057
<b>Total Revenue</b>		<b>1,98,24,57,262</b>	<b>1,49,06,87,600</b>
<b>EXPENDITURE</b>			
Cost of materials consumed-Indigenous	20	1,46,51,22,504	1,16,62,15,189
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	21	31,61,434	(15,82,34,651)
Employee benefits expense	22	14,60,69,870	12,52,34,852
Finance costs	23	15,59,36,233	15,70,65,009
Depreciation and amortization expenses	24	6,79,52,533	6,62,18,244
Other Expenses	25	17,01,89,324	18,66,35,306
<b>Total expenses</b>		<b>2,00,84,31,898</b>	<b>1,54,31,33,949</b>
Profit (Loss) before exceptional item		(2,59,74,636)	(5,24,46,349)
Exceptional Item	26	90,83,262	—
Profit (Loss) before tax		(3,50,57,898)	(5,24,46,349)
<b>Tax expense :</b>			
(a) Income Tax for earlier years		(41,508)	(4,26,726)
(b) Deferred Tax		(29,25,634)	(51,15,664)
<b>Profit(Loss) for the year</b>		<b>(3,20,90,756)</b>	<b>(4,69,03,959)</b>
<b>Earning per equity share of face value of Rs. 10 each</b>			
Basic and Diluted	27	(3.49)	(6.18)
<b>Significant Accounting Policies</b>	1		
<b>Notes on Financial Statements</b>	2 to 36		

In terms of our Report of even date attached herewith.

For K. N. Gutgutia & Co.  
Chartered Accountants  
SUBHASISH PORE  
(Membership No. 55862)  
6C, Middleton Street, Kolkata-700 071  
31st May, 2013

S. Prasad  
**Company Secretary**

O. P. Dhanuka  
**Chairman & Managing Director**

S. Jha  
S. K. Goenka  
P. Tibrawalla  
**Directors**

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

	For the year ended 31.03.2013 <u>(Rs. in Lacs)</u>	For the year ended 31.03.2012 <u>(Rs. in Lacs)</u>
<b>A) CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit before tax and extra ordinary items	(350.58)	(524.46)
Adjustment for :		
Depreciation	679.53	662.18
Finance Charges	1,559.36	1,570.65
Interest/Other Income	(6.49)	(6.91)
(Profit)Loss on Sale of Investment	—	—
Liability no longer required written back	(11.89)	(5.49)
(Profit) Loss on Sale of Fixed Asstes	—	(46.83)
Wealth Tax paid	0.03	0.05
Operating Profit before working Capital Changes	<u>1,869.96</u>	<u>1,649.19</u>
Adjustments For :		
Trade and Other Receivables	296.85	197.87
Inventories	231.10	(1,631.22)
Trade & Other Payables	<u>(397.51)</u>	<u>(567.13)</u>
Cash generated from Operating Activities	2,000.40	(351.28)
Income Tax (payment) refund (Net)	(1.16)	17.98
Net Cash from Operating Activities	<u>(A) 1,999.24</u>	<u>(333.30)</u>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets	(209.41)	(702.14)
Sale/Purchase of Investment	—	—
Sale of Fixed Assets	—	50.19
Capital Subsidy received	12.71	235.79
Dividend Received	—	—
Interest Received	6.49	6.91
Net Cash used in Investing Activities	<u>(B) (190.20)</u>	<u>(409.25)</u>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from allotment money received on Share Capital	62.35	308.03
Proceeds from Long Term Borrowing (including funded interest)	1,118.36	421.17
Repayment of Long Term Loan	(492.04)	(1,365.04)
Repayment/Proceeds from short term Borrowing	(977.83)	2,812.15
Dividend Paid	(3.05)	0.56
Finance Cost Paid	<u>(1,570.51)</u>	<u>(1,601.40)</u>
Net Cash from Financing Activities	<u>(C) (1,862.72)</u>	<u>575.46</u>
Net Increase/(Decrease) in Cash & Cash Equivalent (A+B+C)	(53.69)	(167.08)
OPENING BALANCE OF CASH & CASH EQUIVALENTS	263.66	430.74
CLOSING BALANCE OF CASH & CASH EQUIVALENTS	209.97	263.66

(1) Cash and cash equivalent consists of cash on hand and balances with Banks.

(2) Figures for the previous year have been regrouped/re-casted wherever necessary.

For K. N. Gutgutia & Co.  
Chartered Accountants  
SUBHASISH PORE  
Partner

(Membership No. 55862)  
6C, Middleton Street, Kolkata-700 071  
31st May, 2013

S. Prasad  
**Company Secretary**

O. P. Dhanuka  
**Chairman & Managing Director**

S. Jha  
S. K. Goenka  
P. Tibrawalla  
**Directors**

**1. SIGNIFICANT ACCOUNTING POLICIES :****(a) Basis of Preparation of accounts :**

The accounts have been prepared based on 'historical cost' (except for certain fixed assets which are revalued) and governing statutes of India except otherwise stated.

**(b) Use of Estimates :**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures relating to contingent assets and liabilities as at the balance sheet date and the reported amount of income and expenditure during the year.

**(c) Revenue :**

Revenue are recognized on the basis of certainty of their ultimate collection.

**(d) Provisions :**

Provisions are recognized where reliable estimates can be made for probable outflow of resources to settle present obligation as a result of past event and the same is reviewed at each balance sheet date.

**(e) Prior Period Items :**

Prior period expenses/income are accounted under the respective heads. Material items, if any, are disclosed separately by way of a note, except the items which are necessitated by circumstances although related to prior period but are determined in current period.

**(f) Sales :**

Sales include Excise Duty, Inter-divisional transfers but excludes sale tax/VAT.

**(g) Governments Grants and subsidies :**

Government grants and subsidies identifiable with specific fixed assets are adjusted against the value of those fixed assets. Government grants and subsidies not identifiable with any fixed assets are credited to Capital Reserve.

Government grants and subsidies identifiable with specific revenue expenses are adjusted with such revenue expenses. Government grants and subsidies not identifiable with any specific revenue expenses, are accounted for as other income.

**(h) Research & Development :**

Revenue Expenditure is charged to Profit & Loss Account and Capital Expenditure is added to the cost of Fixed Assets in the accounting year in which it is incurred.

**(i) Expenditure on Modernisation and Expansion :**

Expenses directly related to the Modernisation/Expansion Project are capitalised. Interest and financial Charges during construction period are also capitalised. Expenses incurred for arranging finance for capital project are amortized over the period of 10 years.

**(j) Borrowing Cost :**

Borrowing cost attributable to the acquisition and construction of fixed assets/projects are capitalized till it is put into use for intended future benefit.

**(k) Fixed Assets :**

Fixed Assets are stated at their original cost comprising purchase price, taxes and duties but net of Modvat/Cenvat credit allowed. All costs attributed to bring such assets to working condition and relative borrowing costs attributable to the acquisition and construction of fixed assets are capitalized till put into use for intended use. Capital subsidy received is reduced from cost of relevant fixed assets. The cost of fixed assets may undergo changes subsequent to its acquisition or construction on account of exchange fluctuation, price adjustments, changes in duties or similar factors. The discarded/ obsolete fixed assets are transferred to scrap with recoupment of gross value and accumulated depreciation.

Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment, if any.

Impairment losses, if any, are recognized in accordance with the Accounting Standard notified under the Companies Act, 1956.

**(l) Depreciation :**

Depreciation on Fixed Assets is provided at the rate and in the manner specified in Schedule XIV to the Companies Act, 1956 considering the Sugar Mill, Ethyl Alcohol, Ethanol & Fertilisers Plants as 'continuous process' Plants.

Depreciation is charged on 'Straight Line Method' but for the Fixed Assets acquired during the period from 1986-87 to 1988-89, it is charged on "Written Down Value Method". Discarded assets are depreciated fully. Intellectual Property Rights is amortized over a period of ten years.

**m) Inventory :**

<b>Description</b>	<b>Basis of Valuation</b>
i) Stores & Spare Parts	At lower of cost or net realisable value.
ii) Loose tools & Equipment's	At lower of cost or net realisable value.
iii) Raw Materials	At lower of cost or net realisable value.
iv) Finished Goods :	
a) Sugar	At lower of cost or net realisable value.
b) Molasses (By product)	At realisable value.
c) Industrial Alcohol	At lower of cost or net realisable value.
d) NPK Fertiliser	At lower of cost or net realisable value.
e) Bio-Compost & Organic Fertiliser	At estimated realisable value.
v) Work in Process (Sugar)	At lower of cost or net realisable value.
vi) Standing Crop	At estimated realisable value.
vii) Bagassee	At estimated realisable value.

The cost of inventory comprises cost price and all cost attributed to bring such inventory to its location including taxes and duties (net of credit) and is computed on weighted average basis.

**n) Employee Benefits :**

(a) Short Term employee benefits :

These are recognized as an expense at undiscounted amount in the year in which the related services are rendered.

(b) Post employment benefits :

(i) Provident Fund :

Contributions under this defined benefit plan are being deposited to the government administered/trust formed exclusively for maintaining the provident fund related activities of the company, which is an exempted organization under the Employees Provident Fund and Miscellaneous Provisions Act, 1952 and charged to profit and loss account on accrual basis.

(ii) Gratuity and Leave Encashment :

Liabilities annually determined by Actuary are provided for.

(iii) Actuarial Gain/Loss :

Liabilities annually determined by Actuary are accounted for.

**o) Insurance Claim :**

These are accounted for on settlement of claim basis.

**p) Foreign Currency Transaction :**

Transactions in Foreign Currency covered under 'Forward Contract' are recorded at the exchange rate prevailing at the time of transaction. The difference between forward rate and exchange rate on the date of the Forward Contract is recognised as income or expense over the life of the contract and is taken to Profit and loss account.

**q) Taxes on Income :**

Income tax expenses comprise current tax and deferred tax. Deferred tax liabilities and assets are recognized for all timing differences using the taxable rates substantively enacted by the balance sheet date and are reviewed at 31st March. Recognition of deferred tax assets is subject to consideration of prudence set out in AS-22 of the Companies Act.1956.

**r) Earning Per Share :**

Computed in accordance with the AS-20 the Companies Act, 1956.

**s) Contingent Liabilities & Assets :**

Contingent liabilities are not provided for and are disclosed in the Notes on Accounts. Contingent assets are neither recognized nor disclosed in the accounts.

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	As at 31.03.2013 Rs.	As at 31.03.2012 Rs.
<b>2. SHARE CAPITAL</b>		
<b>(a) AUTHORISED :</b>		
1,00,000 12% Cumulative Redeemable		
(1,00,000) Preference shares of Rs. 10/- each	10,00,000	10,00,000
1,49,00,000 Equity Shares of Rs. 10/- each	14,90,00,000	14,90,00,000
(1,49,00,000)	<b>15,00,00,000</b>	<b>15,00,00,000</b>
<b>(b) ISSUED, SUBSCRIBED &amp; PAID-UP EQUITY SHARES :</b>		
92,27,105 (92,27,105) ISSUED	9,22,71,050	9,22,71,050
92,27,105 (92,27,105) SUBSCRIBED	9,22,71,050	9,22,71,050
<b>91,93,405 (91,93,405) PAID-UP</b>	<b>9,19,34,050</b>	<b>9,19,34,050</b>
2.1 PAR VALUE OF PER EQUITY SHARE	<b>10</b>	<b>10</b>
2.2 RECONCILIATION OF EQUITY SHARES		
Opening	91,93,405	75,28,405
Issued	—	16,65,000
Redeem/buyback	—	—
Closing	<b>91,93,405</b>	<b>91,93,405</b>
2.3 The company has issued single class of equity shares and no special right and/or preference are attached to such shares.		
2.4 The company is neither holding company nor a subsidiary company.		
2.5 Equity Shares held by each shareholders holding more than 5% Shares :		
	<b>As at 31.03.2013</b>	<b>As at 31.03.2012</b>
	<b>No. of Shares</b>	<b>% of holding</b>
(a) DG Vitta Vinimay & Properties Ltd.	39,48,484	42.95
(b) The Belsuld Sugar & Industries Limited	11,16,165	12.14
2.6 No. of Shares Reserved for issue under Option and contract/commitment for the sale of shares/disinvestment	NIL	NIL
2.7 During the period of five years immediately preceding the balance sheet date no shares were allotted as fully paid pursuant to contract without payment, no bonus shares were issued and no shares were bought back.		
2.8 14,50,000 Equity Shares Warrants were allotted on 23.11.2012 to promoters and others on preferential allotment basis at Rs. 17.20 per warrants, convertible into equity share at Face value of Rs. 10 and premium of Rs. 7.20. The said warrant is convertible into equity share within 18 months from the date of allotment in one or more tranches.		
2.9 There is no unpaid call.		
2.10 Amount of forfeited equity shares (33,700 equity shares of Rs. 10 each on which Rs. 5 was paid up)	1,68,500	1,68,500

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	As at 31.03.2013 Rs.	As at 31.03.2012 Rs.
<b>3. RESERVE &amp; SURPLUS :</b>		
(a) Capital Reserve		
Share Forfeited	8,42,500	8,42,500
	8,42,500	8,42,500
(b) Security Premium Reserve – Opening	14,65,05,475	13,23,52,975
Receipt	—	1,41,52,500
Closing	14,65,05,475	14,65,05,475
(c) Revaluation Reserve (Revaluation of land) – Opening	48,56,07,506	6,92,18,539
Revalued during the year	—	41,63,88,967
Closing	48,56,07,506	48,56,07,506
(d) General Reserve :		
As per last Balance Sheet	1,30,91,917	1,30,91,917
	1,30,91,917	1,30,91,917
(e) Surplus as per Profit and Loss Account		
Opening	(4,11,23,566)	57,80,384
Net Profit (Loss) for the period	(3,20,90,756)	(4,69,03,950)
Total	(7,32,14,322)	(4,11,23,566)
Appropriations :	—	—
Balance Carried Forward	(7,32,14,322)	(4,11,23,566)
TOTAL (a) to (e)	<b>57,28,33,076</b>	<b>60,49,23,832</b>

### 4. LONG TERM BORROWINGS :

#### Secured Term Loans From

Bank of India	24,41,20,435	17,13,09,197
Union Bank of India	2,44,79,167	20,89,756
Sugar Development Fund (Including funded Interest)	8,76,03,527	12,08,91,145
	35,62,03,129	29,42,90,098

#### 4.1 Security and Terms of Repayment of Term Loans from Banks :-

(a) Term Loan from Bank of India is Secured by first pari-passu charge on the fixed assets and second charge on current assets of the company at Riga, Sitamarhi, Bihar and personal guarantee of a Director with following terms in respect of 4 outstanding loans :-

- (i) Outstanding balance of Rs. 600.81 Lacs repayable in monthly instalment from February, 2014 to January, 2018.
- (ii) Outstanding balance of Rs. 682.80 Lacs repayable in monthly instalment from February, 2014 to January, 2018.
- (iii) Outstanding balance of Rs. 539.53 Lacs repayable monthly instalment from February, 2014 to January, 2018.
- (iv) Outstanding balance of Rs. 750.00 Lacs repayable monthly instalment from February, 2014 to January, 2018.

(b) Term Loan from Union Bank of India is Secured by first pari-passu charge on the fixed assets and second charge on current assets of the company at Riga, Sitamarhi, Bihar and personal guarantee of a Director with following terms in respect of 2 outstanding loans :-

- (i) Outstanding balance of Rs. 20.89 repayable by June, 2013 in monthly instalments.
- (ii) Outstanding balance of Rs. 250.00 Lacs repayable monthly instalment from February, 2014 to January, 2018.

4.2 Sugar Development Fund Loan is secured by Second Charge on Block assets of sugar unit of the company.

4.3 Loan guarantee by Directors - Both the above Term Loans taken from Banks are guaranteed by a Director.

4.4 There is no continuing defaults in repayment of Loan and Interest to Banks and Financial Institutions as on 31st March, 2013.

	As at 31.03.2013 Rs.	As at 31.03.2012 Rs.
<b>5. LONG TERM PROVISIONS :</b>		
Provision for Employee benefits	4,74,22,000	4,45,42,000
	<b>4,74,22,000</b>	<b>4,45,42,000</b>
<b>6. SHORT TERM BORROWINGS :</b>		
<b>Secured</b>		
(a) Loans repayable on demand		
Bank of India	55,56,85,008	66,47,12,141
Union Bank of India	18,73,18,090	18,96,36,394
	<u>74,30,03,098</u>	<u>85,43,48,535</u>
<b>Unsecured</b>		
(a) Loans and advance from related parties	19,66,75,000	12,19,95,375
(b) Deposits	57,00,000	52,00,000
(c) Inter-Corporate Loans	10,18,00,000	16,37,00,000
(d) Other Loans and advances	3,99,087	1,17,108
	<u>30,45,74,087</u>	<u>29,10,12,483</u>
	<b>1,04,75,77,185</b>	<b>1,14,53,61,018</b>
6.1 Security against short term loan from Banks :-		
(a) Working Capital loans from Bank of India is Secured by third pari-passu charge on the fixed assets of sugar unit and second pari-passu charge on fixed assets of Distillery unit as well as first charge on current assets of the company at Riga, Sitamarhi, Bihar and personal guarantee of a Director.		
(b) Working Capital loans from Union Bank of India is Secured by third pari-passu charge on the fixed assets of sugar unit and second pari-passu charge on fixed assets of Distillery unit as well as first charge on current assets of the company at Riga, Sitamarhi, Bihar and personal guarantee of a Director.		
6.2 Loan guarantee by Directors- Both the above Term Loans taken from Banks are guaranteed by a Director.		
6.3 There is no continuing defaults in repayment of Loan and Interest to Banks and Financial Institutions as on 31st March, 2013.		
<b>7. TRADE PAYABLE :</b>		
Other than Micro, Small and Medium Enterprises	68,68,75,868	74,04,73,657
	<b>68,68,75,868</b>	<b>74,04,73,657</b>
<b>8. OTHER CURRENT LIABILITIES :</b>		
(a) Current maturities of long term debt	1,32,24,521	1,25,05,461
(b) Interest accrued but not due on borrowings	44,20,806	55,35,604
(c) Income received in advance	71,61,898	16,01,678
(e) Unpaid dividends	3,80,515	6,85,864
(f) Others payable*	4,87,77,438	4,53,53,106
	<u>7,39,65,178</u>	<u>6,56,81,713</u>
8.1 Other Payable		
Excise Duty liability on Closing Stock	3,64,56,493	3,97,40,354
Miscellaneous	1,23,20,945	56,12,752
	<u>4,87,77,438</u>	<u>4,53,53,106</u>
<b>9. SHORT TERM PROVISIONS :</b>		
(a) Provisions for employee benefits	59,50,000	51,57,000
(b) Others*	11,13,437	11,13,437
	<u>70,63,437</u>	<u>62,70,437</u>

\* Other includes provision for taxation.



# RIGA SUGAR CO. LTD.

## 10. FIXED ASSETS AS AT 31ST MARCH, 2013

Depreciation	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	As at	Additions	Deductions/	As at	As at	For the	Deduction/	Upto	As at	As at
	01.04.2012	Rs.	Adjustment	31.03.2013	01.04.2012	Year	Adjustments	31.03.2013	31.03.2013	31.03.2012
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>TANGIBLE ASSETS :</b>										
<b>OWNED</b>										
Free-hold Land	49,33,70,000	—	—	49,33,70,000	—	—	—	—	49,33,70,000	49,33,70,000
Buildings	12,54,79,260	37,20,887	—	12,92,00,147	3,91,00,107	37,00,138	—	4,28,00,245	8,63,99,902	8,63,79,153
Plant & Machinery	1,19,61,58,942	2,62,13,524	48,98,075	1,21,74,74,391	56,22,42,887	6,13,26,958	36,26,626	61,99,43,219	59,75,31,172	63,39,16,055
Furniture, Fixtures										
& Equipments	1,28,98,365	10,63,683	—	1,39,62,048	79,42,150	9,74,077	—	89,16,227	50,45,821	49,56,215
Vehicles	1,71,69,302	12,08,673	—	1,83,77,975	74,89,890	16,76,557	—	91,66,447	92,11,528	96,79,412
Total (A)	1,84,50,75,869	3,22,06,767	48,98,075	1,87,23,84,561	61,67,75,034	6,76,77,730	36,26,626	68,08,26,138	1,19,15,58,423	1,22,83,00,835
Previous Period (A)	1,40,08,81,464	46,82,94,895	2,41,00,490	1,84,50,75,869	55,09,95,298	6,59,64,916	1,85,180	61,67,75,034	1,22,83,00,835	—
<b>INTANGIBLE ASSETS :</b>										
Trade Mark	50,000	—	—	50,000	44,167	5,000	—	49,167	833	5,833
Softwares	17,10,596	3,48,874	—	20,59,470	11,62,350	2,69,803	—	14,32,153	6,27,317	5,48,246
Total (B)	17,60,596	3,48,874	—	21,09,470	12,06,517	2,74,803	—	14,81,320	6,28,150	5,54,079
Previous Period (B)	16,22,721	1,37,875	—	17,60,596	9,53,189	2,53,328	—	12,06,517	5,54,079	—
Total (A+B)	1,84,68,36,465	3,25,55,641	48,98,075	1,87,44,94,031	61,79,81,551	6,79,52,533	36,26,626	68,23,07,458	1,19,21,86,573	1,22,88,54,914
Previous Period (A+B)	1,40,25,04,185	46,84,32,770	2,41,00,490	1,84,68,36,465	55,19,48,487	6,62,18,244	1,85,180	61,79,81,551	1,22,88,54,914	—
Capital Work-in-Progress									72,83,076	1,88,97,871
Intangible Assets under Development									—	—

### 11.1 Notes :

- (1) Addition to Fixed Assets is net of Cenvat Credit.
- (2) The Capital subsidy amount received during the year amounting to Rs. 12.71 Lacs (Previous year Rs. 235.79 Lacs) credited to plant and machinery and depreciation provided accordingly.
- (3) The entire block of land at factory area were revalued during the year 2011-12 by Bank appointed Approved Valuer and accordingly "Revaluation Reserve" of Rs. 4163.89 Lacs were created.

	As at 31.03.2013 Rs.	As at 31.03.2012 Rs.
<b>11. DEFERRED TAX</b>		
Deferred Tax Liability :		
Depreciation on Fixed Assets	14,23,15,386	14,36,01,198
Deferred tax Assets :		
Unabsorbed Depreciation carried forward in Income Tax	16,67,06,411	15,56,76,877
Section 43B	28,92,381	1,22,55,696
MAT Credit	70,30,519	70,56,917
	<u>17,66,29,311</u>	<u>17,49,89,490</u>
Net Deferred tax Assets (Liability)	<u><b>3,43,13,925</b></u>	<u><b>3,13,88,292</b></u>

11.1 Nature of evidence supporting the recognition of deferred tax assets in respect of unabsorbed depreciation and carry forward losses are as follows :-

Unabsorbed Depreciation - Till assesment year 2010-11, as per the last Income Tax assesment Order dated 28.11.2011.  
For assesment year 2011-12 to 2013-14 claim of unabsorbed depreciation as per Income Tax Return filed/to be filed.

	As at 31.03.2013 Rs.	As at 31.03.2012 Rs.
<b>12. LONG TERM LOANS AND ADVANCES :</b>		
(Unsecured, considered good)		
Security Deposit	2,69,837	3,26,327
	<u><b>2,69,837</b></u>	<u><b>3,26,327</b></u>

<b>13. INVENTORIES :</b>		
Raw Materials	1,99,34,099	3,07,59,168
Stock-in-Process	1,39,25,040	1,65,90,192
Store and Spare Parts	6,14,86,850	6,73,26,421
Sugar	1,29,93,55,052	1,26,14,72,620
Ethyl Alcohol	1,37,54,023	3,61,69,128
Country Liquor	47,253	—
Molasses	2,36,75,330	2,18,89,710
Bagassee	1,52,16,432	3,10,32,960
Fertilisers	1,26,38,170	1,79,01,985
	<u><b>1,46,00,32,249</b></u>	<u><b>1,48,31,42,184</b></u>

<b>14. TRADE RECEIVABLE :</b>		
(Unsecured and considered good)		
Debts outstanding for a period exceeding Six Months from the due date of payment	17,77,802	12,41,770
Other Debts	97,13,387	2,68,313
	<u>1,14,91,189</u>	<u>15,10,083</u>
Doubtful Debts	10,85,059	3,21,327
	<u><b>1,25,76,248</b></u>	<u><b>18,31,410</b></u>

	As at 31.03.2013 Rs.	As at 31.03.2012 Rs.
<b>15. CASH &amp; CASH EQUIVALENTS :</b>		
Balance with Banks :		
In Current Accounts	1,56,37,061	1,82,92,081
In Dividend Account	3,80,515	6,85,864
Cash on hand	49,62,604	64,40,608
Margin Money against Bank Guarantees	16,530	9,47,909
	<b>2,09,96,710</b>	<b>2,63,66,462</b>
<b>16. SHORT TERM LOANS AND ADVANCES :</b>		
(Unsecured, Considered good)		
(a) Loan & Advances to related parties	—	51,69,500
(b) Loan & Advances to others		
Advance to Cane Growers	47,31,799	2,07,55,634
Advances Recoverable	1,21,95,388	1,25,83,199
	<b>1,69,27,187</b>	<b>3,33,38,833</b>
(c) Doubtful Loan and advances		
Others	9,92,387	10,99,064
<b>Total</b>	<b>1,79,19,574</b>	<b>3,96,07,397</b>
<b>17. OTHER CURRENT ASSETS :</b>		
Balance with Govt. Dept.	13,56,23,069	13,62,38,847
Tax Deducted at source	15,73,213	14,18,641
Advance Income tax Payments	4,35,924	4,35,924
Others*	68,98,525	2,49,68,536
<b>Total</b>	<b>14,45,30,731</b>	<b>16,30,61,948</b>
<b>17.1 Other includes :</b>		
Interest Receivable	12,81,677	26,15,646
Prepaid	34,60,083	29,73,475
Recoverable	21,56,765	1,93,79,415
<b>Total</b>	<b>68,98,525</b>	<b>2,49,68,536</b>
	2012-13 Rs.	2011-12 Rs.
<b>18. Revenue from operations :</b>		
Sale of products :		
Other operating revenues	1,99,99,76,155	1,49,89,55,584
Less : Excise Duty	2,81,85,013	2,60,49,257
	(4,78,79,661)	(4,05,44,298)
<b>Total</b>	<b>1,98,02,81,507</b>	<b>1,48,44,60,543</b>
<b>18.1 Particulars of Sale of Products</b>		
Sugar	1,56,90,74,228	1,14,39,84,996
Molasses	4,27,65,390	3,84,69,550
Industrial Alcohol	31,53,58,538	28,35,28,605
Country Liquor	5,29,84,624	—
Ethanol	—	1,54,86,120
Fertilisers	1,82,32,898	1,20,77,739
Bagasse	14,28,467	53,68,425
Others	1,32,010	40,149
<b>Total</b>	<b>1,99,99,76,155</b>	<b>1,49,89,55,584</b>

	2012-13 Rs.	2011-12 Rs.
<b>18.2 Other Operating Revenue :</b>		
Subsidy Claim	2,05,82,258	2,27,43,178
Insurance Claim	36,86,263	4,15,063
Miscellaneous Income	39,16,492	28,91,016
<b>Total</b>	<b>2,81,85,013</b>	<b>2,60,49,257</b>
<b>19. Other Income :</b>		
Interest Income – from current investment	6,49,023	6,91,392
Other non-operating income (net expenses directly attributable to such income)*	15,26,732	55,35,665
<b>Total</b>	<b>21,75,755</b>	<b>62,27,057</b>
<b>19.1 Other Non-operating Income :</b>		
Liability no longer required written back (Net)	11,89,140	5,48,903
Profit on sale of fixed assests	—	46,82,460
Miscellaneous	3,37,592	3,04,302
<b>Total</b>	<b>15,26,732</b>	<b>55,35,665</b>
<b>20. Cost of Materials Consumed :</b>		
Indigenous - 100%	1,46,51,22,504	1,16,62,15,189
<b>Total</b>	<b>1,46,51,22,504</b>	<b>1,16,62,15,189</b>
<b>20.1 Consumption of Raw Materials under broad heads :</b>		
Sugarcane	1,21,25,26,128	1,04,24,25,468
Raw Sugar	7,63,66,816	—
Molasses	17,00,40,912	11,78,30,128
Pressmud & Other in NPK Fertiliser	61,88,648	59,59,593
<b>Total</b>	<b>1,46,51,22,504</b>	<b>1,16,62,15,189</b>
<b>21. Variation in Stock :</b>		
(a) Closing Stock :		
Sugar	1,29,93,55,052	1,26,14,72,620
Molasses	2,36,75,330	2,18,89,710
Ethyl Alcohol & Ethanol	1,37,54,023	3,61,69,128
Country Liquor	47,253	—
Stock-in-Process	1,39,25,040	1,65,90,192
Fertilisers	1,26,38,170	1,79,01,985
Bagassee	1,52,16,432	3,10,32,960
	<u>1,37,86,11,300</u>	<u>1,38,50,56,595</u>
(b) Opening Stock :		
Sugar	1,26,14,72,620	1,05,32,61,501
Molasses	2,18,89,710	2,95,87,664
Ethyl Alcohol & Ethanol	3,61,69,128	7,21,32,675
Stock-in-Process	1,65,90,192	3,24,11,305
Fertilisers	1,79,01,985	1,21,77,034
Bagassee	3,10,32,960	3,15,16,200
	<u>1,38,50,56,595</u>	<u>1,23,10,86,379</u>
	(64,45,295)	15,39,70,216
Excise Duty & Cess on Increase/(decrease) on Finished Goods Stock	32,83,861	42,64,435
<b>Increase (Decrease)</b>	<b>(31,61,434)</b>	<b>15,82,34,651</b>

	2012-13 Rs.	2011-12 Rs.
<b>22. Employee Benefits Expenses</b>		
Salary and Wages	12,53,91,159	10,84,16,361
Contribution to provident fund and others	87,75,097	93,19,729
Staff welfare expenses	31,35,114	36,10,560
Gratuity*	87,68,500	38,88,202
<b>Total</b>	<b>14,60,69,870</b>	<b>12,52,34,852</b>

\*Gratuity and Leave Expense is net of provision as per valuation.

### 22.1 Employee Benefits

Disclosure relating to Employee Benefits in accordance with provision of Accounting Standard (AS)-15 in respect to Company :-

#### Defined Contribution Plans

Contribution to Defined Contribution Plans, recognised as expense for the year is as under :-

Employer's Contribution to Provident Fund	51,30,901	51,44,418
Employer's Contribution to Pension Scheme	36,44,196	41,75,311
	<u>87,75,097</u>	<u>93,19,729</u>

In case of company's exempted Provident Fund under section 17 of Employee's Provident Fund and Miscellaneous Provisions Act, 1952, conditions for grant of exemption stipulate that the employer shall make good deficiency, if any, in the rate declared by trust vis-a-vis statutory rate.

In case of non-exempted category employers and employees contribution are deposited in EPFO.

#### Defined Benefit Plan

- (a) Expenses recognized in the Statement of Profit & Loss till last financial year ended 31st March, 2013.

Particulars	Gratuity (Rs. in Lacs)		Leave Encashment (Rs. In Lacs)	
	2012-13	2011-12	2012-13	2011-12
Current Service Cost	21.56	22.99	24.75	25.83
Interest Cost	36.58	35.50	2.61	2.85
Expected return on plan Asset	—	—	—	—
Plan Amendment cost	—	—	—	—
Net actual (gain) loss recognised in the year	30.55	(19.86)	4.26	(11.99)
Total Expenses	88.69	38.63	31.62	16.69
Expenses (Income) Recognized in the Income Statement	88.69	38.63	31.62	16.69

- (b) Net Receipt/Liability Recognised in the Balance Sheet

Current Opening net liability	453.66	472.58	43.33	44.64
Expenses as above	88.69	38.63	31.62	16.69
Contribution paid	(57.57)	(57.55)	(26.01)	(18.00)
Closing net Liability	484.78	453.66	48.94	43.33
Recognised in Balance Sheet	484.78	453.66	48.94	43.33

- (c) Recalculation of Opening and Closing Balance of Defined Benefit Obligation

Current Liability at the beginning of the period	453.66	472.58	43.33	44.64
Interest Cost	36.58	35.50	2.61	2.85
Current Service Cost	21.56	22.99	24.75	25.83
Plan Amendment cost	—	—	—	—
Benefit Paid	(57.57)	(57.55)	(26.01)	(18.00)
Actuarial (Gain) Loss Obligations	30.55	(19.86)	4.26	(11.99)
Liability at the end of the period	484.78	453.66	48.94	43.33

Particulars	Gratuity (Rs. in Lacs)		Leave Encashment (Rs. In Lacs)	
	2012-13	2011-12	2012-13	2011-12
(d) Actuarial assumption				
Discount Rate	8.00%	8.6%	8.00%	8.6%
Rate of Increase in Salary	5%	5%	5%	5%
Rate of Return on Plan Assets	N.A.	N.A.	N.A.	N.A.
			2012-13 Rs.	2011-12 Rs.
<b>23. Finance Costs :</b>				
Finance Cost on borrowing			13,14,25,420	15,06,98,596
Other borrowing costs			40,53,320	46,25,430
Applicable gain/loss on foreign currency on borrowing			2,04,57,493	17,40,983
<b>Total</b>			<b>15,59,36,233</b>	<b>15,70,65,009</b>
<b>24. Depreciation and amortization expense :</b>				
Depreciation & Amortisation			6,79,52,533	6,62,18,244
<b>Total</b>			<b>6,79,52,533</b>	<b>6,62,18,244</b>
<b>25. OTHER EXPENSES :</b>				
<b>Manufacturing expenses</b>				
Store, Chemicals and Packing Materials-Indigenous			4,51,14,274	5,87,51,120
Power, Fuel and Water			99,51,737	3,13,60,139
Repairs to buildings			66,42,836	47,65,643
Repairs to machinery			4,49,78,424	5,12,69,574
Processing & Ferti-irrigation Expenses			2,27,23,415	34,27,895
Pollution Control Expenses			35,00,321	57,58,760
<b>Total</b>			<b>13,29,11,007</b>	<b>15,53,33,131</b>
<b>Selling &amp; Distribution Expenses</b>				
Commission & Discount			22,49,904	18,45,562
Selling Expenses			39,53,028	12,75,791
<b>Total</b>			<b>62,02,932</b>	<b>31,21,353</b>
<b>Establishment Expenses</b>				
Rent			13,21,795	11,34,514
Insurance			43,37,974	38,27,402
Auditors Remuneration			3,13,008	3,25,768
Cost Audit Fee			85,000	70,000
Director's Fee			67,500	80,000
Charity & Donations			51,000	28,100
Sundry Balance Written Off			10,21,801	2,35,075
Wealth tax paid			3,090	5,231
Rates and taxes, excluding taxes on income			14,34,673	22,11,342
Miscellaneous expenses			2,24,39,544	2,02,63,390
<b>Total</b>			<b>3,10,75,385</b>	<b>2,81,80,822</b>
<b>TOTAL OTHER EXPENSES</b>			<b>17,01,89,324</b>	<b>18,66,35,306</b>
<b>25.1 Payments to the auditor :</b>				
For Statutory			95,000	95,000
For Tax Audit			40,000	40,000
For Other Services			1,15,064	1,41,190
For Reimbursement of expenses			62,944	49,578
<b>Total</b>			<b>3,13,008</b>	<b>3,25,768</b>

	2012-13 Rs.	2011-12 Rs.			
<b>26. Exceptional Item</b>					
Interest Demand arising out of High Court order pertaining to levy sugar matter of 1982-83	90,83,262	—			
<b>27. Earning Per Share (EPS)</b>					
(i) Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders	(3,20,90,756)	(4,69,03,959)			
(ii) Weighted Average number of equity shares used as denominator for calculating EPS	91,93,405	75,88,610			
(iii) Basic and Diluted Earning per share	(3.49)	(6.18)			
(iv) Face value per equity share	10	10			
<b>28. Expenditure on foreign currency during the financial year</b>					
Interest	1,81,85,600	6,56,251			
Travelling	1,01,322	—			
<b>Total</b>	<b>1,82,86,922</b>	<b>6,56,251</b>			
<b>29. Prior Period items</b>	7,79,985	—			
<b>30. Work-in-Progress under broad head</b>					
Sugar	1,39,25,040	1,65,90,192			
<b>31. Contingent Liabilities (to the extent not provided for)</b>					
(1) Claim against the company not acknowledge as Debt	Rs. 47.67 Lacs	—			
(2) Bank Guarantees	—	Rs. 133.92 Lacs			
<b>32. Performance of Business Segment :- (Rs. in Lac)</b>					
(The Sugar segment includes the production of Sugar, Molasses and Fertilizers, whereas the Distillery segment includes production of Industrial Alcohol and related products).					
Reportable Segment	Sugar	Distillery	Un-allocable	Elimination	Total
<b>1. Segment Revenue :</b>					
Net Sales	15,852.79	3,668.17	—	—	19,520.96
	(11,621.12)	(2,963.00)	—	—	(14,584.12)
Less : Inter-Segment Revenue	—	—	—	—	—
Net sale from operations	15,852.79	3,668.17	—	—	19,520.96
	(11,621.12)	(2,963.00)	—	—	(14,584.12)
<b>2. Segment Results :</b>					
Profit(+)/Loss(-) before Tax and Interest	410.23	889.39	—	—	1,299.62
	(448.13)	(598.06)	—	—	(1,046.19)
Less : (i) Interest					1,559.36
					(1,570.65)
(ii) Other un-allocable Expenses (Income)					(—)
Profit (Loss) Before Tax					(259.75)
					(-524.46)

## 3. Segment Assets &amp; Liabilities :- (Rs. in Lacs)

	Sugar	Distillery	Un-allocated	Elimination	Total
Segment Assets (31.03.2013)	25,177.14	6,777.95	343.14	(3,399.84)	28,898.39
(31.03.2012)	(25,743.05)	(6,022.72)	313.88	(-2,148.15)	(29,931.50)
Segment Liabilities (31.03.2013)	11,077.17	343.69	—	(3,399.84)	8,021.02
(31.03.2012)	(10,353.39)	(239.38)	—	(-2,148.15)	(8,444.62)
Capital Employed (31.03.2013)	14,099.97	6,434.26	343.14	—	20,877.37
(31.03.2012)	(15,389.66)	(5,783.34)	(313.88)	—	(21,486.88)

## 4. Other Information :

Capital Expenditure	245.75	79.81	—	—	325.56
	(489.65)	(30.79)	—	—	(520.44)
Depreciation	556.42	123.01	—	—	679.53
	(541.22)	(120.97)	—	—	(662.18)

## 33. Related party transaction : (Rs. in Lac)

Name of related party	Description of relationship with the Company	Nature of transaction	Value for the Year 2012-13	Outstanding as on 31.03.2013	Written off during the year
The Belsund Sugar & Industries Ltd.	Associate Company	ICD Interest	1946.00(Cr.) 3.75	1946.00(Cr.) 3.38(Dr.)	NIL NIL
DG Vitta Vinimay & Properties Ltd.	Associate Company	ICD Interest	58.70(Dr.) 7.02	— 6.32(Dr.)	NIL NIL
O.P. Vanyjya Limited	Associate Company	ICD Interest	2.00(Cr.) 0.28	2.00(Cr.) 0.28(Cr.)	NIL NIL
Garima Investment & Trading Co. Ltd.	Associate Company	ICD Interest	2.00(Cr.) 0.28	2.00(Cr.) 0.25(Cr.)	NIL NIL
Dupoint Impex Ltd.	Associate Company	ICD Interest	19.00(Cr.) 2.63	16.75(Cr.) 2.37(Cr.)	NIL NIL
Directors of the Company		Sitting Fee for attending Board Meeting	0.68	NIL	NIL
O.P. Dhanuka	CMD (Key Managerial Person)	Salary as per terms of appointment	26.77	NIL	NIL
Tripti Saraf	Relative of CMD	Salary as per terms of appointment	1.48	NIL	NIL



**34. Other Notes**

- 34.1 There is no unutilized amount of proceed of issue of securities.
- 34.2 There is no diminution in value of current assets.
- 34.3 Capital Subsidy received from Bihar Government under Sugar Incentive Scheme has been adjusted against cost of plant and depreciation already charged against them. Claim lodged to Bihar Government for reimbursement of excise duty paid toward Expansion of Sugar Plant to 5,000 TCD as per Sugar Incentive Scheme has been recognized on the basis of certainty of their collection.
- 34.4 Interest Expense is net of Interest Income of Rs. 14.24 Lacs (Previous year 29.06 Lacs ) from companies.
- 34.5 To strengthen its financial parameters the company allotted during the year 14,50,000 equity share warrants of Rs. 10/- each at a price of Rs. 17.20 per warrant convertible into equity share of Rs. 10 and premium of Rs. 7.20 each on preferential allotment basis as per SEBI (ICDR) Regulations, 2009.
- 34.6 No supplier has furnished information about their registration under Micro, Small & Medium Enterprises Development Act, 2006 to the company.
- 34.7 An undertaking of Rs. 300 Lacs given to Bank of India for its Crop/ Agriculture Loans/Advances to the Cane Growers against primary securities of their standing crop and one personal guarantee with a condition that the Company will deduct the loan amount from the proceeds of cane supply by the growers and reimburse the same to the said Bank. In case of default, the Bank will consider re-schedulement of repayment upto 36 months. The Company is liable to make payment to the Bank for default of borrowers only after expiry of 36 months and in that case the Bank will assign the right of recovery from the defaulting borrowers to the Company.
- 34.8 The outstanding liabilities considered not to be carried any longer have been written back.
35. There is no Impairment of Assets within the meaning of AS-28 of the Companies Act, 1956.
36. Previous years figure has been regrouped/ rearranged wherever necessary.

For K. N. Gutgutia & Co.

Chartered Accountants

SUBHASISH PORE

Partner

(Membership No. 55862)

6C, Middleton Street, Kolkata-700 071

31st May, 2013

S. Prasad

**Company Secretary**

O. P. Dhanuka

**Chairman & Managing Director**

S. Jha

S. K. Goenka

P. Tibrawalla

**Directors**

**RIGA SUGAR COMPANY LIMITED**

Regd. Office : 14, Netaji Subhas Road  
Kolkata-700 001

D.P.ID\*  
Client ID\*/FOLIO NO. :  
NO. OF SHARES :

**PROXY FORM**

I/We .....  
of ..... in the district of .....  
being a Member/Members of Riga Sugar Company Limited, hereby appoint Sri .....  
.....  
of ..... or failing him Sri .....  
of .....  
as my/our proxy to attend and vote for me/us and or my/our behalf at the 32nd Annual General Meeting of the Company to be held on 27th September, 2013 at 10.00 a.m. and at adjournment thereof.

Signed this .....

Affix  
Revenue  
Stamp  
here

Signature .....

No. of Shares

\*Applicable if Shares are held in electronic form

Note : This instrument of Proxy shall be deposited at the Registered Office of the company not less than 48 (Forty-Eight) hours before the time of holding the Meeting.

**RIGA SUGAR COMPANY LIMITED**

Regd. Office : 14, Netaji Subhas Road  
Kolkata-700 001

**ATTENDANCE SLIP**

32nd Annual General Meeting, 27th September, 2013 at 10.00 A.M. at SITARAM SEKSARIA SABHAGAR (Auditorium), Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, Kolkata-700 017.

Name of the Attending Member \_\_\_\_\_  
(in Block Letters)

No. of Shares held : \_\_\_\_\_ Client ID\*/Folio No : \_\_\_\_\_

DP.ID\* \_\_\_\_\_

I hereby record my presence at the 32nd Annual General Meeting held on 27th September, 2013.

\_\_\_\_\_  
Member's/Proxy's Signature

\* Applicable if Shares are held in electronic form.

Note : 1) Please bring this attendance slip to the meeting and hand over at the entrance duly filled in  
2) The copy of the Annual Report may please be brought to the meeting hall.

## BOOK POST


If undelivered please return to :  
RIGA SUGAR COMPANY LIMITED  
14, Netaji Subhas Road, 2nd Floor  
Kolkata-700 001



# Riga Sugar Company Ltd.

An ISO 9001:2008 & ISO 14001:2004 Certified Company  
Regd. Office : 14, Netaji Subhas Road, 2nd Floor, Kolkata - 700 001  
☎ : 2231-3414/3415/3416, Fax : (033) 2230-3663  
E-mail : riga@vsnl.net, Website : www.rigasugar.com

## FORM B

1.	Name of the Company	Riga Sugar Co. Ltd.
2.	Annual Financial Statement for the year ended	31 <sup>st</sup> March, 2013
3.	Type of Audit Qualification	Un qualified
4.	Frequency of observation	Nil
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the Director's Report.	Nil
6.	Additional comments from the Board/Audit Committee chair.	Nil
	To be signed by: <ul style="list-style-type: none"><li>• CEO/Managing Director</li><li>• CFO</li><li>• Auditor of the Company</li><li>• Audit Committee Chairman</li></ul>	For Riga Sugar Co. Ltd.  CEO-Company Secretary



FACTORY : Dhanuka Gram, P.O. RIGA-843327, Dist. Sitamarhi (Bihar)  
☎ : (06226) 285015/025/035, 285085, 285286, Fax : (06226) 285045  
E-mail : mzp\_chini@sancharnet.in

