



Riga Sugar Company Ltd.

An ISO 9001:2008 & ISO 14001:2004 Certified Company


Regd. Office : 14, Netaji Subhas Road, 2nd Floor, Kolkata - 700 001

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CIN-L15421WB1980PLC032970

FORM B

1.	Name of the Company	Riga Sugar Co. Ltd.
2.	Annual Financial Statement for the year ended	31 st March, 2014
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">• CEO/Managing Director• CFO• Auditor of the Company• Audit Committee Chairman	For RIGA SUGAR CO. LTD.  CEO-Company Secretary



FACTORY : Dhanuka Gram, P.O. RIGA-843327

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ANNUAL REPORT 2014



RIGA SUGAR COMPANY LIMITED

An ISO 9001:2008 & ISO 14001:2004 Certified Company

RIGA SUGAR COMPANY LIMITED**Annual Report : 2014**

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 Phone : 2231 3414/15
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 : 2219 4815
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 Solicitor	:	Khaitan & Co. Emerald House 1B, Old Post Office Street Kolkata - 700 001

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, 2014.

FINANCIAL & OPERATIONAL RESULTS**FINANCIAL RESULTS**

	(Rs. in Lacs)	
	<u>Financial Year 31st March, 2014</u>	<u>Financial Year 31st March, 2013</u>
(a) Gross Turnover	16,472.34	19,999.76
(b) Operating Profit Before Finance Cost & Depreciation	1,637.29	1979.14
(c) Finance Cost	1,318.29	1,559.36
(d) Cash Accruals	319.00	419.78
(e) Depreciation & Amortization	591.18	679.53
(f) Profit (Loss) before extraordinary items	(272.18)	(259.75)
(g) Extraordinary Item of Exp.	—	90.83
(h) Profit (Loss) Before Tax	(272.18)	(350.58)
(i) Provision for Tax		
-!Deferred Tax	23.68	(29.25)
- Income Tax of earlier year	0.02	(0.42)
(j) Profit (Loss) After Tax	(295.88)	(320.91)
(k) Balance Brought Forward from last year	(732.15)	(411.24)
(l) Transfer from General Reserve	130.92	—
(m) Profit (Loss) Carried Forward to Balance Sheet	<u>(897.11)</u>	<u>(732.15)</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, sugar recovery and production for the year ended 31st March, 2014 vis-a-vis previous financial year ended 31st March, 2013 in respect of the Sugar Factory of your Company are given below :-

	<u>Financial Year 31st March, 2014</u>	<u>Financial Year 31st March, 2013</u>
1. Duration of crushing (gross days)	110	115
2. Cane crushed (Lac Qtls.)	48.42	46.85
3. Recovery (%)	9.16	8.91
4. Production (Lac Qtls.) – From Sugarcane	4.43	4.17
5. Production from Raw sugar	—	0.24
6. Total Production of Sugar	4.43	4.41

There was severe storm and heavy rainfall in the 3rd week of October, 2013 in certain areas of North Bihar due to effect of "Phailin Cyclone", which caused extensive damages of cane and standing crops in certain districts of Bihar like Sitamarhi, Sheohar and Muzaffarpur from where sugarcane is supplied to our factory by sugarcane growers. The strong wind hit the standing sugarcane crop, which fell down on the ground that retarded growth and sucrose formation in cane. Due to the severe impact of Phailin, our sugar factory got weak and sticky cane with low sucrose content and as a result recovery fell down. The magnitude of additional loss of sugar recovery was 0.30%. If this 0.30% loss is converted into money terms the estimated loss is valued at about Rs. 4.5 Crores. A team of State Cane Department visited our factory for assessment of the losses due to Phailin Cyclone but the relief is awaited.

The net sales of sugar unit decreased from Rs.158 Cr. to Rs. 123 Cr. i.e. decrease of 22%. The sales were down due to lower sales quantity of sugar and calculated decision of the management to hold sugar so as to sale the sugar in expected firming market ahead.

There has been three years of continuous surplus production of sugar in the country. In spite of that import of sugar is continued. This has created glut in the domestic market, pushing sugar price down. Throughout the year 2013-14 the sugar price remains subdued. In spite of surplus availability of sugar the government of India allowed import of sugar by reducing import duty progressively from 60% to 10%, which subsequently increased to 15%. Due to reduction of import duty raw and white sugar is being imported into the country which is further depressing the sugar price in the domestic market, much below cost of production. So far as per port data about 30 Lac MT of raw and white sugar has already been imported into the country.

During the year Global sugar prices were ranges bound with downward trend due to excess supply. World production of sugar in 2013-14 has been estimated by FAO at 180 Millions tones compared to 175.2 millions tones last year. Consequently international prices declines from USD 416/tonnes to USD 388/tones in first half of the year 2013, which prompted import of sugar by Indian Importer.

But sugar production in Brazil is expected to be lower in current season owing to prolong dry spell. This lower production and possible higher mix of ethanol with gasoline mandate could strengthen international sugar prices.

The FRP for the season 2013-14 were increased by Central Government from Rs. 170 per qtl. to Rs. 210 per qtl. linked with basic recovery of 9.5%. However State governments continued to interfere in determination of sugarcane price, which is much higher than FRP, disregarding the sugar price realization in the market. This sugarcane price forced on sugar factories by state government has no link with sugar price and is disproportionately very high.

In Bihar the cane Price for the season 2013-14 was maintained at Rs. 255 per qtl. for normal varieties, Rs. 245 per qtl. for lower varieties and Rs. 265 for premium Variety. Transport rebate on out center cane remains at Rs. 15 per qtls. The government of Bihar during the year provided some relief to sugar industry of Bihar like incentive of Rs. 5/- per qtl. on sugarcane, exemption of purchase tax on sugarcane for the season 2012-13 and 2013-14 and reduction of Zonal Development Commission on sugarcane from 1% to 0.20% for 2012-13 and 2013-14. However these relief proved insignificant in view of wide gap between lower sugar price realization in comparison to cost of production due to higher cane price.

The molasses price in Bihar during the year was fixed by the state government at 187.50 per qtls.

The continued higher interest rate during the year impacted the profitability. Due to negative outlook of sugar industry the Bank downgraded the rating of sugar companies and thus cost of funds increased.

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

DISTILLERY UNIT :

	Financial Year 31st March, 2014	Financial Year 31st March, 2013
1. Production of Industrial Alcohol (Lac BL)	121.49	129.87
2. Sale of Industrial Alcohol/ Transfer for Country Liquor (Lac BL)	111.34	140.47
3. Supply of Ethanol (Lac BL)	2.00	—

The Rectified Spirit price has been revised by Bihar Government from Rs. 24.55 to Rs. 28.00 per BL after a gap of four years.

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. During the year the state government of Bihar made policy to allow 5% of total molasses production in the state for manufacture of Ethanol by the state distilleries, which can increase to 10% depends on availability of molasses and requirement of rectified spirit for production of country liquor in the state. Thus after gap of two years company has been able to supply Ethanol to Oil Marketing companies, although very little quantity in comparison to capacity of Ethanol.

The Basic ethanol supply price is Rs. 37 per BL. as per last tender.

COUNTRY LIQUOR :

The company has made foray in making and supplying country liquor made out of Rectified Spirit being produced by the company's Distillery and hitherto supplied to other license holders. This is value addition to the company's product and contributing to bottom line of the company.

The manufacturing and supply of Country Liquor in sachets performed well during the year.

The company's distillery during the year got exclusive License for manufacture and supply of Country Liquor in Pet Bottle to Bihar State Beverage Corporation Limited for a period of 5 years starting from 1st April, 2014.

SEGMENT-WISE PERFORMANCE :

During the reporting period sugar segment contributed 77 percent of net sales of the company whereas Distillery accounted for 23 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. However

many state government fixes higher cane price for the sugar factories in their state which is about 25% higher than FRP.

Sugar Cycle :

The Indian sugar industry is characterized by cycle of high and low sugar production. This cycle of 3-4 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. This cycle has broken and India is having higher production of sugar for last four consecutive years.

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. 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-Linkage of Raw Material Costs and Sugar Realization :

The main recommendation of Rangrajan Committee report of the year 2012 regarding linkage of cane price with sugar price and its by products has not been implemented so far. The committee has suggested for revenue sharing model under which 70% of sugar value and each of its major three by-products would be paid to farmers. 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 sugar realizations, the greater will be the cane price. 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 outsider, but as partner of entire value chain. 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.

Maharashtra and Karnataka Government have established Control Board to address market linked cane pricing over a period of time. But until these Board become fully operational and other key states also creates a similar mechanism for cane price , India will remain among the few major markets where the price of cane is not linked with market price of sugar. Consequently cost of production is often higher than the market price of sugar, creating losses to sugar mills and cane price arrears to the farmers.

Distillery & Ethanol :

Movement and distribution of Molasses and its finished products Alcohol are governed entirely by the State Government. The ethanol blending program has suffers in most of the state as they 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 has set-up co-generation Plant for producing additional 3 MW of Electricity. The Company has received all statutory approvals toward this, but Power Purchase Agreement (PPA) could not be signed during the season 2013-14. The power supply to grid will start from sugar season 2014-15. This forward integration will significantly contribute to the profitability of the company.

CANE & SUGAR POLICY :

- The Fair and Remunerative Price (FRP) price of sugarcane for the season 2013-14 was fixed at Rs. 210 per qtl. (last year Rs.170) linked with basic recovery of 9.5%, subject to premium of Rs.2.10 per qtl. for every 0.1% increase.
- The government announced subsidy for export of raw sugar up to 4 million tonnes during 2013-14 and 2014-15 marketing years (October-September) and accordingly fixed the subsidy at!Rs.!3,300 per tonne for February-March, 2014 and decided to review it every two months.

- The central government, with a view to improve liquidity position of sugar factories for enabling them to clear cane price arrears of previous seasons and timely settlement of cane price of current season, notified "the scheme for extending financial assistance to sugar undertakings 2014." The Loan is equivalent to last three year central excise duty paid on sugar and is for total period of five years with 2 years moratorium. The central government will bear interest subvention to the extent of 12% over five years period.

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.

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. 37 per BL during the year 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 cyclicity.

FUTURE PROSPECTS/OUTLOOK :

The Indian sugar industry has had three consecutive surplus sugar years between 2010-11 to 2012-13. Over and above the sugar year 2013-14 is also going to be surplus year. The sugar year 2013-14 opened with a stock of 93 lac M/T against 66 lac M/T in 2012-13. The production for the season 2013-14 expected at 243 Lac M/T against 251 lac MT during previous season. The domestic consumption of sugar for 2013-14 expected at 237 lac M/T against 228 Lac M/T last year. The export of sugar for 2013-14 expected at 22 Lac M/T, whereas import as per port data is whopping 30 Lac MT against 7 Lac MT last year. The closing stock thus estimated at 107 Lac MT, is more than 5 months domestic consumption.

Prices of by-products such as bagasse and molasses continue to remain remunerative driven by healthy demand by consuming sectors such as power, paper and alcohol. Higher realizations for fuel ethanol will result in improved returns from by-products. Forward integration into distilleries, country liquor, power generation, bio-fertilisers gives value addition. A significant part of profitability of the integrated sugar mills comes from by-products. It is believed that forward integration will remain crucial for improving profitability and riding thorough the cyclicity of the sugar industry.

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 during the year allotted outstanding 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. The said amount were used for strengthen the financial parameter of the company.

The company during last 6 years brought Rs. 13.56 Cr. as equity

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, 2014 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, 2013 was filed by the cost auditors with respect to sugar unit of the company on 19.09.2013, which is well within stipulated time.

DIRECTORS :

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

Mr. N. C. Majumdar, Mr. Suyash Borar, Mr. Sarad Jha and Mr. S. K. Goenka are the independent Directors, whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013,

Mr. N. C. Majumdar, Mr. Suyash Borar, Mr. Sarad Jha and Mr. S. K. Goenka are being eligible and offer themselves for appointment as Independent Directors for five consecutive years for term upto 38th Annual General Meeting of the company. The company received declaration from all the independent Directors of the company confirming that they meet the criteria of Independent as prescribed under section 149(6) of the Companies Act, 2013.

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, 2014 , 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, 2014 and of the loss of the Company for the year ended 31st March, 2014.
- (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, 2014 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.

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 : 29th May, 2014

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, 2014 :

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 and co-gen of power from bagasse.

- 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.
 - 2) By the measures under caption "Manufacturing Process" :
Improvement in production efficiency and reduction in steam consumption and co-gen.

- 3) By the measures under caption "utilisation of by-products" :

Production of Bio-Fertilizer, 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.

- c) Future Plans of Actions :

- 1) Continuous research for 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 : Rs.NIL
- 2) Recurring : Rs. 21.00 Lacs approx. per annum
- 3) Total : Rs. 21.00 Lacs approx.
- 4) Total R & D Expenditure as percentage of total turnover : 0.13% 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 and expansion of Plant and smooth working ensured.

- iii) Imported Technology :

None during the year

C. FOREIGN EXCHANGE EARNING AND OUTGO :

	<u>Financial Year 31st March, 2014</u>	<u>Financial Year 31st March, 2013</u>
1) Activities relating to exports initiative	None	None
2) Development of new Export Market For products and services of export plan	Nil	Nil
3) Total Foreign Exchange Earnings	Nil	Nil
4) Used (Rs. in Lacs)	277.54	182.87

FORM 'A'
SUGAR

	<u>Financial Year</u> 31st March, 2014	<u>Financial Year</u> 31st March, 2013
A. Power & Fuel consumption (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	3,48,604	3,96,635
Units/Litres of Diesel Oil	3.00	3.71
Diesel Oil Cost/Unit Rs.	18.58	12.10
ii) Through Steam Turbine :		
Units	1,43,27,788	1,44,95,045
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. Consumption per Unit of Production :		
Production (in Lac Qtls.-including stock in process)	4.43	4.41
Electricity (per Qtl. of Sugar)(Units)	33.13	33.76

NPK FERTILISER

Power & Fuel Consumption :

	<u>Financial Year</u> 31st March, 2014	<u>Financial Year</u> 31st March, 2013
1. Electricity		
A. Purchase (Own transfer - Units)	6,026	14,253
Total Value (Rs.)	33,143	98,175
Rate per Unit (Rs.)	5.50	6.89
B. Own Generation :		
Through Diesel Generation (Units)	—	—
Unit per Litre of Diesel Oil	—	—
Diesel Oil Cost/Unit	—	—
2. Coal, Furnace Oil & Others		
(1) Production of Fertiliser (Qtls.)	1,507	4,751
(2) Electricity Power Consumed Unit/Qtls.	4.00	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 2013-14 ended 31.03.2014, 8 (eight) Board Meetings were held on 06.04.2013, 31.05.2013, 13.08.2013, 23.09.2013, 06.11.2013, 13.02.2014, 01.03.2014 and 31.03.2014.

Above information for the financial year ended 31st March, 2014 as applicable, is tabulated hereunder :

Directors	No of Board Meetings Attended	Attendance At previous AGM held on 27.09.2013	No. of Outside Directorship Held (Public Ltd. Co.)	No. of Membership (Chairmanship) In Board committees	Category	Shareholding in the Company
Mr. O.P.Dhanuka Chairman & Managing Director	8	Yes	3	Nil	Promoter & Executive	NIL
Mr.Pankaj Tibrawalla	8	Yes	2	1	Non-Promoter & Non-Executive	NIL
Mr. Suyash Borar	4	No	Nil	1	Independent & Non-executive	NIL
Mr. S.K. Goenka	7	Yes	3	2	-do-	NIL
Mr.N.C.Majumdar	7	Yes	Nil	Nil	-do-	NIL
Mr.Sarad Jha	8	No	5	2	-do-	NIL

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. 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. There were no materially significant transactions during the Financial Year with Board Members and Senior Management , including their relatives that had or could have has a potential conflict of interest with the company.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 2013-14 on 28.05.2013, 10.08.2013, 04.11.2013 and 12.02.2014.

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 31.03.2014 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	4
Mr. Suyash Borar	-do-	3
Mr. S.K.Goenka	-do-	3

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 2013-14 6 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 2013-14, 4 No. of Shareholders/Investors Grievance Committee meetings were held.

The constitution of Shareholders/Investors Grievance Committee was 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

Shareholder complaints received and redressed during the Financial Year 2013-14

Nature of Grievances	Complaints received from				Total Complaints received during 2013-14	Total Complaints resolved	No.of complaints outstanding as on 31st March, 2014
	Investors directly	Stock Exchange	SEBI 'SCORES'	ROC			
Non – receipt of Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Non – receipt of Share Certificates	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Non – receipt of Annual Reports	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Share transfer are processed fortnightly and approved by the Share Transfer committee. During the Financial Year 2013-14, 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 is 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 2013-14

(Amount in Rs.)

Name of the Director	Sitting Fee	Salaries	Perquisites/ Benefits	Total
Mr. O. P. Dhanuka, Chairman – Managing Director	—	9,65,000/-	11,17,610/-	20,82,610/-
Mr. P. Tibrawalla	20,000/-			20,000/-
Mr. S. Borar	-			-
Mr. S. K. Goenka	17500/-			17500/-
Mr. N. C. Majumdar	17,500/-			17,500/-
Mr. Sarad Jha	20,000/-			20,000/-

The Company does not have any stock option scheme.

The present appointment of the Managing Director is for a period of three years and is effective from 1st March, 2014 to 28th February, 2017.

During the Financial Year 2013 -14 one Remuneration Committee Meeting was held on 27th February, 2014.

GENERAL BODY MEETING

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

	Venue	Date and time	No of Special Resolution passed
31.03.2013	Sitaram Seksaria Sabhagar (Auditorium) Bhartiya Bhasa Parishad, 36A, Shakespeare Sarani, Kolkata- 700 017	27th September, 2013 at 10.00 a.m	None
31.03.2012	Sitaram Seksaria Sabhagar (Auditorium) Bhartiya Bhasa Parishad, 36A, Shakespeare Sarani, Kolkata- 700 017	27th September, 2012 at 10.00 a.m	None
18 months period ended 31.03.2011	'Kalakunj', 48, Shakespeare Sarani, Kolkata – 700 017	20th August, 2011 at 11.45 a.m.	None

Two Extra-Ordinary General Body Meetings were held during last 3 years on 21.02.2012 and 06.11.2012. During last three years one deemed Extra –Ordinary General Meeting was held on 21st March,2014 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 : 21.02.2012	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 : 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 Share Warrants on Preferential basis.	By show of hands

In Postal Ballot resolution passed on 21st March, 2014 the following resolution was passed :

- (a) To give loan to any Body Corporate, to give any Guarantee or Counter Guarantee or security in connection to any person and acquire Shares and Securities of any other Body Corporate under 372A of the Companies Act,1956.

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, or 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 31.03.2014.
- (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,2014.

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, 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

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

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 as well the email-id 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 programme 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 31.03.2014 was 668

GENERAL SHAREHOLDERS INFORMATION

- | | |
|---|---|
| (i) Annual General Meeting | |
| Date and Time | : 11th September, 2014 at. 10.00 a.m. |
| Venue | : Sitaram Seksaria Sabhagar(Auditorium)
Bhartiya Bhasa Parishad,
36A, Shakespeare Sarani,
Kolkata- 700 017 |
| (ii) Financial Year Calendar for 2014-2015 | |
| Results for quarter ending, June, 2014 | second week of August , 2014 |
| Results for quarter ending, September, 2014 | second week of November, 2014 |
| Results for quarter ending, December, 2014 | second week of February, 2015 |
| Results for quarter ending March, 2015 | second week of May, 2015 (Unaudited)
OR last week of May, 2015 (if audited) |
| (iii) Date of Book Closure | 09.09.2014 to 11.09.2014 |
| (iv) Outstanding ADRs/GDRs Warrants or any convertible instruments, conversion date and likely impact on equity : | NIL |

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 2013-14 and 2014-15 has been paid to the above Stock Exchanges.

DEPOSITORIES

- (i) National Securities Depository Limited
Trade World, 4th Floor, Kamala Mills Compound
Senapat Bapat Marg, Lower Parel
Mumbai- 400023
- (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	Month's Low Price	Volume	Month's High Price	Month's Low Price	Volume
April. 2013	-	-	-	30.00	14.45	1017494
May. 2013	-	-	-	16.00	13.31	51127
June. 2013	-	-	-	15.00	11.56	22511
July. 2013	-	-	-	15.55	11.00	371162
Aug. 2013	-	-	-	15.00	11.45	89611
Sept. 2013	-	-	-	12.80	11.00	5191
Oct. 2013	-	-	-	12.61	10.46	1001
Nov. 2013	-	-	-	12.06	10.46	1525
Dec. 2013	-	-	-	18.19	10.91	15014
Jan. 2014	-	-	-	19.90	14.45	32010
Feb. 2014	-	-	-	18.60	13.60	1798
Mar. 2014	-	-	-	17.45	13.00	50921

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
(–) 51.23%	(+) 18.85 %

Financial Year ended 31st March, 2014**REGISTRAR AND TRANSFER AGENTS , SHARE TRANSFER SYSTEM**

Share transfers are normally held 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 - 700006
Phone : 033 2219 6797
Fax : 033 2219 4815

CATEGORIES OF SHAREHOLDING AS ON 31ST MARCH, 2014

Category	Number of Shares	Percent of total shares
Promoters	64,93,378	61.01
Foreign Institutional Investors	-	-
Banks, Financial Institutions, Insurance Co.	-	-
Companies (Central/State Govt. Institutions/Non Govt. Institutions)	-	-
Mutual Funds and UTI	2,600	0.02
Private Corporate Bodies(including clearing members)	26,53,877	24.94
Non-Resident Indian(NRI) and Overseas Corporate Bodies(OCB)	14,945	0.14
Indian Public	14,78,605	13.89
TOTAL	1,06,43,405	100.00

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2014

Shareholding Range	Number of Shareholders	% of Shareholders	No. of Shares	% of Shareholding
1-500	5572	92.51	644498	6.06
501-1000	225	3.74	182807	1.72
1001-2000	101	1.67	153601	1.44
2001-3000	30	0.50	72890	0.68
3001-4000	17	0.28	62634	0.59
4001-5000	8	0.13	36543	0.34
5001-10000	21	0.35	171250	1.61
10001-50000	27	0.45	653465	6.14
50001-100000	9	0.15	624900	5.87
100001 and above	13	0.22	8040817	75.55
TOTAL	6023	100.00	10643405	100.00

DEMATERIALISATION OF SHARES AND LIQUIDITY

	No.	%
Demat in CDSL	15,04,252	14.14
Demat in NSDL	88,80,136	83.43
Physical	2,59,017	02.43
Total	1,06,43,405	100.00

97.57% equity Shares of the Company have been dematerialized as on 31st March, 2014.

PLANT LOCATION

i) SUGAR UNIT	(ii) DISTILLERY UNIT	(iii) HARABHARA FERTILISER
Dhanuka Gram, P.O.Riga Dist. Sitamarhi Bihar – 843 327	Dhanuka Gram, P.O.Riga Dist. Sitamarhi Bihar – 843 327	Dhanuka Gram, P.O.Riga Dist. Sitamarhi 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 2013-14.

Kolkata
29.05.2014

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 2013-14 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,2014 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, 2014 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
29.05.2014

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, 2014 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, 2014 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
29.05.2014.

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

K. N. GUTGUTIA & CO.

CHARTERED ACCOUNTANTS
KOLKATA • NEW DELHI

PHONE : 2287-3735/56
FAX : 91-033-2287 3756
6C, MIDDLETON STREET
FLAT NO.23 (2ND FLOOR)
KOLKATA - 700 071
E-mail : kng_kol@vsnl.net

INDEPENDENT AUDITOR'S REPORT

TO
THE MEMBERS OF
RIGA SUGAR COMPANY LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **Riga Sugar Company Limited** ("the Company"), which comprises the Balance sheet as at March 31, 2014, and the Statement of Profit and Loss and 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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, 2014;
- (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 :
 - (a) 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;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books.
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) 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 Act.
 - (e) On the basis of the written representations received from the Directors as on 31st March, 2014, and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2014 from being appointed as a Director in terms of Clause (g) of sub-section (1) of Section 274 of the Act.
 - (f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Act, nor has it issued any Rules under the said section , prescribing the manner in which such cess is to be paid, no cess is due and payable by the company.

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

CA. SUBHASISH PORE
Partner
Membership No. 55862

Kolkata
29th May, 2014

K. N. GUTGUTIA & CO.

CHARTERED ACCOUNTANTS

Annexure

As referred to in paragraph no. 1 under the heading “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;
- (c) receipt of the principal amount and interest are also regular;
- (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;
- (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;
- (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 Act, and the rules made thereunder, to the extent applicable, have been complied with. We have been 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.
- (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 given 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 fund raised on short- term basis have been used for long-term investment.
- (xviii) The company has made preferential allotment of equity shares 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)

CA. SUBHASISH PORE
Partner
Membership No. 55862

Kolkata
29th May, 2014

Balance Sheet as at 31st March, 2014

		As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
I. EQUITY AND LIABILITIES			
1) Shareholders' Funds			
a)	Share Capital	2	106,434,050
b)	Reserve and Surplus	3	553,685,036
c)	Money Received against share warrants	2	-
		<u>660,119,086</u>	<u>671,002,126</u>
2) Non-current Liabilities			
a)	Long Term Borrowings	4	360,928,181
b)	Long Term Provisions	5	45,582,000
		<u>406,510,181</u>	<u>403,625,129</u>
3) Current Liabilities			
a)	Short Term Borrowings	6	1,005,949,326
b)	Trade Payables	7	950,801,252
c)	Other Current Liabilities	8	164,988,471
d)	Short Term Provisions	9	3,899,000
		<u>2,125,638,049</u>	<u>1,815,481,668</u>
	TOTAL	<u>3,192,267,316</u>	<u>2,890,108,923</u>
II. ASSETS			
1) Non-current Assets			
a)	Fixed Assets		
i)	Tangible Assets	10	1,149,199,587
ii)	Intangible assets	10	1,410,284
iii)	Capital work-in-progress	10	43,065,687
			<u>1,193,675,558</u>
b)	Deferred Tax Assets (Net)	11	31,945,857
c)	Long term loans and advances	12	246,063
			<u>1,225,867,478</u>
2) Current Assets			
(a)	Inventories	13	1,749,465,314
(b)	Trade Receivables	14	26,383,746
(c)	Cash and Cash equivalents	15	17,099,124
(d)	Short-term loans and advances	16	24,638,339
(e)	Other current assets	17	148,813,315
			<u>1,966,399,838</u>
	TOTAL		<u>3,192,267,316</u>

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 & CO.

Chartered Accountants
(CA. SUBHASISH PORE)

Partner

Membership No. 55862

6C, Middleton Street, Kolkata- 700 071

29th May, 2014

R. N. Sharma

C.F.O.

S.Prasad

Company Secretary

O.P.Dhanuka

Chairman &
Managing DirectorS. Jha
S. K. Goenka
P. Tibrawalla

Directors

Statement of Profit and Loss Statement for the year ended 31st March, 2014.

		As at <u>31.03.2014</u> Rs.	As at <u>31.03.2013</u> Rs.
INCOME			
Revenue from operations	18	1,628,997,285	1,980,281,507
Other Income	19	4,304,408	2,175,755
Total Revenue		<u>1,633,301,693</u>	<u>1,982,457,262</u>
EXPENDITURE			
Cost of materials consumed- Indigenous	20	1,367,600,523	1,465,122,504
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	21	(268,552,169)	3,161,434
Employee benefits expense	22	133,989,457	146,069,870
Finance costs	23	131,829,301	155,936,233
Depreciation and amortization expenses	24	59,117,765	67,952,533
Other Expenses	25	236,534,503	170,189,324
Total Expenses		<u>1,660,519,380</u>	<u>2,008,431,898</u>
Profit (Loss) before exceptional item		(27,217,687)	(25,974,636)
Exceptional Item	26	-	(9,083,262)
Profit (Loss) before Tax		(27,217,687)	(35,057,898)
Tax Expense :			
(a) Income Tax of Current Year		-	-
(b) Income Tax for earlier years		2,283	(41,508)
(c) Deferred tax		2,368,070	(2,925,634)
Profit (Loss) for the year		(29,588,040)	(32,090,756)
Earning per equity share of face value of Rs.10 each			
Basic and Diluted	27	(3.00)	(3.49)
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 & CO.**

Chartered Accountants
(CA. SUBHASISH PORE)

Partner

Membership No. 55862

6C, Middleton Street, Kolkata- 700 071

29th May, 2014

R. N. Sharma

C.F.O.

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, 2014

(Rs. in Lacs)

	For the year ended 31.03.2014	For the year ended 31.03.2013
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net profit (loss) before tax and ordinary items	(272.18)	(350.58)
Adjustment for :		
Depreciation	591.18	679.53
Finance Charges	1,318.29	1,559.36
Interest / Other Income	(0.12)	(6.49)
(Profit) Loss on sale of Investment	-	-
Liability no longer required written back	(38.77)	(11.89)
(Profit) Loss on sale of Fixed Assets	5.96	-
Wealth Tax paid	0.02	0.03
Operating Profit before Working Capital changes	1,604.38	1,869.96
Adjustments for :		
Trade and other Receivables	(251.52)	296.85
Inventories	(2,894.33)	231.10
Trade & other Payables	2,822.07	(397.51)
Cash Generated from Operating Activities	1,280.60	2,000.40
Income Tax (payment) refund (Net)	(7.51)	(1.16)
Net Cash from Operating Activities (A)	1,273.09	1,999.24
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(546.37)	(209.41)
Sale / Purchase of Investment	-	-
Sale of Fixed Assets	7.17	-
Capital Subsidy Received	-	12.71
Dividend Received	-	-
Interest Received	0.12	6.49
Net Cash used in Investing Activities (B)	(539.08)	(190.21)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from allotment money received on Share Capital	187.05	62.35
Proceeds from Long Term Borrowing (including funded interest)	1,144.44	1,118.36
Repayment of Long Term Loan	(477.16)	(492.04)
Repayment / Proceed from short term borrowing	(416.28)	(977.83)
Dividend paid	-	(3.05)
Finance Cost Paid	(1,211.04)	(1,570.51)
Net Cash from Financing Activities (C)	(772.99)	(1,862.72)
NET INCREASE / DECREASE IN CASH AND CASH EQUIVALENT (A+B+C)	(38.98)	(53.69)
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	209.97	263.66
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	170.99	209.97

(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
(CA. SUBHASISH PORE)

Partner

Membership No. 55862

6C, Middleton Street, Kolkata- 700 071

29th May, 2014

R. N. Sharma

C.F.O.

S.Prasad

Company Secretary

O.P.DhanukaChairman &
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) Government 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 :

<u>Description</u>	<u>Basis of Valuation</u>
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 (Byproduct)	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 made of waste	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 of the Companies Act, 1956.

(s) Contingent Liabilities and 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, 2014

	<u>As at 31.03.2014 Rs.</u>	<u>As at 31.03.2013 Rs.</u>
2. SHARE CAPITAL		
(a) AUTHORISED :		
1,00,000 12% Cumulative Redeemable Preference (1,00,000) Shares of Rs.10/- each	1,000,000	1,000,000
1,49,00,000 Equity Shares of Rs.10/- each (1,49,00,000)	<u>149,000,000</u>	<u>149,000,000</u>
	<u>150,000,00</u>	<u>150,000,00</u>
(b) ISSUED, SUBSCRIBED & PAID-UP EQUITY SHARES :		
1,06,77,105 (92,27,105) ISSUED	106,771,050	92,271,050
1,06,77,105 (92,27,105) SUBSCRIBED	106,771,050	92,271,050
1,06,43,405 (91,93,405) PAID-UP	106,434,050	91,934,050
2.1 PAR VALUE OF PER EQUITY SHARE	10	10
2.2 RECONCILIATION OF EQUITY SHARES (No.)		
Opening	9,193,405	9,193,405
Issued	1,450,000	-
Redeem/ buyback	-	-
Closing	<u>10,643,405</u>	<u>9,193,405</u>
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 shareholder holding more than 5% Shares:	As at 31.03.2014	As as 31.03.2013
	No. of Shares	No. of Shares
	% of holding	% of holding
(a) D G Vitta Vinimay & Properties Ltd.	5,098,484	3,948,484
(b) The Belsund Sugar & Industries Limited	1,116,165	1,116,165
	47.90	42.95
	10.49	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 which were allotted in 2012-13 on 23.11.2012 to promoters and others on preferential allotment basis at Rs. 17.20 per warrants, converted into equity share during the year 2013-14 at Face value of Rs. 10 and premium of Rs. 7.20.		
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.)	168,500	168,500

Notes on Financial Statements for the Year ended 31st March, 2014

	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
3. RESERVES AND SURPLUS :		
a) Capital Reserve		
Share Forfeited	842,500	842,500
	<u>842,500</u>	<u>842,500</u>
b) Security Premium Reserve - Opening	146,505,475	146,505,475
Receipt	10,440,000	-
Closing	<u>156,945,475</u>	<u>146,505,475</u>
c) Revaluation Reserve (Revaluation of Land) - Opening	485,607,506	485,607,506
Revalued during the year	-	-
Closing	<u>485,607,506</u>	<u>485,607,506</u>
d) General Reserve :		
As per last Balance Sheet	13,091,917	13,091,917
Transfer to Profit & Loss Account	<u>(13,091,917)</u>	-
	-	<u>13,091,917</u>
e) Surplus (Deficit) as per Profit and Loss Account		
Opening	(73,214,322)	(41,123,566)
Transfer from General Reserve	13,091,917	
Net profit (Loss) for the period	<u>(29,588,040)</u>	<u>(32,090,756)</u>
Total	<u>(89,710,445)</u>	<u>(73,214,322)</u>
Appropriations :	-	-
Balance Carried Forward	<u>(89,710,445)</u>	<u>(73,214,322)</u>
TOTAL (a) to (e)	<u>553,685,036</u>	<u>572,833,076</u>

Notes on Financial Statements for the Year ended 31st March, 2014

	<u>As at</u> <u>31.03.2014</u> Rs.	<u>As at</u> <u>31.03.2013</u> Rs.
4. LONG TERM BORROWINGS		
Secured Term Loans From		
Bank of India	290,252,695	244,120,435
Union Bank of India	17,706,000	24,479,167
Sugar Development Fund (Including funded Interest)	52,969,486	87,603,527
	360,928,181	356,203,129

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 5 outstanding loans :-
- (i) Outstanding balance of Rs. 646.50 Lacs repayable in monthly instalment from April, 2014 to January, 2018.
 - (ii) Outstanding balance of Rs. 718.68 Lacs repayable in monthly instalment from April, 2014 to January, 2018.
 - (iii) Outstanding balance of Rs. 558.06 Lacs repayable monthly instalment from April, 2014 to January, 2018.
 - (iv) Outstanding balance of Rs. 734.39 Lacs repayable monthly instalment from April, 2014 to February, 2018.
 - (v) Outstanding balance of Rs. 934.66 Lacs repayable monthly instalment from March, 2016 to February, 2019.
- (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 1 outstanding loans :-
- (i) Outstanding balance of Rs. 239.58 Lacs repayable in monthly instalment from April, 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, 2014.

Notes on Financial Statements for the Year ended 31st March, 2014

	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
5. LONG TERM PROVISIONS		
(a) Provision for Employee benefits	45,582,000	47,422,000
	<u>45,582,000</u>	<u>47,422,000</u>
6. SHORT TERM BORROWINGS		
Secured		
(a) Loans repayable on demand		
Bank of India	546,465,015	555,685,008
Union Bank of India	190,118,721	187,318,090
	<u>736,583,736</u>	<u>743,003,098</u>
Unsecured		
(a) Loans and advance from related parties	125,625,000	196,675,000
(b) Deposits	10,600,000	5,700,000
(c) Inter-Corporate Loans	131,600,000	101,800,000
(d) Other Loans and advances	1,540,590	399,087
	<u>269,365,590</u>	<u>304,574,087</u>
	<u>1,005,949,326</u>	<u>1,047,577,185</u>

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 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, 2014.

Notes on Financial Statements for the Year ended 31st March, 2014

	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
7. TRADE PAYABLE		
Other than Micro, Small, and Medium Enterprises	950,801,252	686,875,868
	<u>950,801,252</u>	<u>686,875,868</u>
8. OTHER CURRENT LIABILITIES		
(a) Current maturities of long term debt	75,228,000	13,224,521
(b) Interest accrued but not due on borrowings	15,146,040	4,420,806
(c) Income received in advance	22,968,273	7,161,898
(d) Unpaid dividends	380,115	380,515
(e) Others payable*	51,266,043	48,777,438
	<u>164,988,471</u>	<u>73,965,178</u>
8.1 OTHER PAYABLE		
Excise duty liability on Closing Stock	41,961,221	36,456,493
Miscellaneous	9,304,822	12,320,945
	<u>51,266,043</u>	<u>48,777,438</u>
9. SHORT TERM PROVISIONS		
(a) Provisions for employee benefits	3,899,000	5,950,000
(b) Others*	-	1,113,437
	<u>3,899,000</u>	<u>7,063,437</u>
* Other includes provision for taxation.	-	-

10. FIXED ASSETS AS AT 31st March, 2014

Description	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01.04.2013	Additions	Deductions/ Adjustment	As at 31.03.2014	As at 01.04.2013	For the Year	Deductions/ Adjustment	Upto 31.03.2014	As at 31.03.2014	As at 31.03.2013
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
TANGIBLE ASSETS :										
OWNED										
Free-hold Land	493,370,000	-	-	493,370,000	-	-	-	-	493,370,000	493,370,000
Buildings	129,200,147	7,717,776	-	136,917,923	42,800,245	3,745,605	-	46,545,850	90,372,073	86,399,902
Plant & Machinery	1,217,474,391	6,343,659	-	1,223,818,050	619,943,219	52,726,967	-	672,670,186	551,147,864	597,531,172
Furniture, Fixtures & Equipments	13,962,048	2,120,368	-	16,082,416	8,916,227	966,270	-	9,882,497	6,199,919	5,045,821
Vehicles	18,377,975	1,736,454	2,284,370	17,890,059	9,166,447	1,525,418	971,537	9,720,328	8,109,731	9,211,528
TOTAL (A)	1,872,384,561	17,918,257	2,284,370	1,888,018,448	680,826,138	58,964,260	971,537	738,818,861	1,149,199,587	1,191,558,423
Previous Period (A)	1,845,075,869	32,206,767	4,898,075	1,872,384,561	616,775,034	67,677,730	3,626,626	680,826,138	1,191,558,423	-
INTANGIBLE ASSETS										
Trade Mark	50,000	-	-	50,000	49,167	833	-	50,000	-	833
Softwares	2,059,470	935,640	-	2,995,110	1,432,154	152,672	-	1,584,826	1,410,284	627,316
TOTAL (B)	2,109,470	935,640	-	3,045,110	1,481,321	153,505	-	1,634,826	1,410,284	628,149
Previous Period (B)	1,760,596	348,874	-	2,109,470	1,206,517	274,803	-	1,481,320	628,150	-
TOTAL (A+B)	1,874,494,031	18,853,897	2,284,370	1,891,063,558	682,307,459	59,117,765	971,537	740,453,687	1,150,609,871	1,192,186,572
Previous Period (A+B)	1,846,836,465	32,555,641	4,898,075	1,874,494,031	617,981,551	67,952,533	3,626,626	682,307,458	1,192,186,573	-
Capital Work-in-Progress									43,065,687	7,283,076
Intangible Assets under Development										

10.1 Notes :

- (1) Addition to Fixed Assets is net of Cenvat Credit.
- (2) The Capital subsidy amount received during the year amounting to NIL (Previous year Rs. 12.71 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.

Notes on Financial Statements for the Year ended 31st March, 2014

	<u>As at 31.03.2014</u> Rs.	<u>As at 31.03.2013</u> Rs.
11. DEFERRED TAX		
Deferred Tax Liability :		
Depreciation on Fixed Assets	141,343,222	142,315,385
Deferred Tax Assets :		
Unabsorbed Depreciation carried forward in Income Tax	163,366,179	166,706,411
Section 43 B	2,892,381	2,892,381
MAT Credit	7,030,519	7,030,519
	<u>173,289,079</u>	<u>176,629,311</u>
Net Deferred tax Assets(Liability)	<u>31,945,857</u>	<u>34,313,926</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 2011-12, as per the last Income Tax assesment Order dated 15.03.2014. For assesment year 2012-13 to 2014-15 claim of unabsorbed depreciation as per Income Tax Return filed/to be filed.		
12. LONG TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
Security Deposit	246,063	269,837
	<u>246,063</u>	<u>269,837</u>
13. INVENTORIES		
Raw Materials	29,423,176	19,934,099
Stock-in-Process	46,302,265	13,925,040
Store and Spare Parts	67,373,940	61,486,850
Sugar	1,480,213,797	1,299,355,052
Ethyl Alcohol	41,451,264	13,754,023
Country Liquor	170,060	47,253
Molasses	21,705,563	23,675,330
Bagassee	48,333,765	15,216,432
Fertilisers	14,491,484	12,638,170
	<u>1,749,465,314</u>	<u>1,460,032,249</u>

Notes on Financial Statements for the Year ended 31st March, 2014

	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
14. TRADE RECEIVABLE		
(Unsecured and considered good)		
Debts outstanding for a period exceeding Six Months from the due date of payment	1,179,728	1,777,802
Other Debts	24,118,960	9,713,387
	25,298,688	11,491,189
Doubtful Debts	1,085,058	1,085,059
	26,383,746	12,576,248
15. CASH & CASH EQUIVALENTS		
Balance with Banks :		
In Current Accounts	14,726,050	15,637,061
In Dividend Account	380,115	380,515
Cash on hand	1,652,780	4,962,604
Margin Money against Bank Guarantees	322,155	16,530
Fixed Deposit with more than 12 months maturity	18,024	-
	17,099,124	20,996,710
16. SHORT TERM LOANS & ADVANCES		
(Unsecured, Considered good)		
(a) Loan & Advances to related parties	-	-
(b) Loan & Advances to others		
Advance to Cane Growers	737,209	4,731,799
Advances Recoverable	22,402,458	12,195,388
	23,139,667	16,927,187
(c) Doubtful Loan and advances		
Others	1,498,672	992,387
Total	24,638,339	17,919,574
17. OTHER CURRENT ASSETS		
Balance with Govt. Dept	131,512,031	135,623,069
Tax Deducted at source	1,219,248	1,573,213
Advance Income tax Payments	422,890	435,924
Others*	15,659,146	6,898,525
Total	148,813,315	144,530,731

Notes on Financial Statements for the Year ended 31st March, 2014

	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
17.1 Other includes		
Interest Receivable	6,689,502	1,281,677
Prepaid	3,848,292	3,460,083
Recoverable	5,121,352	2,156,765
Total	<u>15,659,146</u>	<u>6,898,525</u>
18. Revenue from operations		
Sale of products	1,647,233,672	1,999,976,155
Other operating revenues	20,366,957	28,185,013
Less: Excise Duty	(38,603,344)	(47,879,661)
Total	<u>1,628,997,285</u>	<u>1,980,281,507</u>
18.1 Particulars of Sale of Products		
Sugar	1,212,369,978	1,569,074,228
Molasses	42,122,562	42,765,390
Industrial Alcohol	203,875,536	315,358,538
Country Liquor	166,831,970	52,984,624
Ethanol	8,314,640	-
Fertilisers	13,191,621	18,232,898
Bagasse	57,700	1,428,467
Others	469,665	132,010
Total	<u>1,647,233,672</u>	<u>1,999,976,155</u>
18.2 Other Operating Revenue		
Subsidy Claim	17,473,201	20,582,258
Insurance Claim	1,161,667	3,686,263
Miscellaneous Income	1,732,089	3,916,492
Total	<u>20,366,957</u>	<u>28,185,013</u>
19. Other Income		
Interest Income - from current investment	11,539	649,023
Other non-operating income (net of expenses directly attributable to such income)	4,292,869	1,526,732
Total	<u>4,304,408</u>	<u>2,175,755</u>
19.1 Other non-operating income :		
Liability no longer required written back (Net)	3,877,429	1,189,140
Miscellaneous	415,440	337,592
	<u>4,292,869</u>	<u>1,526,732</u>

Notes on Financial Statements for the Year ended 31st March, 2014

	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
20. Cost of Materials Consumed		
Indigenous-100%	1,367,600,523	1,465,122,504
	<u>1,367,600,523</u>	<u>1,465,122,504</u>
20.1 Consumption of Raw Materials under broad heads		
Sugarcane	1,203,651,514	1,212,526,128
Raw Sugar	-	76,366,816
Molasses	162,030,133	170,040,912
Pressmud & Others in NPK Fertiliser	1,918,876	6,188,648
Total	<u>1,367,600,523</u>	<u>1,465,122,504</u>
21. Variation in Stock		
a) Closing Stock :		
Sugar	1,480,213,797	1,299,355,052
Molasses	21,705,563	23,675,330
Ethyl Alcohol & Ethanol	41,451,264	13,754,023
Country Liquor	170,060	47,253
Stock-in-Process	46,302,265	13,925,040
Fertilisers	14,491,484	12,638,170
Bagassee	48,333,764	15,216,432
	<u>1,652,668,197</u>	<u>1,378,611,300</u>
b) Opening Stock :		
Sugar	1,299,355,052	1,261,472,620
Molasses	23,675,330	21,889,710
Ethyl Alcohol & Ethanol	13,754,023	36,169,128
Country Liquor	47,253	-
Stock-in-Process	13,925,040	16,590,192
Fertilisers	12,638,170	17,901,985
Bagassee	15,216,432	31,032,960
	<u>1,378,611,300</u>	<u>1,385,056,595</u>
	274,056,897	(6,445,295)
Excise Duty & Cess on Increase /(decrease) on Finished Goods Stock	(5,504,728)	3,283,861
Increase(Decrease)	<u>268,552,169</u>	<u>(3,161,434)</u>
22. Employee Benefits Expenses		
Salary and Wages	117,733,606	125,391,159
Contribution to provident fund and others	8,851,515	8,775,097
Staff welfare expenses	3,231,619	3,135,114
Gratuity*	4,172,717	8,768,500
Total	<u>133,989,457</u>	<u>146,069,870</u>

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

Notes on Financial Statements for the Year ended 31st March, 2014

	<u>As at</u> <u>31.03.2014</u>	<u>As at</u> <u>31.03.2013</u>
	Rs.	Rs.
22. Employees 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	5,277,136	5,130,901
Employer's Contribution to Pension Scheme	3,574,379	3,644,196
	8,851,515	8,775,097

In case of company's exempted Provident Fund under section 17 of Employees' 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-à-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, 2014 :-

	Gratuity		Leave Encashment	
	(Rs. In Lacs)		(Rs. In Lacs)	
Particulars	2013-14	2012-13	2013-14	2012-13
Current Service Cost	23.53	21.56	27.27	24.75
Interest Cost	35.65	36.58	3.72	2.61
Expected return on plan Asset	(0.09)	-	-	-
Plan Amendment cost	-	-	-	-
Net actuarial (gain) loss recognised in the year	(17.36)	30.55	(26.21)	4.26
Total Expenses	41.73	88.69	4.78	31.62
Expenses (Income) Recognized in the Income Statement	41.73	88.69	4.78	31.62
(b) Net Receipt/Liability Recognised in the Balance Sheet				
Current Opening net liability	484.78	453.66	48.94	43.33
Expenses as above	41.73	88.69	4.78	31.62
Contribution paid	(80.48)	(57.57)	(4.94)	(26.01)
Closing net Liability	446.03	484.78	48.78	48.94
Recognised in Balance Sheet	446.03	484.78	48.78	48.94
(c) Recalculation of Opening and Closing Balance of Defined Benefit Obligation				
Current Liability at the beginning of the period	484.78	453.66	48.94	43.33
Interest Cost	35.65	36.58	3.72	2.61
Current Service Cost	23.53	21.56	27.27	24.75
Plan Amendment cost	-	-	-	-
Benefit Paid	(80.48)	(57.57)	(4.94)	(26.01)
Actuarial (Gain) Loss Obligations	(17.36)	30.55	(26.21)	4.26
Expected return on plan Asset	(0.09)	-	-	-
Liability at the end of the period	446.03	484.78	48.78	48.94
(d) Actuarial assumption				
Discount Rate	9.25%	8.0%	9.25%	8.0%
Rate of Increase in Salary	5%	5%	5%	5%
Rate of Return on Plan Assets	N.A.	N.A.	N.A.	N.A.

Notes on Financial Statements for the Year ended 31st March, 2014

	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
23. Finance Costs		
Finance Cost on borrowing	98,397,787	131,425,420
Other Borrowing Cost	3,053,265	4,053,320
Applicable gain/loss on foreign currency on borrowing	30,113,171	20,457,493
Bank Guarantee Commission	265,078	-
Total	131,829,301	155,936,233
24. Depreciation and amortization expense;		
Depreciation & Amortisation	59,117,765	67,952,533
Total	59,117,765	67,952,533
25. OTHER EXPENSES		
Manufacturing expenses		
Store, Chemicals and Packing Materials - Indigenous	45,766,222	45,114,274
Power, Fuel and Water	53,387,015	9,951,737
Repairs to buildings	4,397,053	6,642,836
Repairs to machinery	40,929,803	44,978,424
Processing & Ferti-irrigation Expenses	50,239,034	22,723,415
Pollution Control Expenses	3,368,437	3,500,321
Total	198,087,564	132,911,007
Selling & Distribution Expenses		
Commission & Discount	1,833,625	2,249,904
Selling Expenses	4,323,017	3,953,028
Total	6,156,642	6,202,932
Establishment Expenses		
Rent	1,581,111	1,321,795
Insurance	4,691,975	4,337,974
Auditors Remuneration	319,590	313,008.00
Cost Audit Fee	85,000	85,000
Director's Fee	75,000	67,500
Charity & Donations	-	51,000
Sundry Balance Written Off	74,630	1,021,801
Wealth tax paid	2,430	3,090
Rates and taxes, excluding taxes on income	2,038,430	1,434,673
Loss on Sale of Fixed Assets	595,833	-
Miscellaneous expenses	22,826,298	22,439,544
Total	32,290,297	31,075,385
TOTAL OTHER EXPENSES	236,534,503	170,189,324

Notes on Financial Statements for the Year ended 31st March, 2014

	<u>As at 31.03.2014</u>	<u>As at 31.03.2013</u>
	Rs.	Rs.
25.1 Payments to the auditor :-		
For Statutory Audit	95,000	95,000
For Tax Audit	40,000	40,000
For Other Services	124,250	115,064
For Reimbursement of expenses	60,340	62,944
Total	<u>319,590</u>	<u>313,008</u>
26. Exceptional Item		
Interest Demand arising out of High Court order pertaining to levy sugar matter of 1982-83	-	<u>9,083,262</u>
27. Earning Per Share (EPS)	<u>2013-14</u>	<u>2012-13</u>
(i) Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders	(29,588,040)	(32,090,756)
(ii) Weighted Average number of equity shares used as denominator for calculating EPS	9,868,747	9,193,405
(iii) Basic and Diluted Earning per share	(3.00)	(3.49)
(iv) Face value per equity share	10	10
28. Expenditure on foreign currency during the financial year		
Interest	27,281,621	18,185,600
Travelling	472,221	101,322.00
Total	<u>27,753,842</u>	<u>18,286,922</u>
29. Prior Period items	<u>3,565,517</u>	<u>779,985</u>
30. Works in Progress under broad head		
Sugar	<u>47,126,393</u>	<u>13,925,040</u>
31. Contingent Liabilities (to the extent not provided for)		
(1) Claim against the company not acknowledged as Debt	4,767,052	4,767,052
(2) Bank Guarantee :	3,139,640	-

Notes on Financial Statements for the Year ended 31st March, 2014

32. Performance of Business Segment (Rs. in Lac)

(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
1. Segment Revenue :					
Net Sales	12,314.36	3,771.95	–	–	16,086.30
	(15,852.79)	(3,668.17)	–	–	(19,520.96)
Less : Inter-Segment Revenue	–	–	–	–	–
Net Sales from Operations	12,314.36	3,771.95	–	–	16,086.30
	(15,852.79)	(3,668.17)	–	–	(19,520.96)
2. Segment Results :					
Profit(+)/Loss(-) before Tax and Interest	225.67	820.45	–	–	1,046.12
	(410.23)	(889.39)	–	–	(1,299.62)
Less : (i) Interest					1,318.29
					(1,559.65)
(ii) Other un-allocable Expenses(Income)					–
Profit (Loss) Before Tax					(272.18)
					(-259.75)
3. Segment Assets & Liabilities :-					
Segment Assets (31.03.2014)	28,003.72	6,965.90	319.46	(3,368.86)	31,920.21
(31.03.2013)	(25,177.14)	(6,777.95)	(343.14)	(3,399.84)	(28,898.39)
Segment Liabilities (31.03.2014)	13,803.86	465.43	–	(3,368.86)	10,900.43
(31.03.2013)	(11,077.17)	(343.69)	–	(-3,399.84)	(8,021.02)
Capital Employed (31.03.2014)	14,199.86	6,500.47	319.46	–	21,019.79
(31.03.2013)	(14,099.97)	(6,434.26)	(343.14)	–	(20,877.37)
4. Other Information :					
Capital Expenditure	22.84	–	–	–	22.84
	(245.75)	(79.81)	–	–	(325.56)
Depreciation	464.37	126.81	–	–	591.18
	(556.42)	(123.10)	–	–	(679.52)

Notes on Financial Statements for the Year ended 31st March, 2014

33. Related Party Transaction : (Rs. in Lac)

Name of related Party	Description of relationship with the Company	Nature of transaction	Value for the Year 2013-14	Outstanding as on 31.03.2014	Written off during the period
The Belsund Sugar & Industries Ltd	Associate Company	ICD	1946.00 Cr.	1218.00 Cr.	NIL
		Interest	69.48	62.53 Dr.	NIL
		Trade Receivable	105.90	71.48 Cr.	NIL
DG Vitta Vinimay & Properties Ltd.	Associate Company	ICD Interest	25.00 Cr. 2.16	14.50 Cr. 1.94 Cr.	NIL NIL
O. P. Vanyjya Limited	Associate Company	ICD Interest	2.00 Cr. 0.28	2.00 Cr. 0.25 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	19.75 Cr. 2.43	19.75 Cr. 2.19 Cr.	NIL NIL
Directors of the Company		Sitting Fee for attending Board Meeting	0.75	NIL	NIL NIL
O.P.Dhanuka	CMD (Key Managerial Person)	Salary as per terms of appointment	20.83	NIL	NIL NIL
Tripti Saraff	Relative of CMD	Salary as per terms of appointment	1.72	NIL	NIL

Notes on Financial Statements for the Year ended 31st March, 2014

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. 74.33 Lacs (Previous year 14.24 Lacs) from companies.
- 34.5 The company during the year allotted outstanding 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. The said amount were used for strengthen the financial parameter of the company.
- 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 company has given Guarantee to Nationalized Banks toward Agriculture Loan provided by the Banks to the recommended farmers of the company to the extent of Rs. 4150 Lacs.
- 34.9 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
(CA. SUBHASISH PORE)

Partner

Membership No. 55862

6C, Middleton Street, Kolkata- 700 071

29th May, 2014

R. N. Sharma

C.F.O.

S.Prasad

Company Secretary

O.P.Dhanuka

Chairman &
Managing Director

S. Jha
S. K. Goenka
P.Tibrawalla

Directors

RIGA SUGAR COMPANY LIMITED

Registered Office : 14, Netaji Subhas Road, Kolkata - 700 001

NOTICE

Notice is hereby given that the Thirty Third Annual General Meeting of the Members of **RIGA SUGAR COMPANY LIMITED** will be held on 11th day of September, 2014 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 Financial Statement of the company for the financial year ended March 31, 2014 together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Pankaj Tibrawalla, (DIN 00203579) who retires by rotation and, being eligible, offers himself for re-appointment.
3. Appointment of Auditors

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

“RESOLVED that pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s. K. N. Gutgutia & Co., Chartered Accountants (ICAI Firm Registration No. 304153E), be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting at such remuneration as shall be fixed by the Board of Directors of the Company.”

SPECIAL BUSINESS :

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

“RESOLVED that pursuant to the provisions of sections 149, 150 and 152 read with schedule IV and any other applicable provisions of the Companies Act, 2013 (Act) and the Rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. N.C.Majumdar (DIN 03613413), a non-executive Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office from the date of this Annual General Meeting upto expiry of five consecutive years or the date of 38th Annual General Meeting, whichever is earlier”

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

“RESOLVED that pursuant to the provisions of sections 149, 150 and 152 read with schedule IV and any other applicable provisions of the Companies Act, 2013 (Act) and the Rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr.Suyash Borar (DIN 01315260), a non-executive Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office from the date of this Annual General Meeting upto expiry of five consecutive years or the date of 38th Annual General Meeting , whichever is earlier”

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

“RESOLVED that pursuant to the provisions of sections 149, 150 and 152 read with schedule IV and any other applicable provisions of the Companies Act, 2013 (Act) and the Rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Sarad Jha (DIN 00131305), a non-executive Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office from the date of this Annual General Meeting upto expiry of five consecutive years or the date of 38th Annual General Meeting, whichever is earlier.”

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

“RESOLVED that pursuant to the provisions of sections 149, 150 and 152 read with schedule IV and any other applicable provisions of the Companies Act, 2013 (Act) and the Rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. S. K. Goenka

(DIN 00083106), a non-executive Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office from the date of this Annual General Meeting upto expiry of five consecutive years or the date of 38th Annual General Meeting, whichever is earlier.”

8. To consider and if thought fit to pass with or without modification(s) the following resolution as **Special Resolution :-**

“RESOLVED THAT pursuant to the provisions of Sections 198,269,309,310, Schedule XIII of the Companies Act,1956 (Act) and sections 196, 197 and 203 read with schedule V of the Companies Act, 2013 alongwith other applicable provisions, if any, the Company hereby accords its approval to the re-appointment of Mr. O. P. Dhanuka (DIN 00049947), as Managing Director of the Company for the period of three years from 1st March, 2014 to 28th February, 2017 on the terms and conditions including remuneration as set in the Explanatory Statement to this Notice with authority to the Board of Directors to vary the remuneration and perquisites payable or to be provided to Mr. O. P. Dhanuka, including any monetary value thereof to the extent the Board of Directors may consider appropriate and to alter the terms and conditions of the agreement entered into by the Company with Mr. O. P. Dhanuka, as may be agreed between the Board of Directors and Mr. O. P. Dhanuka.”

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year the Company shall pay Mr.O.P.Dhanuka remuneration as decided by the Board or any Committee thereof from time to time as minimum remuneration, with the approval of the Central Government, if necessary.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds and matters and things as in its absolute discretion it may consider necessary, expedient or desirable to give effect to this resolution and also to revise the remuneration of Mr.O.P.Dhanuka within the limits stipulated in the Companies Act,1956 and the Companies Act, 2013.

9. To consider and if thought fit to pass with or without modification(s) the following resolution as **Special Resolution :-**

“RESOLVED that in supersession of the resolution(s) passed under section 293(1)(d) of the Companies Act, 1956 and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, consent of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time such sum and sums of money as it may consider fit for the business of the Company, notwithstanding that the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company’s Bankers in the ordinary course of business), which may exceed the aggregate of the paid-up share capital of the Company and its free reserves, that is to say Reserves not set apart for any specific purpose, provided that the total amount so borrowed by the Board of Directors shall not exceed the sum outstanding at any time Rs. 200 Crores (Rupees two hundred crores)”.

10. To consider and, if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution :-**

“RESOLVED that in supersession of the resolution(s) passed under Section 293(1)(a) of the Companies Act, 1956 and pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof for the time being in force), as amended from time to time, the consent of the Company be and is hereby accorded to the creation by the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall include any committee thereof for the time being exercising the powers conferred on the Board by this Resolution) of such mortgages, charges and hypothecations as may be necessary on such of the assets of the Company, both present and future, in such manner as the Board may consider be necessary on such of the assets of the Company, both present and future, in such manner as the Board may determine, to or in favour of financial institutions, investment institutions and their subsidiaries, banks, mutual funds, trust, other bodies corporate or any other entities and Trustees for the holders of debentures/bonds and / funds, trusts, other bodies corporate or any other entities and Trustees for the holders of debentures/bonds and/or other instruments which may be issued on private placement basis or otherwise, to secure loans, debentures, bonds, deposits, working capital facilities and other instruments in any currency of an outstanding aggregate value not exceeding the total assets of the Company comprising of Non-Current Assets and Gross Current Assets as per the latest audited financial statements from time to time, together with interest thereon at the agreed rates, further interest, liquidated damages, premium on pre-payment or on redemption, costs, charges, expenses and all other moneys payable by the Company in relation to such term loans, debentures, bonds, working capital facilities and other instruments.”

11. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution** :-

“RESOLVED THAT pursuant to Section 62 and all other applicable provisions, if any, of the Companies Act, 2013 (including any modification (s) or re-enactment thereof) and subject to the provisions of section 23(1)(b) and section 42 of the companies Act, 2013 and subject to provision of the Memorandum of Association and Articles of Association of the Company and the Listing Agreement entered into with the Stock Exchanges where the Equity Shares of the Company are listed and in accordance with the existing guidelines, rules and regulations of the Securities and Exchange Board of India (“SEBI”) and subject to the approvals, consents, permissions and/or sanctions, as may be necessary of the appropriate authorities, institutions or bodies and subject to such terms, conditions, alterations, corrections, changes, variations and/or, modifications, if any as may be prescribed by any one or more or all of them in granting such approvals, consents permissions and/or sanction and which may be agreed by the Board of Directors of the Company (hereinafter referred to as the “Board” which terms shall be deemed to include any committee duly constituted by the Board of Directors or any committee which the Board of Directors may hereafter constitute, to exercise one or more of its powers, including the powers conferred by this resolution), consent of the Company be and is hereby accorded and Board is hereby authorised to issue, offer and allot upto 18,00,000 Convertible Equity Share Warrant(s), to be convertible at the option of warrant holder in one or more tranches, within 18 months from its allotment date into one fully paid up equity share of the Company of face value of Rs.10/- each for cash at an exercise price of Rs.15.20 (including premium of Rs. 5.20) for each Warrant and to issue fresh equity shares on the conversion of the Warrants, on such further terms and conditions as may be finalised by the Board to following persons belonging to Promoter Group and to others :-

	No. of Equity Share Warrants
Promoters	
(a) The Belsund Sugar & Industries Ltd.	15,00,000
Others	
(b) Mrs. Sneha Patwari	3,00,000
Total	18,00,000

RESOLVED FURTHER that the amount to be paid on the warrants at the time of allotment shall be 25% of the exercise price and the rights attached to them and other terms and conditions of the Warrants shall as may be decided by the Board in accordance with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

RESOLVED FURTHER that the relevant date for the purpose of calculating the issue price of the above mentioned equity share warrants under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 is 12.08.2014.

RESOLVED FURTHER that all the equity shares resulting from the exercise of the warrants shall rank pari-passu in all respects, including entitlement for dividend, with the existing equity shares of the Company.

RESOLVED FURTHER that the warrants shall not be sold, transferred, hypothecated or encumbered in any manner during the period of lock-in as provided under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 except to the extent and in the manner permitted thereunder.

RESOLVED FURTHER that the equity shares already held by the proposed allottees (as per details given below) shall be under lock in from the relevant date i.e. 12.08.2014 for a period of six months from the date of allotment of Equity Share Warrants / Trading approval :-

	No. of Equity Shares already held
Promoters	
(a) The Belsund Sugar & Industries Ltd.	11,16,165
Others	
(b) Mrs. Sneha Patwari	—
Total	11,16,165

RESOLVED FURTHER that the 18,00,000 Warrants being allotted to the Promoters Group and to Others shall be locked-in for such period as per the provisions of SEBI (ICDR) Regulations, 2009 for Preferential issue.

RESOLVED FURTHER that for the purpose of issue and allotment of the equity share warrants and listing of equity shares on its conversion with the Stock Exchange(s), the Board of Directors be and is hereby authorised to do and perform all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, desirable or appropriate to give effect to this resolution in all respects and in particular to settle any questions, difficulties or doubts that may arise with regard to the offering, issuing, allotting and utilising the issue proceeds of the Equity Share Warrants of the Company, at its absolute discretion as deem fit and proper."

12. To consider and if thought fit to pass with or without modification(s) the following resolution as **Special Resolution:-**

"RESOLVED THAT pursuant to provisions of Section 188(1)(f) of the Companies Act, 2013 and Rule 15(3)(i) of Companies(Meeting of Board and its Powers) Rule, 2014 the consent of the company be and is hereby accorded for appointment of Mr. Srivrat Dhanuka, who is relative of Mr. O. P. Dhanuka - Chairman & Managing Director of the company, as Chief Operating Officer of the company for the period of five years from 1st October, 2014 to 30th September, 2019 on the terms and conditions including remuneration as set in the Explanatory Statement to this Notice."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, and things and execute all such documents, instruments, and writings as may be required to give effect to the aforesaid resolution."

Kolkata, 12th August, 2014

CIN : L15421WB1980PLC032970

By Order of the Board of Directors

Registered Office :
14, Netaji Subhas Road
Kolkata - 700 001

Shailendra Prasad
Company Secretary

Notes :

1. The relative Explanatory Statement pursuant to section 102 of the Companies Act, 2013 (Act) in respect of the business under Item Nos. 4 to 12 of the Notice, is annexed hereto. The relevant details as required under clause 49 of the Listing Agreements entered into with the Stock Exchanges, of persons seeking appointment/ re-appointment as Directors under Item No. 4 to 7 of the Notice, are also annexed.
2. A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company.
3. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
4. The Register of Members and Transfer Books of the Company will be closed from 9th September, 2014 to 11th September, 2014, both days inclusive.
5. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, S. K. Infosolutions Pvt. Ltd (SKIPL) to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to SKIPL.
6. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or SKIPL for assistance in this regard.
7. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or SKIPL the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon.
8. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
9. Members seeking any information with regard to the Accounts, are requested to write to the Company at least 7 days in advance of AGM date to enable the Management to keep the information ready at the meeting.
10. Transfer of Unclaimed/Unpaid amounts to the Investor Education and Protection Fund (IEPF) :
Pursuant to sections 205A and 205C and other applicable provisions, if any, of the Companies Act, 1956, all unclaimed/unpaid dividend, application money, debenture interest and interest on deposits as well as the principal amount of debentures and deposits, as applicable, remaining unclaimed/unpaid for a period of seven years from the date they became due for payment, have been transferred to the IEPF established by the Central Government. Members who have not yet encashed their dividend warrant(s) pertaining to the Dividend for the financial year 2008-09 of the Company are requested to make their claims without any delay to SKIPL. It may be noted that the unclaimed Final Dividend for the financial year 2008-09 declared by the Company on 25th February, 2010 can be claimed by the shareholders by 2nd April, 2017.
11. The Notice of the AGM along with the Annual Report 2013-14 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any member has requested for a physical copy of the same. For members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
12. To support the 'Green Initiative' the Members who have not registered their e-mail addresses are requested to register the same with SKIPL /Depositories.
13. In compliance with the provisions of section 108 of the Act and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all resolutions set forth in this Notice.

The instructions for e-voting are as under :

- A. In case a Member receives an e-mail from NSDL (for Members whose e-mail addresses are registered with the Company/Depositories) :**
- i. Open the e-mail and also open PDF file namely "RSCL e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
 - ii. Open the internet browser and type the following URL : <https://www.evoting.nsd.com>.

- iii. Click on Shareholder – Login.
- iv. If you are already registered with NSDL for e-voting then you can use your existing user ID and password.
- v. If you are logging in for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as initial password.
- vi. The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential.
- vii. Once the e-voting home page opens, click on e-voting> Active Voting Cycles.
- viii. Select “EVEN” (E-Voting Event Number) of Riga Sugar Company Limited. Now you are ready for e-voting as Cast Vote page opens.
- ix. Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
- x. Upon confirmation, the message “Vote cast successfully” will be displayed.
- xi. Once the vote on the resolution is cast, the Member shall not be allowed to change it subsequently.
- xii. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/ JPG format) of the relevant Board Resolution/Authority letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to hmchoraria@gmail.com with a copy marked to evoting@nsdl.co.in.
- xiii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) - Shareholders and e-voting user manual - Shareholders, available at the downloads section of www.evoting.nsdl.com.

B. In case a Member receives physical copy of the Notice of AGM (for Members whose email addresses are not registered with the Company/Depositories) :

- i. Initial password is provided as below/ at the bottom of the Attendance Slip for the AGM :

EVEN (E-Voting Event Number)	USER ID	PASSWORD/PIN
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- ii. Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

C. Other Instructions :

- i. The e-voting period commences on 2nd September, 2014 (9.00 a.m. IST) and ends on 4th September, 2014 (4.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on 9th August, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
- ii. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on 9th August, 2014.
- iii. Mr. H. M. Choraria, Practicing Company Secretary (Membership No. FCS 2398), has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- iv. The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- v. The results shall be declared on or after the AGM of the company. The results declared along with the Scrutinizer’s Report shall be placed on the Company’s website www.rigasugar.com and on the website of NSDL www.evoting.nsdl.com within two days of the passing of the resolutions at the thirty third AGM of the Company on 11th September, 2014 and communicated to the BSE Limited and Calcutta Stock Exchange Limited, where the shares of the Company are listed.

Explanatory Statement

(Pursuant to section 102 of the Companies Act, 2013)

As required by section 102 of the Companies Act, 2013 (Act), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 4 to 12 of the accompanying Notice :

Item Nos. 4 to 7 :

The Company appointed Mr. N. C. Majumdar, Mr. Suyash Borar, Mr. Sarad Jha and Mr. S. K. Goenka who have been discharging the role and functions of Independent Directors in terms of Clause 49 of the Listing Agreement with the Stock Exchanges. The terms of office of the aforesaid Directors was liable to determination by retirement of Directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of section 149 of the Companies Act, 2013 (The Act) , the Company is required to appoint at least one-third of its total number of Directors as Independent Directors for a fixed term and their office shall not be liable to determination by retirement of Directors by rotation. Accordingly, in compliance of sections 149,150, and

152 read with Schedule IV and any other applicable provisions of Act each of Mr. N. C. Majumdar, Mr. Suyash Borar, Mr. Sarad Jha and Mr. S. K. Goenka ,is proposed to be appointed as an Independent Director who shall hold office from the date of this Annual General Meeting upto expiry of five consecutive years or the date of the 38th Annual General Meeting, whichever is earlier. Separate notices have been received from a few Members referring to Section 160 of the Act, proposing each of them respectively for appointment as an Independent Director at the forthcoming Annual General Meeting of the Company.

The aforesaid persons have the desired qualifications and in depth experience in their respective field and have held very high positions in different renowned organizations. The particulars of the aforesaid Directors namely, age, qualification, past experience and other details are given separately in this Notice.

In the opinion of the Board, each of Mr. N. C. Majumdar, Mr. Suyash Borar, Mr. Sarad Jha and Mr. S. K. Goenka fulfils the conditions specified in the Act and meets the criteria of independence specified in section 149(6) of the Act and rules made thereunder for appointment as an Independent Director. The Board considers that the continued association of the aforesaid persons would be of immense benefit to the Company and it is desirable to continue to avail their services as Independent Directors. Accordingly the Board recommends the resolutions set out at item No. 4 to 7 of the convening notice for approval of Shareholders of the Company.

Mr. N. C. Majumdar, Mr. Suyash Borar, Mr. Sarad Jha and Mr. S. K. Goenka may be considered to be interested in the respective Resolution in so far as they relate to them individually. No other Director or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in respect of the said resolutions.

Item No. 8 :

The Nomination and Remuneration Committee of the Company in its meeting held on 27th February, 2014, determined and fixed the remuneration of Mr. O. P. Dhanuka on his proposed re-appointment. The Board of Directors of the Company at its Meeting held on 1st March, 2014 have decided to re- appoint Mr. O. P. Dhanuka as Managing Director of the Company for a further period of 3 years with effect from 1st March, 2014 on the terms and conditions as enumerated below :

1. Nature of Duties : The appointee shall carry out such duties as may be entrusted to him subject to the supervision and control of the Board of Directors and shall perform such other duties and services as shall from time to time be entrusted to him by the Board of Directors.
2. The remuneration and perquisites shall be :
 - (a) Salary Upto Rs.1,00,000/- (Rupees one lac only) per month with Annual increment upto Rs.10,000/- (Rupees ten thousand only) per month from 1st March every year.
 - (b) Allowances :
 - (i) Furnished Accommodation /House Rent Allowance upto 50% of the salary.
 - (ii) Free Gas, Electricity and water supply.
 - (iii) Actual Medical Expenses incurred for self and family members shall be reimbursed, subject to ceiling of one month's salary in a year or 3 months' salary over a period of 3 years.
 - (iv) Leave Travel concession for self and family once in a year in accordance with the Rules of the Company.
 - (v) Fees of Club, subject to maximum of two Clubs, but excluding admission and/or Life Membership Fee.
 - (vi) Payment towards Personal Insurance Policies subject to annual premium of Rs. 4,00,000/-.
 - (vii) Contribution towards Provident Fund, Pension and/or Superannuation Funds as per Rules of the Company. However, the above will not be included in the computation of the ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961.
 - (viii) Gratuity not exceeding half month's salary for each completed year of service, subject to the ceiling as prescribed under the payment of Gratuity Act, 1972 as amended from time to time.
 - (ix) Chauffer driven Car for Company's business.
 - (x) Free Telephone at residence excluding personal long distance calls.
 - (xi) Actual and properly incurred entertainment expenses in the course of business shall be reimbursed.
 - (xii) Leave Encashment on expiry of service as per Rules of the Company.

In the event of absence or inadequacy of profit in any financial year, he will be paid salary and Perquisites not exceeding the limit specified under Section II and III of part-II of Schedule XIII of the Companies Act, 1956.

Except Mr. O. P. Dhanuka and Mr. Pankaj Tibrawalla relative of Mr. O. P. Dhanuka, no other Directors of Key Managerial Person of the Company are concerned or interested in the aforesaid Resolution.

The re-appointment letter is available for inspection at the registered office of the company on any working day during working hours.

Item No. 9 :

Section 180 (1) (c) of the Companies Act, 2013 requires that the Directors of the Company should obtain the consent of the Shareholders in the General Meeting to enable them to borrow moneys where the amount to be borrowed together with the amount already borrowed by the Company will exceed the aggregate of the Paid-up capital of the Company and its free reserve, that is to say, reserves not set apart for any specific purposes.

The Shareholders are aware that at Annual General Meeting held on 18th February, 2005 an Ordinary Resolution was passed authorizing the Board of Directors of the Company to borrow from time to time for the purpose of carrying out the business of the Company, subject to the condition that money, so borrowed shall not exceed Rs. 100 crores (Rupees one hundred crores only) apart from temporary loan from Company's Bankers in the ordinary course of business. In view of increase in the volume of business and taking into account the requirement of additional funds, your Directors feel that they should obtain consent from the shareholders to borrow more funds. Accordingly, they have thought it desirable to obtain the consent from the Shareholders pursuant to Section 180(1) (c) of the Companies Act, 2013 to the increase in limit of borrowing powers of the Board of Directors from Rs.100 crores to Rs. 200 crores apart from temporary loan from Company's Bankers in the ordinary course of business, as is now proposed under the Special Resolution and to give the necessary powers to the Board of Directors as required under section 180 (1) (c) of the Companies Act, 2013 with reference to such enhanced limit.

The Directors recommend the approval of the Shareholders thereto.

None of the Directors or Key Managerial Personnel of the Company or their relative is concerned or interested financially or otherwise in respect of said Resolution.

Item No. 10 :

In the normal course of business, the Company is required, from time to time, to borrow funds by way of rupee/ foreign currency loans, issue of debentures, bonds or other instruments from Banks, Financial Institutions and/or other persons/ bodies corporate etc. To secure such lending the lenders usually call for adequate securities which is normally provided in the form of mortgage and charge on certain properties of the Company. In terms of Section 180(1)(a) of the Companies Act, 2013 (the Act) besides sale, to lease or otherwise disposal of any 'undertaking' or 'substantially the whole of any undertaking' of a company, consent of its Members by way of a Special Resolution is necessary.

The assets on which the security may be required to be created may come under the ambit of the definition of 'undertaking' or 'substantially the whole of the undertaking' as explained under section 180(1)(a) of the Act, necessitating the Members consent by way of passing a Special Resolution. The Resolution set out in Item No.10 of the convening Notice is to be considered accordingly and the Board recommends the same.

No Director or Key Managerial Personnel of the Company or any of their relatives is concerned or interested, financially or otherwise, in respect of the said Resolution.

Item No. 11 :

To meet business requirement of the company and to strengthen the Company's financial parameters. The Directors of the Company intend to mobilise funds through issue of convertible equity share warrants to the persons belonging to Promoter Group and to others on Preferential Basis in accordance with SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009. The proceeds of the proposed issue shall also be utilised as owned fund (Shareholders Fund) for improving Debt : Equity ratio.

The Proposed Allottees shall pay Rs. 3.80 per Warrant, being atleast 25% of the exercise price in respect of the equity shares that may be allotted upon conversion of the warrants determined in accordance with the SEBI (ICDR) Regulations, 2009 on the date of allotment of Warrants.

The warrant holder has the option to apply for and be allotted equity shares of the company of face value of Rs. 10 at a premium of Rs. 5.20 per share in the ratio of 1 (one) equity share for every 1 (one) warrant by paying the balance subscription price after adjusting the upfront payment made on the date of allotment of warrants at any time before the expiry of 18 months from the date of allotment of warrants.

The company reserve the right to forfeit the amount paid at the time of allotment as per Regulation 77 (4) SEBI (ICDR) Regulations, 2009 in case of failure by the warrant holder to apply for and be allotted equity shares of the company by paying the balance subscription price after adjusting the upfront payment made before the expiry of the specified period of 18 months.

As per provision of Regulation 78(6) SEBI (ICDR) Regulations, 2009 the existing shareholding of the proposed allottees of the promoter group and of others shall be locked-in from the relevant date and such lock-in would continue upto such period as per the provision of SEBI (ICDR) Regulation, 2009 for Preferential Issue.

Information as required under Regulation 73 of SEBI (Issue of capital and disclosure requirements) Regulations, 2009 for Preferential Issues :

1. Object of the Issue

The proposed issue is to meet the business requirement of the company which would strengthen the Company's financial parameters. The proceeds of the proposed issue shall also be utilised as owned fund (Shareholders Fund) toward improving Debt : Equity ratio.

2. Intention of the promoter(s) and others to subscribe

The Company has received written consent from the promoters and others named above towards their intention to subscribe proposed issue of Warrants by the company.

3. Pricing

The Issue Price has been determined in accordance with the Chapter VII of the SEBI (ICDR) Regulations. The "relevant date" for determining the issue price of the resultant Equity Shares is 12th August, 2014, being the date which is 30 days prior to the date for passing this resolution by requisite majority of members i.e. 11th September, 2014.

Average of the weekly high & low of the closing prices during six months preceding the relevant date is Rs.15.02.

Average of the weekly high & low of the closing prices during two weeks preceding the relevant date is Rs.14.39.

Higher of the above two is Rs.15.02 and price on which issue is made should not be lower than Rs.15.02 therefore the shares are issued at Rs.15.20.

The price above is determined on the basis of the quotes available on Bombay Stock Exchange Limited which recorded the highest trading volume during the last six months prior to the relevant date.

4. Undertaking to pay Recomputed price of share

(a) The company undertake that if required, the price of proposed warrants shall be recomputed in view of the provisions of the SEBI (ICDR) Regulations, 2009.

(b) If the amount payable on account of the re-computation of price is not paid within the stipulated time as mentioned in the Regulations, the specified securities shall continue to be locked in till such amount is paid by the allottees.

5. Shareholding Pattern of the Company before and after the issue :

Sl.No.	Category	Pre Issue		Post Issue	
		No. of shares held	%	No. of shares held	%
1.	Promoters Holding	64,93,378	61.01	79,93,378	64.24
2.	Mutual Funds, Banks, Financial Institution, Insurance Companies, FII's / Foreign Companies	2,600	0.02	2,600	0.02
3.	Bodies Corporate	26,17,610	24.59	26,17,610	21.04
4.	Indian Public	15,14,966	14.24	18,14,966	14.58
5.	NRI's/OCB's	14,851	0.14	14,851	0.12
6.	Any Other	—	—	—	—
	GRAND TOTAL	1,06,43,405	100.00	1,24,43,405	100.00

Shareholding pattern has been prepared on the assumption that all the warrants will be converted into equity share before the expiry of 18 month.

6. Proposed time within which the allotment shall be completed.

The Board proposes to allot the equity shares warrants within a period of 15 days from the date of passing of this resolution by the shareholders or within 15 days from the date of approval of any regulatory authority, whichever is later.

7. The identity of the proposed allottees and the percentage of the preferential issue that may be held by them :-

Sl.No.	Name and Address of the Proposed Allottees	Pre-Issue Shareholding		Post Issue Shareholding	
		No. of shares held	%	No. of shares held	%
	Promoters Group				
1.	The Belsund Sugar & Industries Limited 14, Netaji Subhas Road, Kolkata - 700 001 PAN : AABCT0519P It is Promoter Company controlled by Mr. O. P. Dhanuka & Family	11,16,165	10.49	26,16,165	21.02
	Non-Promoters Group				
2.	Mrs. Sneha Patwari Space Town Housing Complex, Block - 2, Flat No. 1E, Near Haldiram Pure Food, Kolkata - 700 052 PAN : AKOPP7796C	—	—	3,00,000	2.41
	TOTAL	11,16,165	10.49	29,16,165	23.43

8. Consequential Changes in Voting Rights

Voting rights will change in tandem with the shareholding pattern. However there shall not be any change in the management control of the company.

9. Auditors' Certificate

A certificate from M/s. K. N. Gutgutia & Co., Chartered Accountants, being the Statutory Auditors of the Company certifying that the preferential issue is being made in accordance with the requirements contained in SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 shall be placed before the meeting of the shareholders.

10. Proposed allotment of shares on conversion of warrants as pari-passu

The equity shares on conversion of warrants shall rank pari passu in all respect with the then existing Equity Shares of the company.

11. Lock-in

The 18,00,000 convertible warrants being allotted to persons mentioned above shall be locked-in for such period from the date of allotment of warrants and shares as per SEBI (ICDR) Regulations, 2009.

12. Change in Management

The issue of warrants and their conversion into equity shares will not result in any change in the management or control of the Company.

Issuance of convertible warrants and shares on preferential basis is governed, inter alia, by the provisions of Section 62(1)(c), section 23(1)(b) and section 42 of the Companies Act, 2013 and the relevant provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

As per Section 62(1)(c) of the Companies Act, 2013 and the SEBI (ICDR) Regulations, 2009 approval of the members of the Company by way of Special Resolution is required to be obtained for issuance of convertible equity share warrants on preferential basis.

None of the Directors of the Company is concerned or interested in the resolution save and except Mr. O. P. Dhanuka who may be deemed to be interested as Promotor Director of company to the extent of allotment to promoters Group and Mr. Pankaj Tibrawalla, relative of Mr. O. P. Dhanuka.

Shareholding of Promoters and their relatives, Directors, Manager, Key Managerial Personnel in The Belsund Sugar & Industries Limited, promoter group proposed allottee, is as follow :-

Name	Relationship with Riga Sugar Co. Ltd.	Shareholding in The Belsund Sugar & Industries Limited	
		No.	%
Mr. O. P. Dhanuka	Director	29722	3.82 %
Mrs. Meera Dhanuka	Relative of Director	28371	3.64 %
Mrs. Shruti Jatia	Do	62180	7.97 %
Mrs. Garima Tibrawalla	Do	26650	3.42 %
Mrs. Tripti Saraf	Do	32030	4.11 %

The Board of Directors recommends the special resolution for the approval of the shareholders.

Item No. 12

Section 188(1)(f) of the Companies Act, 2013 and Rule 15(3)(i) of Companies (Meeting of Board and its Powers) Rule, 2014 provides inter-alia that for appointment to any office or place of profit of relative of Directors in a company having paid-up capital of Rs.10 crores and more, prior approval of the company by way of special resolution is required.

The Board of Directors in its meeting held on 12th August, 2014 appointed Mr. Srivrat Dhanuka, as Chief Operating Officer for a period of five years commencing from 1st October, 2014 to 30th September, 2019 and fixed the remuneration and other terms and conditions. Mr. Srivrat Dhanuka is son of Mr. O. P. Dhanuka, Chairman and Managing Directors of the company. The Audit Committee in its meeting held on 11th August, 2014 approved the above appointment. The terms and conditions and remuneration is enumerated below :-

- (i) Basic Salary : Rs. 75,000/- (Rupees seventy five thousand only) per month with Annual increment of Rs. 10,000/- (Rupees ten thousand only) per month every year.
- (ii) Other Allowance : Rs. 75,000/- (Rupees seventy five thousand only) per month with Annual increment of Rs. 10,000/- (Rupees ten thousand only) per month every year.
- (iii) Reimbursement of Actual Medical Expenses incurred for self and family members shall be reimbursed, subject to ceiling of one month's basic salary.
- (iv) Leave Travel concession for self and family once in a year in accordance with the Rules of the Company.
- (v) Contribution towards Provident Fund, Pension and /or Superannuation Funds as per Rules of the Company.

- (vi) Gratuity not exceeding half month's salary for each completed year of service, subject to the ceiling as prescribed under the payment of Gratuity Act, 1972 as amended from time to time.
- (vii) Leave Encashment on expiry of service as per Rules of the Company.

Bio-Data of Mr. Srivrat Dhanuka :-

- (a) Date of Birth : 26th February, 1989.
- (b) Qualification : B.Sc.(Business Studies), The University of Lancaster, United Kingdom in 2010.
- (c) Experience : Four years.
- (d) Shareholding in the company : NIL

The proposed remuneration is comparable with remuneration drawn by peers which is necessitated due to complexities of business and diversified activities of the business of Sugar, Distillery, Country Liquor, Co-generation and Bio-Fertilisers.

Except Mr. O. P. Dhanuka and Mr. Pankaj Tibrawalla relative of Mr. Srivrat Dhanuka, no other Directors or Key Managerial Person of the Company are concerned or interested financially or otherwise in the aforesaid Special Resolution.

The Board of Directors recommends the special resolution for the approval of the shareholders.

Kolkata, 12th August, 2014

CIN : L15421WB1980PLC032970

By Order of the Board of Directors

Registered Office :
14, Netaji Subhas Road
Kolkata - 700 001

Shailendra Prasad
Company Secretary

Details of Directors Seeking Appointment / Re-appointment at the Annual General Meeting

Particulars	Mr. N. C. Majumdar	Mr. Suyash Borar	Mr. Sarad Jha	Mr. S. K. Goenka	Mr. Pankaj Tibrawalla
Date of Birth	10th January, 1950	19th October, 1962	10th November, 1954	10th December, 1950	31st January, 1975
Date of Appointment	15th July, 2011	22nd August, 2002	25th January, 2012	23rd June, 2003	24th January, 2000
Qualifications	B. Com (Hons), M. Com, CAIIB, Diploma in Investment Banking	Chartered Accountant	Chartered Accountant	B. Com., LLB.	Commerce Graduate, M.Sc. in Business Management at the Strathclyde Graduate Business School, Glasgow U.K.
Expertise in specific functional areas	Wide experience in domestic and Inter- national Banking, Re- tired as Assistant General Manager, Bank of India	Vast knowledge in Accounting, finance and Corporate Management	Vast knowledge in Accounting, finance and Corporate Management, Senior Partner in Vidya & Co., a Chartered Account- ants firm	Wide experience in Business Management	Wide business experience
Directorships held in other companies (excluding foreign companies)	—	—	<ul style="list-style-type: none"> • Kant & Co. Ltd. • Ganges Properties Ltd. • KPC Aqua Nick Pvt. Ltd. • Sai Jute Park Pvt. Ltd. • Gouksheer Farm Fresh Pvt. Ltd. • Chemgen Pharma International Pvt. Ltd. • Adrotec Information Systems Pvt. Ltd. • Novogreen Energy Solutions Consultancy Pvt. Ltd. • RKJ Realtors P. Ltd. • Cosmopolitan Investment Ltd. 	<ul style="list-style-type: none"> • Eastern Ganges Corp. P. Ltd. • O. P. Vaniya Ltd. • Paramount Stock & Share Broking Services Ltd. • Bharat Produce Co. Ltd. • Hanuman Supply Chain Pvt. Ltd. • Virmla Mercantile Pvt. Ltd. 	<ul style="list-style-type: none"> • Ramsarup Towers Ltd. • Accent Industries Ltd. • Mica Pvt. Ltd. • Invictus Infrastructure Pvt. Ltd. • Kejriwal Investment Co. Pvt. Ltd. • Lakeview Medicare Pvt. Ltd.
Memberships/ Chairmanships of committees of other companies (includes only Au- dit Committee and Shareholders/In- vestors Grievance Committee)	—	Audit Committee - Riga Sugar Co. Ltd.	Audit Committee (Chair- man) - Riga Sugar Co. Ltd. Shareholders/Investors Grievance Committee - Riga Sugar Co. Ltd.	Audit Committee - Riga Sugar Co. Ltd. Shareholders/Investors Grievance Committee - Riga Sugar Co. Ltd.	Shareholders/Investors Grievance Committee (Chairman) - Riga Sugar Co. Ltd.
No. of shares held in the Company	Nil	Nil	Nil	Nil	Nil